



Statement of Additional Information

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

This SAI is dated June 29, 2022

SPONSOR

Shriram Credit Company Limited
CIN: U65993TN1980PLC008215

Registered Office

Shriram House, No. 4, Burkit Road, T. Nagar, Chennai-600 017
Phone : 91-44-49052500, Fax : 91-44-49052696

TRUSTEE

Board of Trustees, Shriram Mutual Fund
Shriram House, No. 4, Burkit Road, T. Nagar, Chennai - 600 017
Phone : 91-44-49052500/2501, Fax : 91-44-49052696/97

INVESTMENT MANAGER

Shriram Asset Management Company Limited
CIN: L65991MH1994PLC079874

Registered Office

217, 2nd Floor, Swastik Chambers, Near Junction of S.T. & C.S.T. Road,
Chembur, Mumbai - 400 071, India

Administrative HO

CK-6, 2nd Floor, Sector II, Salt Lake City, Kolkata - 700 091
Phone: 91-33-23373012, Fax 91-33-23373014
Email ID: info@shriramamc.in, Website: www.shriramamc.in

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I. INFORMATION ABOUT SPONSOR, AMC AND BOARD OF TRUSTEES

A. Constitution of the Mutual Fund

Shriram Mutual Fund ("the Mutual Fund" or "the Fund" or "the MF") 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 May 27, 1994 as amended from time to time. The said Trust deed has been duly registered under the Indian Registration Act, 1908. The Fund was registered with SEBI vide registration number MF/017/94/4 dated November 21, 1994. 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.

B. Sponsor

Shriram Mutual Fund is sponsored by Shriram Credit Company Ltd (SCCL). The sponsor is the settler of the Mutual Fund Trust. The sponsor has entrusted a sum of Rs. 1 Lakh to the Trustees as its contribution towards the corpus of the Mutual Fund. SCCL is a non-banking finance company registered with RBI and engaged in the business lending activities was established in the year 1980. The main object is to, lend money on securities, undertake and carry on business of financing hire purchase contracts on either fixed or movable property, to deal with bills of exchange, shares, bonds, debentures and to exercise all rights in respect of lease and mortgages.

Share Holding Pattern of Shriram Credit Company Limited as on March 31, 2022:

Sr. No.	Name	Number of Shares Held
EQUITY		
1.	Shriram Capital Limited	24061859
2.	Others	1,270
	Total Equity	24063129
PREFERENCE		
1	Shriram Capital Limited	24000000
	Total Preference	24000000

Financial Performance of the Sponsor (past three years) :

Particular	31-03-2022	31-03-2021	31-03-2020
Net Worth	1,218,518,013	1,217,769,697	1,208,700,656
Total Income	49,169,934	50,376,639	49,138,917
Profit after tax	747,589	9,069,040	4,046,354
Assets under Management	1,639,612,253	1,690,995,280	1,210,712,906

C. The Trustee

Shriram Board of Trustees ("the Trustee") shall discharge its obligations as Trustees of the Shriram Mutual Fund. The Trustee ensures that the transactions entered into by Shriram Asset Management Company Limited (AMC), are in accordance with the SEBI (Mutual Fund) Regulations, 1996. ("Regulations") and will also review the activities carried on by the AMC.

Details of the Trustees on the Board of Trustees :

Name	Age	Qualification	Brief Experience
Mr. S. Krishnamurthy; Chairman - Board of Trustees	83 Years	B.A., MLS, CAIIB, P.G., Diploma in P/M & IR, BGL	Mr. S. Krishnamurthy is a Senior Banker with extensive experience of over four decades with The Reserve Bank of India and Commercial Banks. He served as General Manager (Vigilance & Inspection/ Audit) in Indian Overseas Bank, Chennai for five Years. He was also the Chairman and CEO of Tamilnad Mercantile Bank Ltd, Tuticorin, for over five years. He had held the post of Banking Ombudsman about two years. He is presently on the Board of other corporate companies as Director.
Mr. Ramamirtham Thiagarajan (Independent)	60 Years	B.Com, F.C.A, F.C.S	Mr. Ramamirtham Thiagarajan holds a Bachelor's Degree in Commerce. He is also a qualified Chartered Accountant and a Company Secretary and is a fellow member of the Institute of Chartered Accountants of India and a fellow member of the Institute of Company Secretaries of India. He had the privilege of holding a senior position in a corporate company for a decade and thereafter in practice as a chartered accountant for more than 26 years. Mr. Thiagarajan has an overall experience of more than 37 years in his professional career. He has been advising on Tax, Company Law and other legal matters to many corporates. He is also a member on the Board of other companies as Director.
Dr. Qudisia Gandhi (Independent)	71 Years	M.A. (Madras University) and M.A. (Manchester University, UK)	Dr. Qudisia Gandhi is a retired IAS Officer. Dr. Gandhi has worked in senior positions with various organizations like Tamil Nadu Power Finance Corporation, Tamil Nadu Overseas Manpower Corporation. as Chairman, Managing Director and as Addl. Chief Secretary/CMD respectively. She was awarded the best woman IAS officer for the year 2009-10. Adjudged, International Woman of the year in the field of education by the International Women's Organization. She holds an Honorary Doctorate in Divinity by Gurukul University for her contribution to betterment of society. She is on the Boards of other companies as Director.
Mr. Mani Sridhar (Independent)	61 Years	M.Com (Madras University)	Mr. Mani Sridhar is an M.Com from Madras University. He has an overall experience of 32 years in finance and financial services field. Mr. Sridhar was associated with Madras Stock Exchange Limited as a registered member and performed various financial activities viz. stock broking, investment advisory services etc. Presently, Mr. Sridhar is on the Board of Turnbills Investment Consultancy (P) Ltd. and has been handling various key functions like investment advisory services to Corporate, High Network individuals, Private placement of unlisted and start-up companies, Loan syndication etc.

RIGHTS, OBLIGATIONS, RESPONSIBILITIES AND DUTIES OF THE TRUSTEES :

Pursuant to the Trust Deed dated - May 27, 1994 (as amended from time to time) constituting the Mutual Fund and in terms of the Regulations, the rights, obligations, responsibilities and duties of the Trustees 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 :
 - i. Systems in place for its back office, dealing room and accounting;
 - ii. 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;
 - iii. Appointed auditors to audit the accounts of the Schemes;
 - iv. 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.
 - v. Appointed registrars and laid down parameters for their supervision and periodical inspections;
 - vi. 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;
 - vii. Specified norms for empanelment of brokers and marketing agents.
 - viii. 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 shall 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 shall file details of his transactions in securities (above Rs. 1 Lakh per transaction) with the Mutual Fund 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. Trustee is required to take steps to ensure that transactions of the Fund are in accordance with provisions of the Trust Deed.
12. 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 :
 - i. When the Trustee is required to do so by SEBI in the interest of the Unitholders of that Scheme, or
 - ii. Upon a requisition made by three-fourths of the Unitholders of any Scheme under the Fund for that Scheme, or
 - iii. 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,
 - i. a written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the mutual fund is situated; and
 - ii. The Unitholders are given an option 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.
- a17. The Trustee is required to review quarterly, the net worth of the AMC and in case of any shortfall ensure that the AMC makes up for the shortfall as per clause (f) of sub regulation (1) of Regulation 21 of the Regulations.
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 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 :
 - i. a report on the activities of the Fund;
 - ii. a certificate stating that the Trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of any of the trustees, directors and key personnel of the AMC;
 - iii. 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 Regulations 24, sub regulation (2) 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 Trustees referred to in sub-regulation (5) of Regulation 16 shall give their comments on the report received from the AMC regarding the investments by the Mutual Fund in the securities of group companies of the Sponsor.
25. **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 Trustees shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such 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 :**
 1. The Trustee shall :
 - i. Obtain internal / concurrent audit reports at regular intervals from independent auditors appointed by the Trustee.
 - ii. Obtain compliance certificates at regular intervals from the AMC.
 - iii. Hold meeting of Trustees more frequently and at least six such meetings shall be held in every year.

- iv. Consider the reports of the independent auditor and compliance reports of the AMC at the meetings of the Trustee for appropriate action.
 - v. Maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings.
 - vi. Prescribe and adhere to the code of ethics by the Trustees, AMC and its personnel.
 - vii. Communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.
26. Notwithstanding anything contained under paras (1) to (25) as mentioned above, 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 Board of Trustees shall pay specific attention to the following, as may be applicable, namely:
- i. The Investment Management Agreement and the compensation paid under the agreement.
 - ii. Service contracts with affiliates; whether the AMC has charged higher fees than most contractors for the same services.
 - iii. Selection of the AMC's independent Directors.
- iv. Securities transactions involving affiliates to the extent such transactions are permitted.
 - v. Selecting and nominating individuals to fill independent directors' vacancies.
 - vi. Ensure that the Code of Ethics is designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
 - vii. Ensure the reasonableness of fees paid to Sponsor, the AMC and any others for services provided.
 - viii. Review principal underwriting contracts and their renewals.
 - ix. Review any service contract with the associates of the AMC.

Supervisory role of the Trustee :

During the FY 2021-22, 6 meetings of the Board of Trustees were held. The Trustee's supervisory role would be 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 Bi-monthly, Quarterly and Half-Yearly compliance reports. Further, an Audit Committee of the Trustee would be set up which reviews reports being submitted by the Internal Auditors of the Fund.

D. Asset Management Company ("AMC") :

Shriram Asset Management Company Limited, a company incorporated under the Companies Act, 1956 on July 27 1994, having its Registered Office at Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 is the Asset Management Company of Shriram Mutual Fund. It had been appointed as the Investment Managers of the Mutual Fund vide an Investment Management Agreement, dated - September 16, 1994 and as amended from time to time and executed between the Shriram Board of Trustees and Shriram Asset Management Company.

Shareholding pattern of the AMC :#

Sr. No.	Name of Shareholder	No. of shareholders	Details of Shares held	
			No. of Shares held	As a % of Grand Total
A	Shareholding of Promoter and Promoter Group			
	Shriram Credit Company Limited	1	4120010	68.67
	Total shareholding of Promoter and Promoter Group	1	4120010	68.67
B	Public Shareholding Institutions	—	—	—
	Central Government/State Government(s)/President of India	1	3200	0.05
	Non-Institutions Individuals			
	Individual holding nominal share capital up to Rs. 2 lacs	1289	682176	11.37
	Individual holding nominal share capital in excess of Rs. 2 lacs	10	1021262	17.02
	Any Others (Specify)			
	Clearing Members	15	31652	0.53
	Non Resident Indians	6	2477	0.04
	HUF	33	46318	0.77
	Bodies Corporate	17	64458	1.07
LLP	4	28447	0.47	
	Total Public shareholding (B)	1375	1879990	31.33
	Total (A)+(B)	1375	6000000	100.00

As on 31st March, 2022

Note: The proposed allotment of the Compulsorily Convertible Preference Shares, Compulsory Convertible Debentures and Convertible Share Warrants (collectively, "Subscription Securities"), as mentioned in our Notice dated May 23, 2022 published on May 24, 2022 on the proposed preferential issue by Shriram Asset Management Company Limited ("SAMCL") leading to acquisition of control [as defined in the SEBI (Mutual Funds) Regulations, 1996] by Mission1 Investments LLC ("Mission1") in SAMCL, the asset management company ("AMC") of Shriram Mutual Fund, without change in the sponsor, has been completed on May 27, 2022, in compliance with applicable law. The details of allotment are set out below:

Sr. No.	Name of the allottees	Type of Securities	No. of Securities	Face Value of Securities (in Rs.)	Amount (in Rs.)
1.	Shriram Credit Company Limited ("SCCL")	Compulsorily Convertible Preference Shares ("CCPS")	50,00,00,000	1	50,00,00,000/-
2.	Mission1	Compulsorily Convertible Debentures ("CCDs")	18,800	10,000	18,80,00,000/-
3.	Mission1	Convertible Share Warrants ("Warrants")	14,81,885	124.30	18,41,98,305.50/-**
Total					87,21,98,305.50/-

* Subscription Securities i.e. CCPS, CCDs and Warrants will be converted to equity shares of the AMC simultaneously either (a) at the expiry of 18 months from the date of issuance of the Subscription Securities; or (b) SCCL and Mission1 electing to convert all the Subscription Securities into conversion shares by issuing a conversion notice to the AMC, whichever is earlier.

** Rs. 4,60,49,576.38 (i.e., 25% of the total subscription amount of the Warrants) has been paid upfront, and the remaining Rs.13,81,48,729.12 (i.e. 75% of the total subscription amount of the Warrants) will be paid at the time of exercise of option.

Detail of the Directors of the Asset Management Company :

Name	Age	Qualification	Brief Experience
Mr. Ramamurthy Vaidyanathan - Independent - (Chairman)	70 Years	BSC Statistics - Loyola College Madras, M Stat-Indian Statistical Institute, Doctorate in Management - IIM Calcutta	Mr. Ramamurthy Vaidyanathan is two times Fulbright scholar and a Fellow of ICSSR-Visiting Faculty at various universities in USA/UK, he has been selected by Business today as one of the ten best professors at all IIMS. He has the rare privilege of being in various committees of regulators like SEBI/RBI/IRDA/PFRDA. He is consultant to many organizations and is on the Board of many Corporates. He has been conferred Life Contribution award by Asia Pacific Risk and Insurance Association [APRIA] and KYBO LIFE in 2019. He is on the Advisory council of Vivekananda International Foundation [VA]. He was a member of "National Security Advisory Board" under National Security Council [2019/20]. Currently he is Cho Ramaswamy Chair Professor in Public Policy at Sastra University Tanjore-Tamil Nadu and Emeritus Adjunct professor of Rashtriya Raksha University [RRU] an institution of national importance at Ahmedabad.
Mrs. Subhasri Sriram-Associate	53 Years	M.Com, FCMA, FCS, PG Diploma in System Management, PG Diploma in Cyber Laws	Mrs. Subhasri Sriram has nearly 3 decades of professional experience including 24 years in Shriram Group's Finance Services business. She held the position of CFO for 18 years in listed companies viz as Executive Director and CFO of Shriram City Union Finance Ltd (SCUF) for 15 years and as Executive Director and CFO of Take Solutions Ltd for 3 years. She has handled many critical assignments related to implementing new organization structures, improving business processes, raising several rounds of equity from marquee investors across globe and raising external commercial borrowings. During her tenure in SCUF, she has contributed mainly to raise debt funds for the development and growth of the Company. In her stint in Take, she has completed \$50 million fund raising, preferential allotment at the listed entity, sale of supply chain vertical and re-positioned the company as unique player in life science space in the Indian Capital Market. She has won the "Best Performing CFO in the NBFC Sector" for 2013 at the 8 th edition of the awards instituted by as a leading business television channel CNBC TV 18 and in 2016 she was also chosen as one of the most influential CFOs in India by CIMA. She is a Director in Jaikirti Management Consultancy Private Limited, Shriram Overseas Investments Private Limited, Shriram Seva Sankalp Foundation, Iserveu Technology Private Limited, TVS Electronics Limited, Niyogin Fintech Limited, Shriram Investment Holdings Limited and Shriram Wealth Limited.
Mr. Dhruv Lalit Mehta- Associate	61 Years	A.C.A, AICWA	He has overall experience of 34 years in field of finance and financial services field and an independent financial advisor for over 17 years. He is a member on the Boards of other companies as Director.
Mrs. Jayashree Mahesh - Independent	57 Years	BE (ECE) from College of Engineering, Guindy, Anna University, Chennai and PGDM (IIM - Bangalore)	A management professional with over 32 Years of rich experience in the areas of Financial Modeling, Project and Corporate Finance. She was associated with ICICI Limited from 1991 to 2001. Thereafter, she worked with ICICI Bank Limited as Chief Manager from the year 2001 to 2006. Currently she is working with Proactive Solutech (India) Private Limited as a part time consultant; financial modeling, equity valuation and risk management forming the core areas of her consultancy. She works closely with NBFCs and is familiar with regulatory developments in the NBFC and micro-finance space.
Mr. Marc Scott Irizarry - Independent (Additional Director)	48 Years	B.S. (Cornell University)	Mr. Marc is the Founder of MSI, a strategic consulting and advisory service delivering strategic advisory, consulting, and capital solutions to Traditional, Alternative Asset, and Wealth Management firms. MSI offers highly customized, objective advice to a highly selective group of clients seeking organic growth across geographies, products, distribution channels, and inorganically via M&A and strategic partnerships. MSI also delivers, via a strong network of third-party relationships, strategic capital solutions, including advising on important capital structure decisions for GP/management companies. Prior to founding MSI in 2020, He joined fellow Goldman Sachs alumni in the successful launch of Chiron Investment management, a de novo asset management business specializing in global asset allocation and quantamental investing. Mr. Marc currently sits on the Investment Committee of a Bergen County's YJCC.
Mr. Gaurav Makarand Patankar - Associate (Additional Director)	44 Years	BE (Electronics and Telecommunications), M.B.A. in Finance and Strategy, Ph.D. in Social and Political Sciences	Mr. Gaurav is an institutional investment professional focussed on emerging markets, alternatives and impact investing. He is co-founder of Niyogin. He is a firm believer that the democratization and digitization of the Indian SME sector is the single biggest transformational opportunity within the Indian markets. Over his 22 years career, Mr. Gaurav has led investment and research teams at large institutional platforms such as Bloomberg, Bank Of America, BNY Mellon, Lockheed Martin, Citi, Millennium Partners and M&T Bank. Prior to his investment career, Mr. Gaurav co-founded Information Interface India Private Limited (Promoter of Niyogin).

Duties and obligations of 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 :

1. 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;

2. To keep the moneys belonging to the Trust with scheduled banks and Custodians as it may deem fit;
3. To issue, sell and purchase Units under any Scheme;
4. To repurchase the Units that are offered for repurchase and hold, reissue or cancel them;
5. 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;

6. 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;
7. To make and give receipts, releases and other discharges for money payable to the Trust and for the claims and demands of the Trust;
8. To get the Units under any Scheme listed on any one or more stock exchanges in India or abroad;
9. To open one or more bank accounts for the purposes of the Fund, to deposit and withdraw money and fully operate the same;
10. 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;
11. 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 Shriram Mutual Fund in any manner or in relation to any Scheme of Shriram 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 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.
4. The asset management company shall submit to the trustees quarterly reports of each year on its activities and the compliance with these regulations
5. 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.

6. 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

(6A) The Chief Executive Officer (whatever his designation may be) of the asset management company shall ensure that the mutual fund complies with all the provisions of the 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. Explanation: For the purpose of this sub-regulation, the words of these regulations shall mean and include the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.

(6B) The fund manager (whatever the designation may be) 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.

7. 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.
8. 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) 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.
9. 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.
10. 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 the Board, as and when required by the Board.
 11. 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.
 12. 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.
 13. The asset management company shall file with the trustees and the Board :
 - a. detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment; and
 - b. Any change in the interests of directors every six months.
 - 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.
 14. 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 the Board.
 15. 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.
 16. 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.
 17. The asset management company shall abide by Code of Conduct specified in the Fifth Schedule.
 18. The Managing Director of the AMC shall ensure that the Mutual Fund complies with all the provisions of SEBI (MF) Regulations, 1996 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 unitholders and shall also be responsible for the overall risk management function of the Mutual fund.
 19. (1) The AMC for each scheme shall keep and maintain proper books of account, records and documents, for each scheme so as to explain its transactions and to disclose at any point of time the financial position of each scheme and in particular give a true and fair view of the state of affairs of the Fund and intimate to the SEBI the place where such books of account, records and documents are maintained.
(2) The AMC shall maintain and preserve for a period of eight years its books of account, records and documents.

Investment Decisions :

The Investment Committee comprising Fund Manager(s) - Equities (for equity related matters), Fund Manager(s) - Debt (for debt related matters) and Chief Compliance Officer will inter alia lay down the fund's investment philosophy, policy and processes / procedures, review the performance / portfolios of the Schemes, monitor the credit ratings of debt exposures, etc.

Fund Manager(s) shall be responsible for taking investment / divestment decisions for their respective scheme(s) and for adhering to the Fund's investment philosophy, policy and processes / procedures. Investment decisions shall be recorded by the respective Fund Manager(s) along with reasons for the same. Research reports, both internal and external, covering inter alia factors like business outlook, financial analysis, valuation, etc. shall assist the Fund Manager(s) in the decision-making.

The Fund Manager(s) and the Investment Committee report to the Managing Director. Investment decisions are taken by the fund manager(s) of the respective scheme(s) and the Managing Director does not play any role in the day-to-day investment decisions. The Chief Executive Officer of the AMC shall inter-alia ensure that the investments made by the fund managers are in the interest of the Unit holders. The Fund Manager shall ensure that the funds of the Scheme(s) are invested in line with the investment objective of the Scheme(s) and in the interest of the Unit holders.

Performance of the Schemes will be tabled before the boards of the AMC and the Trustee respectively at periodic intervals as specified under the Regulations. Performance of the Schemes vis-à-vis their respective benchmark indices will be periodically monitored by the boards of the Trustee and the AMC. Tracking error risk shall be monitored by the board. Further, the Boards of the Trustee and the AMC will also review the performance of the Schemes in the light of performance of the mutual fund industry.

Information on Key Personnel of the Asset Management Company :

Name	Designation	Age	Qualification	Brief Experience
Mr. Rohit Kumar Chawda	Chief Operating Officer	54 Years	B.Com.	Mr. Rohit Kumar Chawda has over all 28 years of experience in the field of Financial Services and Accounts. He has managed the overall operations of the Asset Management Companies (MF AMCs) with Specific skill set for Registrar and Transfer Agents Operations and its Compliance, Complete Operations of Investment Management Processes and its compliance, Investor Servicing, Technology, Administration and HR Functions of the Fund.
Mr. Kartik Soral	Senior Fund Manager	38 Years	Graduate in Chemical Engineering (IIT-BHU, Varanasi), PGDM (IIM Ahmedabad), CFA charter holder.	Mr. Kartik Soral has an experience of over 13 years in his professional career. Mr. Kartik has worked as a Fund Manager with YES Asset Management Limited and Edelweiss Asset Management Limited. Earlier, he has been part of the Corporate Finance team at Larsen & Toubro Limited and Global Equity Derivatives team at the Deutsche Bank group.
Ms. Gargi Bhattacharyya Banerjee	Fund Manager	43 Years	MBM, B.Sc	Mr. Gargi Bhattacharyya Banerjee has an experience of over 21 years in her professional career. She joined as Research Manager in Shriram Asset Management Company Limited in November 2012. Prior to joining Shriram Asset Management Company Limited, she has held the key positions (Research Head) with Zacks Research Private Limited and Shriram Insight Share Brokers Limited
Ms. Chandana Dutt	Chief Financial Officer	52 Years	B. COM, A.C.A, Diploma in Business Finance (ICFAI)	Ms. Chandana Dutt has an overall experience of 24 years in her professional career. She had worked for 7.3 years with Shriram Insight Share Brokers Limited (A Shriram Group Co) wherein she had served as Manager Corporate Accounts and supervised day to day accounts operation of the Dept., finalisation of accounts, statutory & internal audits, statutory payments & returns, tax assessments. In addition she has handled the financials & taxation issues of Insight Commodities & Futures Pvt. Limited. Prior to joining Shriram group, she was associated with Rabindranath Tagore International Institute of Cardiac Sciences (Unit of Narayana Hridayalaya) for 2.6 years as Senior Finance Executive.
Mr. Chandur H. Bhaya	Head-Sales	63 Years	MMS, M.Sc	Mr. Chandur H. Bhaya serves as the Head-Sales of Shriram Mutual Fund, having an experience of around 41 years in his professional career. Mr. Chandur received his undergraduate degree, followed by a Master's degree, from Bombay University. He had held various key positions in organisations like IFAN Finserv Pvt. Ltd., Citigroup Global Markets India Pvt. Ltd., MetLife India Insurance Co. Pvt. Ltd., JM Financial Asset Management Pvt. Ltd., HDFC Securities Ltd., etc.
Mr. Tanmoy Sengupta	Head of Operations & Investor Relations Officer	47 Years	M.COM. AICWA	Mr. Tanmoy Sengupta has an overall experience of more than 20 years in his professional career. He worked for 6.5 years with Shriram Insight Share Brokers Limited (A Shriram Group Co) wherein he had served as an Assistant Compliance Officer and handled various functions of Designing & developing IT controls within a regulatory framework, maintenance of Transactional Regulatory reportings, client trade reportings etc. He has been associated with Shriram Asset Management Company Limited for more than 10 years.
Ms. Sneha Jaiswal	Compliance Officer	34 Years	B.Com(H), ACS	Ms. Sneha Jaiswal has an overall experience of over 10 years in her professional carrier. She has been associated with Shriram Group since October 2011, initially serving in the secretarial & compliance department of Shriram Insight Share Brokers Limited (SISBL) where she monitored the secretarial compliance and compliance w.r.t Broking, DP, PMS activities. Later on she got appointed as the Principal & Compliance Officer of RTA department of SISBL where she was made responsible for monitoring the compliance with respect to Registrar to Issue & Transfer Agent activities and handling investors related issues. She has been associated with Shriram Asset Management Company Limited since 2015.
Ms. Reena Yadav	Company Secretary	42 Years	B.COM. C.S.	Ms. Reena Yadav has an overall experience of 19 years in her professional career. She was Asst. Company Secretary in Shriram Transport Finance Company Ltd. in 2007 and later on controlling the secretarial activities of Shriram Asset Management Company from 2008 to 2011. During the first half of 2012 she was associated with Reliance Industries Ltd. She has re-joined Shriram Asset Management Company in August 2012 as Company Secretary.
Mr. Nitin Sahay	Chief Risk Officer	42 Years	M.Sc (Statistics) (Banaras Hindu University, Varanasi)	Mr. Nitin Sahay has an overall experience of 16 years in various domains like Equity Research, Financial Modeling, Technical Analysis, Data Analysis, Risk, Operations and Client Servicing in his professional career. He has been associated with Shriram Group since December 2005. He worked for 16 years with Shriram Insight Share Brokers Limited wherein he held various roles such as Assistant Manager, Research Executive, Area In-charge, Branch In-charge.
Mr. Surjeet Kumar Singh	Dealer	39 Years	B.COM. C.A(Inter)	Mr. Surjeet Kumar Singh joined Shriram Insight Share Brokers Ltd. in 2009, starting his career as an officer in Risk & Surveillance, and later on to financial product development. He has been associated with Shriram Asset Management Company Ltd. since 2012

Mr. Nishant Kumar Mishra	Dealer	41 Years	B. Sc.	Mr. Nishant Kumar Mishra initially joined Shriram Insight Share Brokers Ltd. in 2008, where he managed the overall back office operations including dealing in equity & derivatives on behalf of clients. He has been associated with Shriram Asset Management Company Ltd. since 2012
Mr. Mritunjay Kumar Singh	Dealer	36 Years	B.Com	Mr. Mritunjay Kumar Singh has more than 16 years experience in his professional career. He initially joined Shriram Insight Share Brokers Ltd. in 2005, where he managed the overall back office operations. He has been associated with Shriram Asset Management Company Ltd. since 2019

E. Service providers :

Custodian & Fund Accountant :

Stock Holding Corporation of India Limited having Registered Office at 301, Center Point, Dr. B. Ambedkar Road, Parel, Mumbai – 400012 has been appointed as Custodian and Fund Accountant for all the Schemes of Shriram Mutual Fund. The custodian has been registered with SEBI and has been awarded registration No. IN/CUS/11 dated August 17, 1998. The trustees have entered into a Custodian Agreement dated 17th July, 2015 with the Custodian and the salient features of the said Agreement are:

- Provide post-trading and custodial services to the Mutual Fund.
- Ensure benefits due on the holdings are received.
- Provide detailed management information and other reports as required by the AMC.
- Maintain confidentiality of the transactions.
- 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.
- Segregate assets of each Scheme.
- 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.
- 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)

New No. 10, Old No. 178, M. G. R. Salai, Nungambakkam, Chennai - 600 034
The Registrar is registered with SEBI under registration No: INR000002813 dated July 22, 1995. As Registrar to the Scheme, CAMS will inter alia handle 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 :

M/s. CHOKSHI & CHOKSHI LLP

Chartered Accountants
15/17, Raghavji 'B' Bldg, Ground Floor, Gowalia Tank, Off Kempas Corner, Mumbai 400 036, India

Legal counsel :

There are no retained legal counsels to the Mutual Fund or AMC. The AMC employs renowned legal counsel, on a need based basis.

Collecting Bankers :

IDBI Bank Limited

IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400 005
SEBI Reg No: INBI00000076

HDFC Bank Ltd.

Lodha - I Think Techno Campus, Building - Alpha, 3rd Floor,
Next to Kanjur Marg Railway Station, Kanjur Marg (East),
Mumbai - 400042,
SEBI Reg No: INBI00000063

Appointment of MFCentral as Official Point of Acceptance

Based on the SEBI circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/604 dated July 26, 2021, to comply with the requirements of RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions / service requests, the QRTA's, KFin Technologies Private Limited (KFintech) and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral – A digital platform for Mutual Fund investors.

MFCentral is created with an intent to be a one stop portal / mobile app for all Mutual fund investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital / phygital services to Mutual fund investors across fund houses subject to applicable T&Cs of the Platform. MFCentral will be enabling various features and services in a phased manner. MFCentral may be accessed using a website and a Mobile App in future.

With a view to comply with all provisions of the aforesaid circular and to increase digital penetration of Mutual funds, Shriram Mutual Fund has designated MFCentral as its Official point of acceptance (DISC – Designated investor Service Centre) w.e.f. 23rd September 2021.

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.

F. Condensed Financial Information :

(For all the schemes launched by the MF during the last three fiscal years, excluding the redeemed schemes)

Shriram Hybrid Equity Fund	FY-2021-22	FY-2020-21	FY-2019-20
Date of Allotment	29-NOV-2013		
NAV at the beginning of the period/ Year (Rs.)			
Regular Plan- Growth Option	20.2991	14.3442	16.8884
Regular Plan -IDCW Option	16.2271	11.4671	13.5013
Direct Plan-Growth Option	21.7017	15.1040	17.5130
Direct Plan-IDCW Option	17.2183	11.9879	13.9033
Dividend (Rs.)			
Regular Plan IDCW Option	0.00	0.00	0.00
Direct Plan-IDCW Option	0.00	0.00	0.00
NAV at the end of the period/ Year (Rs.)			
Regular Plan- Growth Option	22.7361	20.2991	14.3442
Regular Plan -IDCW Option	18.1752	16.2271	11.4671
Direct Plan-Growth Option	24.6766	21.7017	15.1040
Direct Plan-IDCW Option	19.5712	17.2183	11.9879
Annualised return from the date of allotment till the end of the year (%)			
Regular Plan-Growth Option	10.35	10.13	5.86
Direct Plan-Growth Option	11.44	11.13	6.72
Bench Mark Indices (Annualised Return %)	13.76	13.56	8.71
Benchmark	CRISIL Hybrid 35+65 - Aggressive Index		
Net Assets at the end of period (Rs. Crs.)	60.69	58.24	48.09
Total Recurring Expenses to net assets (Annualised) (%)	1.92	1.95	1.91

IDCW Option=Income Distribution cum Capital Withdrawal Option

Shriram Flexi Cap Fund	FY-2021-22	FY-2020-21	FY-2019-20
Date of Allotment	28-SEP-2018		
NAV at the beginning of the period/ Year (Rs.)			
Regular Plan- Growth Option	12.5005	8.2478	10.5983
Regular Plan -IDCW Option	12.4969	8.2476	10.5983
Direct Plan-Growth Option	15.3175	13.0808	10.6909
Direct Plan-IDCW Option	13.0342	8.4562	10.6742
Dividend (Rs.)			
Regular Plan IDCW Option	0.00	0.00	0.00
Direct Plan-IDCW Option	0.00	0.00	0.00
NAV at the end of the period/ Year (Rs.)			
Regular Plan- Growth Option	14.3728	12.5005	8.2478
Regular Plan -IDCW Option	14.3684	12.4969	8.2476
Direct Plan-Growth Option	15.3175	13.0808	8.4776
Direct Plan-IDCW Option	15.2468	13.0342	8.4562
Annualised return from the date of allotment till the end of the year (%)			
Regular Plan-Growth Option	10.90	9.31	-12.00
Direct Plan-Growth Option	12.93	11.31	-10.38
Bench Mark Indices (Annualised Return %)	16.26	13.93	-15.13
Benchmark	NIFTY 500 TRI value		
Net Assets at the end of period (Rs. Crs.)	65.15	63.08	43.59
Total Recurring Expenses to net assets (Annualised) (%)	2.36	2.34	2.40

IDCW Option=Income Distribution cum Capital Withdrawal Option

Shriram Long Term Equity Fund	FY-2021-22	FY-2020-21	FY-2019-20
Date of Allotment	25-JAN-2019		
NAV at the beginning of the period / Year (Rs.)			
Regular Plan- Growth Option	13.1037	8.8670	10.4779
Regular Plan -IDCW Option	13.0958	8.8622	10.4779
Direct Plan-Growth Option	13.6690	9.0795	10.5144
Direct Plan-IDCW Option	13.6327	9.0649	10.5109
Dividend (Rs.)			
Regular Plan IDCW Option	0.00	0.00	0.00
Direct Plan-IDCW Option	0.00	0.00	0.00
NAV at the end of the period/ Year (Rs.)			
Regular Plan- Growth Option	15.1012	13.1037	8.8670
Regular Plan -IDCW Option	15.0922	13.0958	8.8622
Direct Plan-Growth Option	16.0379	13.6690	9.0795
Direct Plan-IDCW Option	15.9812	13.6327	9.0649
Annualised return from the date of allotment till the end of the year (%)			
Regular Plan-Growth Option	13.84	13.20	-9.68
Direct Plan-Growth Option	16.01	15.41	-7.85
Bench Mark Indices (Annualised Return %)	18.49	16.79	-18.10
Benchmark	NIFTY 500 TRI value		
Net Assets at the end of period (Rs. Crs.)	43.00	36.56	20.42
Total Recurring Expenses to net assets (Annualised) (%)	2.24	2.29	2.36

IDCW Option=Income Distribution cum Capital Withdrawal Option

Shriram Balanced Advantage Fund	FY-2021-22	FY-2020-21	FY-2019-20
Date of Allotment	05-JUL-2019		
NAV at the beginning of the period / Year (Rs.)			
Regular Plan- Growth Option	12.0189	9.3907	*10.0056
Regular Plan -IDCW Option	12.0193	9.3907	*10.0056
Direct Plan-Growth Option	12.4424	9.5388	*10.0097
Direct Plan-IDCW Option	12.4199	9.5314	*10.0094
Dividend (Rs.)			
Regular Plan IDCW Option	0.00	0.00	0.00
Direct Plan-IDCW Option	0.00	0.00	0.00
NAV at the end of the period/ Year (Rs.)			
Regular Plan- Growth Option	12.8913	12.0189	9.3907
Regular Plan -IDCW Option	12.8920	12.0193	9.3907
Direct Plan-Growth Option	13.5933	12.4424	9.5388
Direct Plan-IDCW Option	13.5545	12.4199	9.5314
Annualised return from the date of allotment till the end of the year (%)			
Regular Plan-Growth Option	9.71	11.15	*-6.09
Direct Plan-Growth Option	11.86	13.38	*-4.61
Bench Mark Indices (Annualised Return %)	13.03	13.25	*-10.26
Benchmark	NIFTY 50 Hybrid Composite Debt 50:50 Index		
Net Assets at the end of period (Rs. Crs.)	49.38	46.45	37.46
Total Recurring Expenses to net assets (Annualised) (%)	2.30	2.36	2.07

*As on 12-07-2019-First NAV Opening Date

Absolute return from the date of allotment till the end of the year (%)

IDCW Option=Income Distribution cum Capital Withdrawal Option

II. HOW TO APPLY?

Application form for transactions (including subscription / redemption / switches) in the schemes of Shriram Mutual Fund would be available at the offices of Registrar, official point of acceptance of transactions, at the corporate office and Administrative Head Office of the AMC and / or the offices of the distributors.

Applications complete in all respects, may be submitted before closure of the New Fund Offer Period / during the on-going offer at specified centres / during the business hours at the Official point of acceptance of transactions, or may be sent by mail to the Registrar, Computer Age Management Services Pvt. Ltd, New No.10, Old No. 178, M.G.R. Salai, Nungambakkam, Chennai - 600 034 or at Shriram Asset Management Co. Ltd., CK - 6, 2nd Floor, Sector II, Salt Lake City, Kolkata - 700091. The AMC reserves the right to reject transaction requests which do not have adequate information. Kindly retain the acknowledgment slip initials / stamped by the collecting entity.

Investors may note and follow the below-mentioned directions while applying for the units of the schemes of Shriram 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 near the new broker code, before submitting the application form / transaction form / purchase form at the applicable 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 / OPA. Decision of the Registrar/AMC in this regard shall be final and acceptable to all.
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. The website is www.shriramamc.com

The Mutual Fund need to 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 ECS 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.

Investors will be provided ASBA facility for all NFO launched on or after October 01, 2010. 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 physically or electronically through the internet banking facility, to the 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. 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.

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 certain terms and conditions as stipulated 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. and that the Investor's request to the Mutual Fund to act on any fax / electronic transaction is for the investor's convenience and the investor shall not be obliged or bound to act on the same. 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 Investor agrees that the security procedures adopted by the Mutual Fund may include signature verification, telephone call backs or a combination of the same.

Call backs 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. 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. In consideration of the mutual fund from time to time accepting and acting on any fax / electronic transaction request received /believed to be received from the investor, the investor agrees to indemnify and keep indemnified the AMC, Shriram 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.

Investors are requested to note that in accordance with AMFI Best Practice Guidelines Circular No. 48/2014 - 15 dated June 24, 2014, effective July 15, 2014, if the Scheme name on the application form/transaction slip and on the payment instrument are different, the application shall be processed and units allotted at applicable NAV of the scheme mentioned in the application/transaction slip duly signed by investor(s), given that the same constitutes a valid legal document between the investor and the AMC. The AMC thereafter shall not be responsible for any loss suffered by the investor due to the discrepancy in the scheme name mentioned in the application form/transaction slip and payment instrument.

A. Restriction on Acceptance of Third Party Payments for Subscription of Units

1. Shriram Asset Management Co. Ltd ("AMC")/ Shriram Mutual Fund ("Mutual Fund"), shall not accept applications for subscriptions of units accompanied with Third Party Payments from the Effective Date except in cases as enumerated in para 2A 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.

2. **A.** As referred to in para 1 above, following are the exceptional cases where third party payments will be accepted subject to submission of requisite documentation/declarations.

- i) Payment by Parents/Grand-Parents/Related Persons* on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000 for each regular purchase or per SIP instalment. However, this restriction will not be applicable for payment made by a guardian whose name is registered in the records of mutual fund in that folio.
- ii) Payment by Employer on behalf of employee under Systematic Investment Plans or Lump sum/ one-time subscription, through payroll deductions out of expense reimbursements.
- iii) Custodian on behalf of an FII or a Client.

* 'Related Person' means any person investing on behalf of a minor in consideration of natural love and affection or as a gift.

2. **B.** Investors submitting their applications through the above mentioned 'exceptional cases' are required to comply with the following, without which applications for subscriptions for units will be rejected/not processed/refunded. In case of rejection the money shall be refunded without interest within eight days 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 Shriram Mutual Fund or visit our website www.shriramamc.in for the said Declaration Form.

3. 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 a subscription payment is made) and his pay-out bank account (i.e. account into which redemption/dividend 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 payin 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/Official Points of Acceptance of Shriram 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, any related communication from the bank towards a change in bank account number should accompany the application form for subscription of units.

The Mutual Fund has also provided a facility to the investors to register multiple bank accounts. By registering multiple bank accounts, the investors can use any of the registered bank accounts to receive redemption/dividend proceeds. These account details will be used by the AMC/ Mutual Fund/R&TA for verification of instrument used for subscription to ensure that third party payments are not used for mutual fund subscription, except where permitted in (2A) above. Investors are requested to avail the facility of registering multiple bank accounts by filling in the Application Form for Registration of Multiple Bank Accounts available at our Investor Service Centres (ISCs) or on our website www.shriramamc.in

(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.

(I) 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 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

(iii) 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 of Rs. 50,000 or more. This also should be accompanied by 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 instances 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.

(iv) 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.

B. All cheques/DDs/pay orders should be crossed as "Account payee". In order to prevent frauds and misuse of payment instruments, the investors are mandated to make the payment instrument (cheque, demand draft, pay order, etc.) favouring "Shriram Scheme Name" as mentioned in the application form/addendum at the time of the launch

C. Investors transacting through MFSS/BSE STAR MF Platform under the electronic order collection system for schemes which are unlisted and Stock Exchange(s) for the listed schemes will have to 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.

The Trustee reserves the right to modify the aforesaid requirements at their sole discretion. All other terms and conditions of the Statement of Additional Information will remain unchanged.

(v) Source of funds - if paid by Cash

In accordance with SEBI Circular Nos. CIR/IMD/DF/21/2012 dated September 13, 2012 and CIR/IMD/DF/10/2014 dated May 22, 2014 in order to help enhance the reach of mutual fund products amongst small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders/businessmen/workers, cash transactions in mutual funds to the extent of 50,000/- per investor, per mutual fund, per financial year shall be allowed subject to :

(i) compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under; the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations and guidelines and

(ii) Sufficient systems and procedures in place.

Repayment in the form of redemptions, dividend, etc. with respect to aforementioned investments shall be paid only through banking channel.

Mode of Payment -Resident Investors :

Investors shall make payments for subscription to the Units of the Scheme at the bank collection centre / official points of acceptance by local Cheque/Payorder/ Bank Draft, drawn on any bank branch, which is a member of Bankers Clearing House and located in the Official points of acceptance of transactions where the application is lodged. The Cheque/DD/ Payorder should be drawn in favour of the relevant scheme / plan as per the instructions provided in the application forms etc.

Please note that all cheques / DDs/ Payorders should be crossed as account payee and the DD/bank charges on the same will have to be borne by the investor. However in case of outstation demand drafts the bank charges for the same could be borne by the AMC in some schemes, the details of which will be communicated to the investors.

Payments by Cash, money orders, postal orders, Stock invests and outstation and/ or post-dated cheques will not be accepted.

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

In case of an applicant who is a resident of a city which is not serviced by any ISC, the AMC shall bear the bank charges for the demand draft borne by such applicant, and allot Units for the amount inclusive of such charges. The AMC will bear the demand draft charges only in case of investments in equity schemes (excluding FOF and NIFTY Fund) of the Mutual Fund as mentioned below :

Amount of investment Demand Draft charges

The charges borne by the AMC shall be restricted to equivalent the charges on demand drafts as levied by the State Bank of India or maximum of Rs. 1000/- (whichever is lower).

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 other than demand draft charges, any other charge incurred by the investor will not be borne by the AMC. Further, additional 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. No demand draft charges will be borne by the AMC for purchase of Units by investors residing at such locations where the ISCs / Designated Collection Centres of the AMC are located.

For payments through net banking and debit cards, 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.

NRIs, FIIs

Subscription by NRIs

In terms of Schedule 5 of Notification no. FEMA 20/2000 dated May 3, 2000, RBI has granted general permission to NRIs to purchase, on repatriation basis units of domestic mutual funds. Further, the general permission is also granted to NRIs to sell the units to the mutual funds for repurchase or for the payment of maturity proceeds, provided that the units have been purchased in accordance with the conditions set out in the aforesaid notification. For the purpose of this section, the term "mutual funds" is as referred to in Clause (23D) of Section 10 of Income-Tax Act 1961. However, NRI investors, if so desired, also have the option to make their investment on a non-repatriable basis.

Subscription by FIIs

In terms of Schedule 5 of Notification no. FEMA 20/2000 dated May 3, 2000. RBI has granted general permission to a registered FII to purchase on a repatriation basis units of domestic mutual funds subject to the conditions set out in the aforesaid notification. Further, the general permission is also granted to FIIs to sell the units to the mutual funds for repurchase or for the payment of maturity proceeds, provided that the units have been purchased in accordance with the conditions set out in the aforesaid notification. For the purpose of this section, the term "mutual funds" is as referred to in Clause (23D) of Section 10 of Income-Tax Act 1961.

Mode of Payment on Repatriation basis

NRIs

In case of NRIs and persons of Indian origin residing abroad, payment may be made by way of Indian Rupee drafts purchased abroad and payable at Mumbai or by way of cheques drawn on Non-Resident (External) (NRE) Accounts payable at par at Mumbai. Payments can also be made by means of rupee drafts payable at Mumbai and purchased out of funds held in NRE/ FCNR Accounts.

In case Indian rupee drafts are purchased abroad or from Foreign Currency Accounts or Non-resident Rupee Accounts an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

FIIs

FIIs may pay their subscription amounts either by way of inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-resident Rupee Account maintained by the FII with a designated branch of an authorized dealer with the approval of the RBI subject to the terms and conditions set out in the aforesaid notification.

All cheques/drafts should be made out in favour of the scheme and crossed

"Account Payee Only". In case Indian Rupee drafts are purchased abroad or from FCNR/NRE A/c. an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

Mode of payment on Non-Repatriation basis

In case of NRIs/Persons of Indian origin seeking to apply for Units on a non-repatriation basis, payments may be made 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.

Refunds, interest and other distribution (if any) and maturity proceeds/repurchase price and /or income earned (if any) will be payable in Indian Rupees only. The maturity proceeds/repurchase value of units issued on repatriation basis, income earned thereon, net of taxes may be credited to NRE/FCNR account (details of which should be furnished in the space provided for this purpose in the Application Form) of the non-resident investor or remitted to the non-resident investor by way of Indian Rupees converted into US dollars or into any other currency, as may be permitted by the RBI, at the rate of exchange prevailing at the time of remittance and will be dispatched through Registered Post at the unitholders risk. The Fund will not be liable for any loss on account of exchange fluctuations, while converting the rupee amount in US dollar or any other currency. Credit of such proceeds to NRE/FCNR account or remittance thereof may be permitted by authorized dealer only on production of a certificate from the Fund that the investment was made out of inward remittance or from the Funds held in NRE/FCNR account of the investor maintained with an authorized dealer in India. However, there is no objection to credit of such proceeds to NRO/NRSR account of the investor if he so desires.

Subscription by Multilateral Funding Agencies, on full repatriation basis, is subject to approval by the Foreign Investment Promotion Board.

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 investor 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 instalment x No. of instalments) amounts to Rs. 10,000/- or more. The Transaction Charges shall be deducted in 3-4 instalments.

c) Transaction charges shall not be deducted for :

- Purchases /subscriptions for an amount less than Rs. 10,000/-;
- Transaction other than purchases/ subscriptions relating to new inflows such as Switch/STP / SWAP / DTP, etc.
- 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 Shriram Mutual Fund for further details.

Application under Power of Attorney/Body Corporate/ Regd. 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.

Joint Applicant :

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 proceeds of any redemption requests or dividends 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.

Ultimate Beneficial Owner (UBO):

UBO means '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 a person who exercises ultimate effective control over a legal person or arrangement. In the event of change in beneficial ownership, investors are requested to immediately update details with the Fund/ Registrar. The provisions relating to UBO are not applicable where the investor or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company.

The Fund/AMC reserves the right to reject application forms submitted by non-individual applicants/ investors without filling the UBO declaration (forming part of the application form). Further, investors are requested to immediately inform the Fund/AMC in case of any change in the beneficial ownership details provided by them.

In addition to the above, effective from November 01, 2015 it is mandatory for all new Mutual Fund investors to provide 'Beneficial Ownership' details as part of account opening, as required under the regulatory guidelines and effective from January 01, 2016 it is mandatory for all existing Mutual fund investors to update the beneficiary ownership details in order to continue to make additional subscriptions (including switches) in their existing folios/accounts (AMFI Best Practices Guidelines Circular No. 62/2015-16 dated September 18, 2015)

III. RIGHTS OF UNITHOLDERS OF THE SCHEME

- Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
- When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be despatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be despatched to the Unit holder within 10 business days of the transaction date. Provided if a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non-transferable) within 30 days of the receipt of request for the certificate.
As required by Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/IMD/DF/16/2011 dated September 8, 2011 the Unit holders shall receive the following:
 - On acceptance of the application for subscription, an allotment confirmation by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request will be sent to the **Unit holders** registered e-mail address and/or mobile number.
 - A Consolidated Account Statement shall be issued to the Unit holder(s) for each calendar month in whose folios transaction(s) has / have taken place during that month, on or before 10th of the succeeding month by email (wherever investor has provided an email id) or a physical account statement wherein investor has not provided email id.
 - For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN).
 - In case of a specific request received from the Unit holders, the AMC/Fund will provide the account statement to the investors within 5 Business Days from the receipt of such request.

Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period. The Half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical.

- The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request.
- Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep Unit holders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
- 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.
6. 75% of the Unit holders of a Scheme can pass a resolution to wind-up a Scheme.
 7. The Trustee shall obtain the consent of the Unit holders:
 - a. Whenever required to do so by SEBI, in the interest of the Unit holders.
 - b. Whenever required to do so if a requisition is made by three-fourths of the Unit holders of the Scheme.
 - c. When the Trustee decides to wind up the Scheme or prematurely redeem the Units.
 - d. 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 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.
 8. 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.

IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

1) Valuation of Debt & Money Market Instruments

a) Traded Instruments

Assets	Methodology
Maturity > 365 days (except for G-Sec)	<p>Instruments shall be valued at the weighted average price (WAP) at which they are traded/reported on the particular valuation day on available public platforms i.e. FIMMDA/NSE/BSE.</p> <p>An instrument will be considered for valuation as traded security if traded prices are available subject to the fulfilment of the following condition:</p> <p>For instruments maturing above 365 Days, the traded price may be taken if there are at least two trades aggregating to Rs. 25 crores or more.</p> <p>If market trades satisfying the above condition/s are not available then AMC's own trades to be considered as traded price available for valuation provided it conforms with the following criteria:</p> <p>Instruments maturing above 1 year - a single trade of Rs.5.00 crores or more</p> <p>Inter- scheme trades are also considered as AMC's own trades provided it conforms to the above criteria.</p> <p>In case there are both viz. qualifying market trades as well as AMC's own trades, then market trades shall be given a higher priority. In case of multiple platforms reporting trades on the same day, the order of preference would be (i) FIMMDA, (ii) NSE WDM, (iii) BSE and (iv) AMC's own trades</p> <p>Wherever the traded price is 'distorted' in case of forward settlement dates (e.g. across a weekend/holidays), the traded yields may be used to arrive at the traded price for valuation. In case of multiple trades, the weighted average price (WAP) may be used for valuation.</p>
Maturity > 60 days and ≤ 365 days (except for G-Sec and T-Bills)	<p>Valuation methodology same as that for maturity > 365 days (except for G-Sec) except for the qualification criteria.</p> <p>An instrument will be considered for valuation as traded security if traded prices are available subject to the fulfilment of the following condition:</p> <p>For instruments maturing between 61 days and 365 Days, the traded price may be taken if there are at least three trades aggregating to Rs. 100 crores or more.</p> <p>If market trades satisfying the above condition/s are not available then AMC's own trades to be considered as traded price available for valuation provided it conforms with the following criteria:</p> <p>Instruments maturing between 61 days and 365 Days - a single trade of Rs 25 crores or more. (The amounts refer to face value of the securities.)</p> <p>Inter- scheme trades are also considered as AMC's own trades provided it conforms to the above criteria.</p>
Maturity ≤ 60 days (except for G-Sec and T-Bills)	Valuation methodology same as that for maturity 60 days and ≤ 365 days (except for G- Sec and T-Bills).
Treasury Bills	<p>The average of the prices provided by CRISIL & ICRA or agencies entrusted for the said purpose by AMFI would be considered, however, the traded prices would be considered in case such trades are reported in NSE (WDM).</p> <p>Where the prices are not available, the security will be valued at weighted average traded price available on The Clearing Corporation of India (CCIL) website.</p> <p>T-Bills purchased before issue date is valued at cost price prior to issue date.</p>
Interest Rate Swaps (IRS)	All IRSs will be valued at net present value after discounting the future cash flows. Future cash flows for IRS contracts will be computed daily based on the terms of the contract and discounted by suitable OIS rates available on Reuters/Bloomberg/any other provider, as approved by Valuation Committee.
Pass Through Certificate	<p>If the residual maturity of the security is more than 60 days, then security is valued through Crisil Bond Valuer and if residual maturity of the security is up to 60 days then it is valued at amortization method.</p> <p>Periodical cash flow is considered for valuation of security.</p>

Assets	Methodology
Bills purchased under rediscounted	Bills purchased under rediscount shall be valued at cost plus accrual method (amortization method).
Reverse Repo	The valuation is done on cost plus repo interest. (Interest per day equals to Second Leg minus First Leg divide by numbers of days).

b) Non Traded Instruments

Assets	Methodology																		
Maturity > 30 days (except for G-Sec and T-Bills)	<p>Instruments shall be valued through CRISIL Bond Valuer (CBV) or any other method accepted within regulations. CBV uses average yield computed by averaging the matrix provided by CRISIL and ICRA. For averaging of matrix yield CBV aggregator is used.</p> <p>The approach in valuation of non-traded debt securities is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non-traded security.</p> <p>The Yields for pricing the non-traded debt security would be arrived at using the process as defined below :</p> <p>Step 1 : A Risk Free Benchmark Yield is built using the government securities as the base. Government securities are used as the benchmarks as they are traded regularly; free of credit risk; and traded across different maturity spectrums every week.</p> <p>Step 2 : A Matrix of spreads (based on the credit risk) are built for marking up the benchmark yields. The matrix is built based on traded corporate paper on the wholesale debt segment of an appropriate stock exchange and the primary market issuances. The matrix is restricted only to investment grade corporate paper.</p> <p>Step 3 : The Yields as calculated above are Marked-up/Marked down for ill-liquidity risk</p> <p>Step 4 : The Yields so arrived are used to price the portfolio.</p> <p><u>Mark-up/Mark-down Yield</u></p> <p>The Yields calculated would be marked-up/marked-down to account for the illiquidity risk, promoter background, finance company risk and the issuer class risk. As the level of illiquidity risk would be higher for non-rated securities the marking process for rated and non-rated securities would be differentiated as follows :</p> <p>Adjustments for Securities rated by external rating agencies</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Discretionary mark-up</th> <th>Mark down</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">+</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Rated instruments with duration up to 2 years</td> <td>100 bps</td> <td>50 bps</td> </tr> <tr> <td>Rated instruments with duration over 2 years</td> <td>75 bps</td> <td>25 bps</td> </tr> </tbody> </table> <p>The rationale for the above discount structure is to take cognizance of the differential interest rate risk of the securities. This structure will be reviewed periodically.</p> <p>Adjustments for Internally Rated Securities</p> <ol style="list-style-type: none"> To value an un-rated security, the fund manager shall assign an internal credit rating, which will be used for valuation. Since un-rated instruments tend to be more illiquid than rated securities, the yields would be marked-up by adding discretionary discount as under : <table border="1"> <thead> <tr> <th>Category</th> <th>Discretionary discount</th> </tr> </thead> <tbody> <tr> <td>Unrated instruments with duration up to 2 years</td> <td>Discretionary discount of up to +50 bps over and above mandatory discount of +50 bps</td> </tr> <tr> <td>Unrated instruments with duration over 2 years</td> <td>Discretionary discount of up to +50 bps over and above mandatory discount of +25 bps</td> </tr> </tbody> </table> <ol style="list-style-type: none"> The benchmark yield/ matrix of spreads over risk free benchmark yield obtained from any agency suggested by AMFI must be applied for valuation of securities on the day of release of such bench mark yield/ matrix of spreads by the aforesaid agency. The Chief Executive Officer (whatever his designation may be) of the AMC shall give prior approval to the use of discretionary mark up or down limit. 	Category	Discretionary mark-up	Mark down		+	-	Rated instruments with duration up to 2 years	100 bps	50 bps	Rated instruments with duration over 2 years	75 bps	25 bps	Category	Discretionary discount	Unrated instruments with duration up to 2 years	Discretionary discount of up to +50 bps over and above mandatory discount of +50 bps	Unrated instruments with duration over 2 years	Discretionary discount of up to +50 bps over and above mandatory discount of +25 bps
Category	Discretionary mark-up	Mark down																	
	+	-																	
Rated instruments with duration up to 2 years	100 bps	50 bps																	
Rated instruments with duration over 2 years	75 bps	25 bps																	
Category	Discretionary discount																		
Unrated instruments with duration up to 2 years	Discretionary discount of up to +50 bps over and above mandatory discount of +50 bps																		
Unrated instruments with duration over 2 years	Discretionary discount of up to +50 bps over and above mandatory discount of +25 bps																		
Maturity ≤ 30 days (except for G-Sec and T-Bills)	Instruments may be valued by amortization based valuation as referred to in SEBI circular dated February 28, 2012. Further, the amortized price shall be compared with the reference price which shall be the average of the security level price of such security as provided by the agency (ies) appointed by AMFI for said purpose (hereinafter referred to as "valuation agencies"). The amortized price shall be used for valuation only if it is within a threshold of ±0.025% of the reference price. In case of deviation beyond this threshold, the price shall be adjusted to bring it within the threshold of ±0.025% of the reference price.																		
T-Bills Maturity ≤ 30 days	Security will be valued by amortization																		
T-Bills Maturity > 30 days	Aggregate price by CRISIL and ICRA																		

c) Thinly Traded Instruments

Assets	Methodology
Thinly Traded Debt Securities	<p>On a particular valuation day, these securities will be valued at the last quoted closing price on National Stock Exchange of India Limited (NSE). If a security is not traded on NSE, it will be valued at the last quoted closing price on The Bombay Stock Exchange Limited (BSE).</p> <p>If a security is not traded on NSE and BSE, it will be valued at the last quoted closing price on other recognised stock exchange where the security is traded.</p> <p>If the security is traded on more than one recognised stock exchanges (other than NSE and BSE), it will be valued at the last quoted closing price on the stock exchange as may be selected by the Valuation Committee, and the reasons for such selection will be recorded in writing.</p> <p>Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the asset management company.</p>

	If a security is not traded on any stock exchange on a particular valuation day, the last quoted closing price on NSE or BSE or other recognised stock exchange (in the order of priority) on the earliest previous day would be used, provided such day is not more than thirty days prior to the valuation day.
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d) Specific Securities

Assets	Methodology
G-Sec - Any Maturity	Government securities will be valued at prices for government securities provided by CRISIL & ICRA or any other designated agencies suggested by AMFI to ensure uniformity in calculation of NAVs.

e) Waterfall Mechanism for valuation of money market and debt securities

SEBI, vide its circular no: SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019, prescribed that for arriving at security level pricing, a waterfall approach shall be followed for the valuation of money market and debt securities. In pursuance of the said circular, AMFI has prescribed the following guidelines vide its AMFI Best Practices Guidelines Circular No. 135/BP/83/2019-20 dated November 18, 2019 on valuation approach for traded & non-traded money market and debt securities:

Valuation of money market and debt securities other than G-Secs:

- i. Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN (whether through book building or fixed price) and secondary trades in the same ISIN
- ii. VWAY of primary issuances through book building of same issuer, similar maturity (Refer Note 1 below)
- iii. VWAY of secondary trades of same issuer, similar maturity
- iv. VWAY of primary issuances through fixed price auction of same issuer, similar maturity
- v. VWAY of primary issuances through book building of similar issuer, similar maturity (Refer Note 1 below)
- vi. VWAY of secondary trades of similar issuer, similar maturity.
- vii. VWAY of primary issuance through fixed price auction of similar issuer, similar maturity
- viii. Construction of matrix (polling may also be used for matrix construction)
- ix. In case of exceptional circumstances, polling for security level valuation (Refer Note 2 below)

Note 1

Except for primary issuance through book building, polling shall be conducted to identify outlier trades.

However, in case of any issuance through book building which is less than INR 100 Cr, polling shall be conducted to identify outlier trades.

Note 2

Some examples of exceptional circumstance would be stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action or such other event as may be considered by valuation agencies. Here stale spreads are defined as spreads of issuer which were not reviewed/updated through trades/primary/polls in same or similar security/issuers of same/similar maturities in waterfall approach in last 6 months.

Further, the exact details and reasons for the exceptional circumstances which led to polling shall be documented and reported to AMCs. Further, a record of all such instances shall be maintained by AMCs and shall be subject to verification during SEBI inspections.

Note 3

All trades on stock exchanges and trades reported on trade reporting platforms till end of trade reporting time (excluding Inter-scheme transfers) should be considered for valuation on that day.

Note 4

For the purpose of calculation of VWAY of trades and identification of outliers, on the day of certain exceptional events (occurrence of which during market hours may lead to significant change in the yield of the debt securities), rather than considering whole day trades, only those trades shall be considered which have occurred post the event (on the same day).

The following events would be considered exceptional events:

- i. Monetary / Credit Policy
- ii. Union Budget
- iii. Government Borrowing / Auction Days
- iv. Material Statements on Sovereign Rating
- v. Issuer or Sector Specific events which have a material impact on yields
- vi. Central Government Election Days
- vii. Quarter end days

In addition to the above, valuation agencies may determine any other event as an exceptional event. All exceptional events along-with valuation carried out on such dates shall be documented with adequate justification

Valuation of G-Secs (T-Bill, Cash management bills, G-Sec and SDL):

- VWAY of last one hour, subject to outlier validation
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation
- Two quote, not wider than 5 bps on NDSOM, subject to outlier validation
- Carry forward of spreads over the benchmark
- Polling etc.

Note:

1. VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these Guidelines.
2. Outlier criteria: Any trade deviating by more than +/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trades shall be ignored.

f) Polling Process for Money Market and Debt Securities:

Responsibilities of Mutual Funds in the polling process, as part of the waterfall approach for valuation of money market and debt securities:

- Valuation agencies shall identify the Mutual Funds who shall participate in the polling process on a particular day, taking into account factors such as diversification of poll submitters and portfolio holding of the Mutual Funds. Mutual Funds who are identified by the valuation agencies shall necessarily participate in the polling process. However, in case any Mutual Fund does not participate in the polling process, detailed reason for the same shall be recorded at the time and subsequently made available during SEBI inspections. In this respect, since a Mutual Fund may have investments in similar securities, a security not forming part of investment universe may not be considered as an adequate reason for not participating in the polling process.
- Polling will be carried out by the valuation agencies on a daily basis and in terms of the aforesaid AMFI guidelines on polling process

- Best efforts should be made by poll submitters to provide fair valuation of a security.
- The polling process will be revalidated by external audit of the valuation agencies with at least an annual frequency
- AMCs shall have a written policy, approved by the Board of AMC and Trustees, on governance of the polling process. The aforesaid policy shall include measures for mitigation of potential conflicts of interest in the polling process and shall identify senior officials, with requisite knowledge and expertise, who shall be responsible for polling. Further, the policy should outline the following aspects:
 - a. The process of participating in a polling exercise.
 - b. Identify the roles and responsibilities of persons participating in the polling.
 - c. Include policies and procedures for arriving at the poll submission
 - d. Cover the role of the Board of AMC and Trustees, and the periodic reporting that needs to be submitted to them.
 - e. All polling should be preferably over email. In case for any reason, the polling is done by way of a telephonic call then such a call should be over recorded lines, followed subsequently by an email.
 - f. AMCs should have adequate business continuity arrangements for polling, with the necessary infrastructure / skill to ensure that consistent delivery of poll submissions is made without material interruption due to any failure, human or technical.
- All polling done will have to be documented and preserved in format approved by the Board of AMC, for a period of eight years, along-with details of the basis of polling (such as market transactions, market quotes, expert judgement etc.).
- AMCs shall ensure that participation in the polling process is not mis-used to inappropriately influence the valuation of securities. The officials of the AMC who are responsible for polling shall also be personally liable for any misuse of the polling process.
- AMCs shall maintain an audit trail for all polls submitted to valuation agencies.

2) Valuation of securities other than debt and money market securities :

Assets	Methodology
Traded Securities - equity / equity related security (such as convertible debentures, equity warrants, etc.)	<p>On a particular valuation day, these securities will be valued at the last quoted closing price on National Stock Exchange of India Limited (NSE). If a security is not traded on NSE, it will be valued at the last quoted closing price on The Bombay Stock Exchange Limited (BSE).</p> <p>If a security is not traded on NSE and BSE, it will be valued at the last quoted closing price on other recognised stock exchange where the security is traded.</p> <p>If the security is traded on more than one recognised stock exchanges (other than NSE and BSE), it will be valued at the last quoted closing price on the stock exchange as may be selected by the Valuation Committee, and the reasons for such selection will be recorded in writing.</p> <p>Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the asset management company.</p> <p>If a security is not traded on any stock exchange on a particular valuation day, the last quoted closing price on NSE or BSE or other recognised stock exchange (in the order of priority) on the earliest previous day would be used, provided such day is not more than thirty days prior to the valuation day.</p>
Thinly Traded Securities	<ol style="list-style-type: none"> a. When trading in an equity and/or equity related security (such as convertible debentures, equity warrants etc.) in a month is both less than Rupees 5 lacs and the total volume is less than 50,000 shares, the security shall be considered as thinly traded security and valued accordingly. b. In order to determine whether a security is thinly traded or not, the volumes traded in all recognized Stock Exchanges in India may be taken into account. c. For example, if the volume of trade is 1,00,000 and value is Rupees 4,00,000, the shares do not qualify as thinly traded. Also if the volume traded is 40,000, but the value of trades is Rupees 6, 00,000, the shares do not qualify as thinly traded. d. Where a Stock Exchange identifies the thinly traded securities by applying the above parameters for the preceding calendar month and publishes or provides the required information along with the daily quotations, the same can be used by the Mutual Funds. e. If the shares are not listed on the Stock Exchanges which provide such information, then Mutual Funds shall make their own analysis in line with the above criteria to check whether such securities are thinly traded or not and then value them accordingly.
Suspended equity securities	<p>In case trading in an equity security is suspended up to thirty days, then the last traded price shall be considered for valuation of that security. If an equity security is suspended for more than thirty days, then the AMC(s) or Trustees shall decide the valuation norms to be followed and such norms shall be documented and recorded.</p>
Non-traded / thinly traded equity securities	<p>Based on the latest available Balance Sheet, Net Worth shall be calculated as follows :</p> <ol style="list-style-type: none"> a. Net Worth per share = [Share Capital+ Reserves (excluding Revaluation Reserves) - Miscellaneous expenditure and Debit Balance in Profit and Loss Account] / Number of Paid up Shares. b. Average Capitalization 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 per cent i.e. only 25 per cent. Of the industry average P/E shall be taken as Capitalization rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts shall be considered for this purpose. 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 10 per cent for illiquidity so as to arrive at the fair value per share. d. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning. e. 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. f. In case an individual security accounts for more than 5 per cent of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5 per cent of the total assets of the scheme, it shall be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs will be compared on the date of valuation. <p>To determine if a security accounts for more than 5% of the total assets of the scheme, it would be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.</p>

Assets	Methodology
Unlisted Equity Shares	<p>To ensure uniformity in calculation of NAV the following guidelines are issued :</p> <p>Methodology for Valuation - unlisted equity shares of a company shall be valued "in good faith" as below :</p> <p>(a) Based on the latest available audited balance sheet, Net Worth shall be calculated as the lower of item (1) and (2) below :</p> <ol style="list-style-type: none"> 1. Net Worth per share = [Share Capital + Free Reserves (excluding revaluation reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / Number of Paid up Shares. 2. After taking into account the outstanding warrants and options, Net Worth per share shall again be calculated and shall be = [Share Capital + consideration on exercise of Option and/or Warrants received/receivable by the Company + Free Reserves (excluding Revaluation Reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / Number of Paid up Shares plus Number of Shares that would be obtained on conversion and/or exercise of Outstanding Warrants and Options. 3. The lower of (1) and (2) above shall be used for calculation of Net Worth per share and for further calculation in (c) below. <ol style="list-style-type: none"> b. Average capitalization 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 capitalization rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts will be considered for this purpose. 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 so as to arrive at the fair value per share. <p>The above valuation methodology shall be subject to the following conditions:</p> <ol style="list-style-type: none"> a. All calculations shall be based on audited accounts. If 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. If the Net Worth of the company is negative, the share would be marked down to zero. b. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. c. In case an individual security accounts for more than 5 % of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5 % of the total assets of the scheme, it shall be valued in accordance with the procedure as mentioned above on the date of valuation. <p>At the discretion of the AMCs and with the approval of the Trustees, unlisted equity shares may be valued at a price lower than the value derived using the aforesaid methodology.</p>
Equity and Equity related securities under lock in period / pending listing	<p>Illiquidity discount will be Nil for securities where the lock-in is less than 3 months. If the lock-in period for these securities is greater than 3 months, then the Valuation Committee will decide on the illiquidity discount to be applied, on a case to case basis.</p>
Stock Split/ Face value change	<p>In case of stock split, the face value of a stock is reduced and proportionately number of shares is increased. The valuation price will be derived on the basis of the last quoted closing price before the ex-date and adjusted in proportion of stock split, till the new stock split shares are listed and traded on a stock exchange. The cost of one share will be proportionately adjusted in line with stock split change, to derive the new cost of share. On stock split/face value change, in case the company specifies any regulations/ method for cost bifurcation or valuation the same will be adopted.</p>
Preference Shares	<p>On a valuation day, traded securities are to be valued at the last quoted closing price on NSE. NSE will be principal stock exchange and BSE will be the secondary stock exchange. Non traded Preference shares will be valued on the basis of norms governing the valuation of Non Convertible Debentures and Bonds under valuation of Debt Security category.</p>
Illiquid Securities	<p>Illiquid securities shall be valued in good faith. Aggregate value of "illiquid securities" of scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.</p>
Valuation of Convertible Debentures and Bonds	<p>In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component should be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount of the non-tradability of the instrument during the period preceding the conversion while valuing such instruments, the fact whether the conversion is optional should also be factored in.</p>
Valuation of Warrants	<ol style="list-style-type: none"> a) In respect of warrants to subscribe for shares attached to instruments, the warrants would be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures shall be deducted to account for the period, which must elapse before the warrant can be exercised. b) In case the warrants are traded separately
Value of "Rights" entitlement	<ol style="list-style-type: none"> a) Until they are traded, the value of the "rights" entitlement would be calculated as : $V_r = n/m \times (P_{ex} - P_{of})$ where $V_r = \text{Value of rights}; n = \text{no. of rights Offered}; m = \text{no. of original shares held}$ $P_{ex} = \text{Ex-Rights price}; P_{of} = \text{Rights Offer price}$ b) Where the rights are not traded pari-passu with the existing shares, suitable adjustments would be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights would be valued at the renunciation value. c) In case original shares on which the right entitlement accrues are not traded on the Stock Exchange on an ex-right basis, right entitlement should not be recognised as investments. d) Where right entitlements are not traded and it was decided not to subscribe the rights, the right entitlements have to be valued at zero

Assets	Methodology
Foreign Securities (other than units of overseas mutual funds/ unit trusts which are not listed), IDR:	<p>American Depository Receipt (ADR) / Global Depository Receipt (GDR) and all overseas securities : If the security is listed in a time zone ahead of ours then the same day closing price on the stock exchange at which it is listed would be used for valuation. If the security is listed in a time zone behind ours then the previous day's price would be used for valuation. In case the security is not traded on the above mentioned days, price of previous day should be used provided the price is not more than 30 days old.</p> <p>Since these prices are in foreign currency these are to be converted in Indian Rupees by applying the closing exchange rate on the date of valuation. This closing price in INR should be used for valuation of ADR/GDR. Alternatively closing price of the security should be converted to INR at last day's closing exchange rate of that currency (i.e. the closing rate of the date of which prices are considered). The closing exchange rate from RBI (RBI reference rate) is used for this purpose.</p> <p>Indian Depository Receipt (IDR) : Valuation of IDRs listed in the Indian Stock Exchange would follow the valuation norms adopted for the listed equity shares. IDR is valued at price at which they are traded on BSE/NSE exchanges. In case the IDRs are classified as thinly traded, the criteria, as laid above for listed Indian Equity shares shall be applied taking into consideration the relevant company's balance sheet.</p>
Valuation of Non-Performing Assets	All Non - Performing Assets shall be valued in accordance with the Guidelines for Identification and Provisioning for Non-Performing Assets (Debt Securities) For Mutual Funds issued by SEBI.
Valuation of Derivative Products :	The traded derivative shall be valued at market price in conformity with the stipulations of sub clause (i) to (v) of clause 1 of the Eighth Schedule to the SEBI Regulations. The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI Regulations as amended from time to time. Valuation of Equity/Index Futures or options shall be determined based on the market values of traded contracts with respect to the exchange on which it was originally contracted upon. For positions which are not traded, the daily settlement prices in the respective exchanges will be considered for valuation.
Valuation of Repo	Where instruments have been bought on 'repo' basis, the instrument would be valued at the resale price after deduction of applicable interest up to date of resale. Where an instrument has been sold on a 'repo' basis, adjustment would be made for the difference between the Redemption price (after deduction of applicable interest up to date of Redemption) and the value of the instrument. If the Redemption price exceeds the value, the depreciation will be provided for and if the Redemption price is lower than the value, credit will be taken for the appreciation.
Equity and Equity related Securities awaiting listing (Merger/ Demerger)	<p>Merger : In case of merger, when company "X" is merged with company "Y" and company "Y" continues to be listed, the proportionate shares allotted of "Y" company against company "X" will be valued at the last quoted closing price of company "Y" on the stock exchange. The cost of company "X" shares will be added to the cost of company "Y" shares. In case of merger when company "X" and company "Y" are merged to form company "Z" the value of unlisted company "Z" will be the total valuation price of company "X" and company "Y" before the ex-date till the new entity company "Z" is listed and traded on a stock exchange. The cost of company "X" and company "Y" shares will be added to derive the cost of company "Z" shares.</p> <p>Demerger : Where at least one resultant company is not immediately listed, valuation price will be worked out by using cum-price, before demerger reduced for quoted price of the listed resultant company/ies OR in case of a demerger pending listing, the resultant company/ies shall be valued at the intrinsic value arrived at on the date of corporate action.</p>
Initial Public Offering (IPO) Application (prior to allotment)	IPOs will be valued at the bid price
Qualified Institutional Placement (QIP) / Follow on Public Offer (FPO)	Valued at Bid price or Market price, whichever is lesser

3) Inter-scheme transfers (IST):

With respect to Inter-scheme transfers:

AMC shall seek prices for IST of any money market or debt security (irrespective of maturity), from the valuation agencies.

AMFI, in consultation with valuation agencies shall decide a turn-around-time (TAT), within which IST prices shall be provided by the agencies.

If prices from the valuation agencies are received within the pre-agreed TAT, an average of the prices so received shall be used for IST pricing.

If price from only one valuation agency is received within the agreed TAT, that price may be used for IST pricing.

If prices are not received from any of the valuation agencies within the agreed TAT, AMCs may determine the price for the IST, in accordance with Clause 3 (a) of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996.

Mutual Fund shall not use their own trades for valuation of debt and money market securities and for Inter-scheme transfers.

4) Non-Performing Assets:

SEBI, vide its circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019, has modified the regulatory provisions relating to Non-Performing Assets (NPA)

The term "NPA" as per SEBI Circular No. MFD/CIR/6/73/2000 dated July 27, 2000 has been replaced with "securities classified as below investment grade or default". Further, the term "NPA" as per SEBI Circular No. SEBI/MFD/CIR No.05/12031/03 dated June 23, 2003 has been replaced with "exposure to securities classified as below investment grade or default".

Paragraph 2 of SEBI Circular No. MFD/CIR/05/432/2002 dated June 20, 2002 has been modified as follows:

Treatment and disposal of illiquid securities or securities classified as default at the time of maturity / closure of schemes

In case of close-ended schemes, some of the investments made by Mutual Funds may become default at the time of maturity of schemes. Further, at the time of winding up of a scheme, some of the investments made by Mutual Funds may become default or illiquid. In due course of time i.e. after the maturity or winding up of the schemes, such investments may be realised by the Mutual Funds. It is advised to distribute such amount, if it is substantial, to the concerned investors. In case the amount is not substantial, it may be used for the purpose of investor education. The decision as to the determination of substantial amount shall be taken by the Trustees of Mutual Funds after considering the relevant factors including number of investors, amount recovered, cost of transferring funds to investors; among others.

In the format of the abridged scheme-wise annual report format prescribed vide SEBI Circular No. SEBI/IMD/CIR No.8/132968/2008 dated July 24, 2008,

under notes to accounts, the term "NPA" shall be replaced with "securities classified as below investment grade or default". With respect to the notes below the portfolio format prescribed vide SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000, the modifications shall be as under:

- a. In point 2, the term "NPA" shall be replaced with "below investment grade or default".
- b. Point 4 (a) shall be replaced as follows:

If a security is in default beyond its maturity date, then disclosure to this effect shall be provided. Such disclosure shall include details of the security including ISIN, name of security, value of the security considered under net receivables (i.e. value recognized in NAV in absolute terms and as % to NAV) and total amount (including principal and interest) that is due to the scheme on that investment. Further, this disclosure shall continue till the value of the security recognized in the NAV is received or for a period of 3 years from the date of maturity of security, whichever is later.

5) Others :

Assets	Methodology
Bank Fixed Deposit, CBLO / Reverse Repo	Investments in CBLO, Reverse Repo and Fixed deposits with banks will be valued at cost plus accrual basis less prepayment penalty if any.
Mutual Fund Units (Indian)	<ol style="list-style-type: none"> a. In case of Mutual Fund schemes traded on stock exchange, the units would be valued at closing price on the stock exchange on which they are traded like equity instruments. In case the units are not traded for more than 7 days, last declared Repurchase Price (the price at which Mutual Fund schemes buy its units back) would be considered for valuation (NAV/Repurchase price is declared by Mutual Fund on weekly basis in case of close-ended schemes). b. If the last available Repurchase price is older than 7 days, the valuation will be done at the last available NAV reduced by illiquidity discount. The illiquidity discount will be 10% of NAV or as decided by the Valuation Committee. c. In case of non-traded Mutual Fund scheme, the last declared Repurchase Price (the price at which Mutual Fund schemes buys its units back) would be considered for valuation.
Securities not covered under the current valuation policy	In case of securities purchased by mutual funds do not fall within the current framework of the valuation of securities then such mutual fund shall report immediately to AMFI regarding the same. Further, at the time of investment AMCs shall ensure that the total exposure in such securities does not exceed 5% of the total AUM of the scheme.
Valuation of money market / debt securities, Government Securities, investments in short term deposits (pending deployment) and OTC derivatives (SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102) dated September 24, 2019	<p><u>1. Valuation of money market and debt securities with residual maturity of upto 30 days:</u></p> <p>In partial modification to the SEBI circulars (Paragraph 2 (I) of SEBI Circular No. SEBI/IMD/CIR No.16/193388/2010 dated February 02, 2010 read with Paragraph B (2) of SEBI Circular No. Cir/IMD/DF/6/2012 dated February 28, 2012 and Paragraph 1.0 of SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/41 dated March 22, 2019):</p> <ol style="list-style-type: none"> i. Amortization based valuation is permitted for money market and debt securities including floating rate securities, with residual maturity of upto 30 days. Further, the amortized price shall be compared with the reference price which shall be the average of the security level price of such security as provided by the agency(ies) appointed by AMFI for said purpose (hereinafter referred to as "valuation agencies"). The amortized price shall be used for valuation only if it is within a threshold of $\pm 0.025\%$ of the reference price. In case of deviation beyond this threshold, the price shall be adjusted to bring it within the threshold of $\pm 0.025\%$ of the reference price. ii. In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase. <p>Further, with effect from April 01, 2020 onwards, amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued in terms of paragraph given under point (2) below:</p> <p><u>2. Valuation of money market and debt securities with residual maturity of over 30 days:</u></p> <p>Reference: Paragraph 2 (II) of SEBI Circular No. SEBI/IMD/CIR No.16/193388/2010 dated February 02, 2010 read with Paragraph B (2) of SEBI Circular No. Cir/IMD/DF/6/2012 dated February 28, 2012 and Paragraph 1.0 of SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/41 dated March 22, 2019</p> <ol style="list-style-type: none"> a. In partial modification to the aforesaid circulars, the following has been decided: <ol style="list-style-type: none"> i. All money market and debt securities including floating rate securities, with residual maturity of over 30 days shall be valued at average of security level prices obtained from valuation agencies. ii. In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase. <p><u>3. Valuation of Government Securities:</u></p> <p>Reference: Paragraph 6 of SEBI Circular No. MFD/CIR No.14/442/2002 dated February 20, 2002</p> <p>It is clarified that irrespective of the residual maturity, Government Securities (including T-bills) shall be valued on the basis of security level prices obtained from valuation agencies.</p> <p><u>4. Valuation of other money market / debt securities, short-term deposits with banks (pending deployment) and OTC derivatives:</u></p> <ol style="list-style-type: none"> a. The valuation of bills purchased under rediscounting scheme shall be as per the guidelines mentioned above under paragraph (1) & (2) for valuation of money market instruments, as the case may be. b. Investments in short-term deposits with bank (pending deployment) and repurchase (repo) transactions (including tri-party repo i.e. TREPS) with tenor of upto 30 days, shall be valued on cost plus accrual basis. <p>In order to have uniformity in valuation methodology, prices for all OTC derivatives and market linked debentures shall be obtained from valuation agencies.</p>

<p>Money Market & debt securities which are rated below investment grade</p>	<p>Pursuant to SEBI circular no: SEBI/HO/IMD/DF4/CIR/P/2019/41 dated March 22, 2019, 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 these agencies. 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. Further, these haircuts shall be updated and refined, as and when there is availability of material information which impacts the haircuts.</p> <p>AMCs may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade provided by the valuation agencies subject to the following:</p> <p>(a) The detailed rationale for deviation from the price post haircuts or the price provided by the valuation agencies shall be recorded by the AMC.</p> <p>(b) The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price post haircuts or the average of the price provided by the valuation agencies (as applicable) and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees</p> <p>(c) The rationale for deviation along-with details as mentioned at para (b) above shall also be disclosed to investors. In this regard, all AMCs shall immediately disclose instances of deviations 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>In order to ensure uniformity in classification of securities as below investment grade or default and in the treatment of accrual of interest & future recovery (if any) with respect to such securities, the following has been decided by SEBI vide its circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102) dated September 24, 2019 :</p> <p><u>Definition of below investment grade and default:</u></p> <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, Mutual Funds shall promptly inform to the valuation agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.</p> <p><u>Treatment of accrued interest, future interest accrual and future recovery:</u></p> <p>The treatment of accrued interest and future accrual of interest, in case of money market and debt securities classified as below investment grade or default, is detailed below:</p> <p>a. The indicative haircut that has been applied to the principal should be applied to any accrued interest.</p> <p>b. In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.</p> <p>The following shall be the treatment of how any future recovery should be accounted for in terms of principal or interest:</p> <p>a. 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>b. Any recovery in excess of the carried value (i.e. the value recognized in NAV) should then be applied first towards amount of interest written off and then towards amount of principal written off.</p>
<p>Valuation of securities with Put / Call Options</p>	<p>In reference to the provisions for “Valuation of securities with Put / Call options” in SEBI Circular No. MFD/CIR/ 8 / 92 / 2000 dated September 18, 2000.</p> <p>In partial modification to the provision on valuation of securities with both put and call options in the aforementioned circular, SEBI, vide its circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102) dated September 24, 2019, has decided that:</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 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>If a put option is not exercised by a Mutual Fund 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 Board of AMC and Trustees.</p>

6) Valuation and Disclosure of Upfront Fees:

In pursuance of para 10.1 of the SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 on Valuation of money market and debt securities, AMFI, vide its AMFI Best Practices Guidelines Circular No. 135/BP/83/2019-20 dated November 18, 2019, has issued the following guidelines for valuation of any upfront fee (or any other consideration, by whatever name called) received in a Mutual Fund scheme:

- Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of the security.
- Details of such upfront fees should be shared by the AMCs on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.
- For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made the investment. In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes.

V. TAX & LEGAL & GENERAL INFORMATION

As a capital asset the tax implications described in this document are as per the provisions of the Income-tax Act, 1961 ("the Act") as amended by Finance Act, 2022. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India and the unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each unit holder is advised to consult his/her/its own professional tax advisor. Further, the tax implications/ rates are discussed considering that the unit holders hold the units"

A. Taxation on investing in Mutual Funds

a. Tax Benefits to the Mutual Fund – Shriram MF is a Mutual Fund registered with the SEBI and hence the entire income of the Mutual Fund will be exempt from income tax in accordance with the provisions of clause (23D) of section 10 of the Act. The Mutual Fund will receive all income i.e. income by way of interest or dividend without any deduction of tax at source under the provisions of clause (iv) of section 196 of the Act.

b. Taxation on investing in Equity Schemes of Mutual Fund:

The taxation summary of the taxation of Mutual Funds is as below:

	Equity Oriented Mutual Fund (*)		Debt Oriented Mutual Fund	
	Resident Investor	Mutual Fund	Resident Investors	Nil (Refer note~)
Tax on Dividend	TDS @10% if dividend exceeds Rs. 5000/- (Refer note~)	Nil (Refer note~)	TDS @10% if dividend exceeds Rs. 5000/- (Refer note~)	Nil (Refer note~)
Capital Gains Tax:				
Long Term (Holding period > 12 months) (Section 112A) (Refer Note ##)	10% without indexation benefit of such capital gains exceeding Rs.1,00,000/- No Chapter VI-A deductions or rebate will be allowed from this capital gains.	Nil		
Short Term (Holding period =< 12 months) (Section 111A) (Refer Note #)	15% (Subject to Surcharge, if applicable)**	Nil		
Long Term (Holding period >36 months) (Section 112) (Refer Note ##)			20% with indexation benefit (subject to Surcharge, if Applicable)**	
Short Term (Holding period =<36 months) (Refer Note #)			Income tax Rate applicable to the Unit holders as under; i. Individuals/HUF –Slab Rates ii. Others –at applicable rates (subject to Surcharge, if Applicable)**	

Notes:

- (*): The expression "equity oriented fund" has been defined under Explanation (b) of Section 115T of the Act to include a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five percent of the total proceeds of such fund. Further, as per the proviso to the Explanation (b) to section 115T, the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.
- (~): Dividend distribution tax is abolished w.e.f. 1st April 2020. Accordingly, dividend will be taxed in the hands of investor. Section 194K is introduced in order to deduct tax on dividend. From A.Y. 2021-22 (FY 2020-21) onwards, any income distributed by mutual fund to resident unit holders,

will be subject to TDS @ 10%. TDS as per the provisions of Section 194K of the Income Tax Act, 1961 shall not be deductible in the following cases:

- a) Where income distributed does not exceed INR 5,000/-
b) Where income distributed is in nature of Capital Gains
(#) In case of resident individuals and Hindu Undivided Families ('HUFs'), where the total income as reduced by such short-term capital gains (Section 111A), is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the short fall and only the balance short-term capital gains will be subjected to the 15 percent tax rate.
(##) In case of resident individuals and Hindu Undivided Families ('HUFs'), where the total income as reduced by such long-term capital gains (Section 112A and Section 112), is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall.
(**) These should be increased by the applicable surcharge as under:

Type of person	Surcharge (%)
Domestic company with income exceeding Rs. 1 crore but upto Rs. 10 crore in a year	7
Domestic company with income exceeding Rs. 10 crore in a year	12
Company other than domestic company with income exceeding Rs. 1 crore but upto Rs. 10 crore in a year	2
Company other than domestic company with income exceeding Rs. 10 crore in a year	5
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds Rs. 50 Lakh but upto Rs. 1 crore.	10
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds 1 crore but upto 2 crore	15
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds 2 crore but upto 5 crore	25 {The maximum rate of Surcharge for dividend income, income referred to in section 111A, 112A and 115AD shall be levied at the rate of 15%} However, from AY 2023-24 onwards, the maximum rate of surcharge on tax payable on dividend income or capital gain referred to in Section 112 in addition to income referred to in section 111A, 112A and 115AD, shall be 15%.
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds 5 crore	37 {The maximum rate of Surcharge for dividend income, income referred to in section 111A, 112A and 115AD shall be levied at the rate of 15%} However, from AY 2023-24 onwards, the maximum rate of surcharge on tax payable on dividend income or capital gain referred to in Section 112 in addition to income referred to in section 111A, 112A and 115AD, shall be 15%.
Partnership firms including LLPs, Local Authorities Co-operative societies where income exceeds Rs. 1 crore	12

Further, Health and education cess of 4% shall also be applicable.

Additional Notes:

- A) Under section 206AB of the Act, TDS shall be at higher of following rates on specified payments, where recipient has not filed return of income for 2 previous years and TDS in each year is INR 50,000 or more: (with effect from the 1st day of July, 2021)
-Twice the rate specified in the Act or
-Twice the rates in force
-Rate of 5 %
- B) Equity scheme will also attract securities transaction tax (STT) at applicable rates.
- C) Surcharge and Educational cess will be payable in addition to the applicable taxes, wherever.

- D) **With respect to Non-Resident Unit holders (Other than a company),** income distributed will be subject to TDS 20% plus applicable Surcharge and Education Cess. For tax on long-term capital gains in case of non-residents @10% on transfer of capital assets, being unlisted securities, computed without giving effect to first & second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit.

Income tax is deductible on short-term capital gains arising on sale/transfer of units at the rate of 30 percent exclusive of Surcharge & Cess.

- E) **In the case of a foreign company:** Income tax is deductible on long-term capital gains arising on sale/transfer of units at the rate of 20 percent exclusive of Surcharge & Cess. Tax on long-term capital gains in case of non-residents @10% exclusive of Surcharge & Cess on transfer of capital assets, being unlisted securities computed without giving effect to first & second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit.

Income tax is deductible on short-term capital gains arising on sale/transfer of units at the rate of 40 percent exclusive of Surcharge & Cess.

Investors are requested to note that the tax position prevailing at the time of investment may change in future due to statutory amendment. The Mutual Fund will pay / deduct taxes as per the applicable tax laws on the relevant date. Additional tax liability, due to such changes in the tax structure, shall be borne by the investors and not by AMC or Trustees. The characterization of gains / losses arising from transfer / redemption of units as capital gains or business income would depend on the classification of the said units by the unit holder. It would depend on whether the unit holder has classified such units as capital assets or as stock in trade.

[As per Finance (No. 2) Act 2014, in case of FIIs, the characterization of gains / losses arising from transfer / redemption of units would be done as Capital Gains, irrespective of it being the business activity of the FII.]

c. Foreign Institutional Investors:

Under section 115AD, any income received (other than by way of dividend from Domestic Companies) from securities (i.e. shares, bonds, debentures, units issued under mutual fund scheme), shall be liable to tax at 20% in case of Foreign Institutional Investors and at 10% in case of Specified funds.

Specified fund means a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate,—

- (i) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (ii) which is located in any International Financial Services Centre;
- (iii) of which all the units are held by non-residents other than unit held by a sponsor or manager;

Long-term capital gains arising on sale/transfer of units, held for a period of more than 36 months, would be taxed at the rate of 10 percent under Section 115AD of the Act. Such gains would be calculated without inflation index and currency fluctuations.

Short-term capital gains arising on sale/transfer of units would be taxed at 30percent.

Under Section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of units referred to in Section115AD of the Act.

d. Specified overseas financial organizations:

Long-term capital gains arising on sale/transfer of equity oriented mutual fund units purchased in foreign currency, held for a period of more than twelve months, would be taxable at the rate 10% under section 115AB of the Income Tax Act,1961. Short-term capital gains arising on sale/transfer of equity oriented mutual fund would be taxed at 15 percent. Overseas financial organisation means any fund, institution, association or body, whether incorporated or not, established under the laws of a country outside India, which has entered into an arrangement for investment in India with any public sector bank or public financial institution or a mutual fund specified under clause (23D) of section10 and such arrangement is approved by the Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act,1992

(15 of 1992), for this purpose. As per section 196B of the Act, income tax is deductible on long-term capital gains arising on sale/transfer of units purchased in foreign currency, at the rate of 10 percent. Income tax is deductible on short-term capital gains arising on sale/transfer of units at the rate of 40 percent, in case of foreign companies.

e. Equity Linked Savings Schemes:

Equity Linked Savings Schemes (ELSS) are Schemes formulated under the Equity Linked Savings Scheme, 2005('the Scheme'), issued by the Central Government. Accordingly, any investment made by an assessee in the ELSS of the Fund upto a sum of Rs.1,50,000/- in a financial year would qualify for deduction under section 80C of the Act. The Scheme defines "assessee" to mean:

- (i) An individual; or
- (ii) A Hindu Undivided Family;

f. Securities Transaction Tax (STT):

Sr. No.	Transactions	Rate	Payable by
1.	Purchase/Sale of equity shares (delivery based)	0.1%	Purchaser/Seller
2.	Purchase of units of equity-oriented mutual fund(delivery based)	Nil	NA
3.	Sale of units of equity-oriented mutual fund (Delivery Based)	0.001%	Seller
4.	Sale of equity shares, units of equity-oriented mutual fund(non-delivery based)	0.025%	Seller
5.	When option is not exercised	0.05%	Seller
6.	Sale of an option insecurities, where option is exercised	0.125%	Purchaser
7.	Sale of a futures in securities	0.01%	Seller
8.	Sale of unit of equity oriented fund to the Mutual Fund	0.001%	Seller

The securities transaction tax paid by the assessee during the year in respect of taxable securities transactions entered in the course of business shall be allowed as deduction under section 36 of the Act subject to the condition that such income from taxable securities transactions is included under the head 'profits and gains of business or profession. Securities Transaction Tax (STT) is not applicable in the case of non- equity-oriented mutual fund Schemes.

g. Dividend Stripping (All Unit holders) :

As per the provisions of Section 94(7) of the Act, loss arising on sale of units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purpose of entitlement of the unit holders to receive dividend) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent such loss does not exceed the amount of dividend or income received or receivable on such units.

h. Bonus stripping (All Unit holders) :

As per the provisions of section 94(8) of the Act, in case of units purchased within a period of 3 months prior to the record date for entitlement of bonus and sold within 9 months after the record date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of acquisition/purchase of such bonus units.

i. Tax Treaty :

Income-tax is required to be deducted at source from capital gains chargeable to tax under section 195 of the Act at the applicable rates. In the case of an assessee resident of a country with which a Double Taxation Avoidance Agreement ('DTAA') is in force, the tax should be with held as per provisions in the Act or as per the provisions in the DTAA whichever is more beneficial to the non-resident holder. However, such a non-resident unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA. As per Finance Act, 2012 a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate ('TRC') from their home country, containing such particulars as specified in notification no.39/2012 dated September17, 2012.

j. Exemptions from long-term capital gains:

The following deductions are available from Long-term Capital Gains arising on sale of Mutual Fund units, if the sale proceeds are invested in eligible avenues:

	Section 54F
Eligible persons	Individual and HUFs
Asset to be purchased to claim exemption	Residential house Property provided that the assessee does not own more than one residential house property.
Time-limit for purchase from date of sale of MF units	Purchase : 1 year backward / 2 years forward & Construction : 3 years forward
Amount Exempt	Capital gains proportionate to the investment made from the sale proceeds (subject to other conditions of owning/ purchasing residential house mentioned in the section)
Lock-in period	3 years

k. Wealth-tax :

The Wealth Tax Act, 1957 has been repealed with effect from assessment Year 2016-17.

l. Gift-tax :

The Gift-Tax Act, 1958 has been repealed since October 1, 1998. Gift of units of Mutual fund units would be subject to income-tax in the hands of the donor. As per Section 56(2)(x) where any person receives, in any previous year, from any person or persons on or after the 1st day of April, 2017,—

Any property, other than immovable property,—

- (A) Without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property;
- (B) For a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration:

Provided that this clause shall not apply to any sum of money or any property received—

- I. From any relative; or
- II. on the occasion of the marriage of the individual; or
- III. under a will or by way of inheritance; or
- IV. in contemplation of death of the payer or donor, as the case may be; or
- V. from any local authority as defined in the Explanation to clause (20) of section 10; or
- VI. from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or
- VII. from or by any trust or institution registered under section 12A or section 12AA; or
- VIII. by any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or
- IX. by way of transaction not regarded as transfer under clause (i) or clause (iv) or clause (v) or clause (vi) or clause (via) or clause (vib) or clause (vic) or clause (vica) or clause (vicb) or clause (vid) or clause (vii) of section 47; or
- X. from an individual by a trust created or established solely for the benefit of relative of the individual.
- XI. from such class of persons and subject to such conditions, as may be prescribed.]
- XII. by an individual, from any person, in respect of any expenditure actually incurred by him on his medical treatment or treatment of any member of his family, for any illness related to COVID-19 subject to such conditions, as the Central Government may, by notification in the Official Gazette, specify in this behalf;
- XIII. by a member of the family of a deceased person—
 - A. from the employer of the deceased person; or
 - B. from any other person or persons to the extent that such sum or aggregate of such sums does not exceed ten lakh rupees, where the cause of death of such person is illness related to COVID-19 and the payment is—

- i. received within twelve months from the date of death of such person; and
- ii. subject to such other conditions, as the Central Government may, by notification in the Official Gazette, specify in this behalf.

Explanation.— For the purposes of this clause, the expressions "assessable", "fair market value", "jewellery", "property", "relative" and "stamp duty value" shall have the same meanings as respectively assigned to them in the Explanation to clause (vii) and property shall include virtual digital asset.

The term "relative" shall mean:

- A] In the case of an Individual: (i) spouse of the individual; (ii) brother or sister of the individual; (iii) brother or sister of the spouse of the individual; (iv) brother or sister of either of the parents of the individual; (v) any lineal ascendant or descendant of the individual; (vi) any lineal ascendant or descendant of the spouse of the individual; (vii) spouse of the person referred to in clauses (ii) to (vi)
- B] In case of a HUF, any member thereof

m. Taxation on investing in Debt Schemes of Mutual Fund:

- 1) The expression "money market mutual fund" has been defined under Explanation (d) to Section 115T which means a scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
- 2) The expression "liquid fund" has been defined under Explanation (e) to Section 115T which means a scheme or plan of a mutual fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this behalf under the Securities and Exchange Board of India Act, 1992 or regulations made there under.

n. Taxation on investing in Balanced Schemes of Mutual Fund:

In the case of Balanced scheme, the range of indicative allocation to equity would be depending upon the perception of the Investment Manager regarding market conditions, market opportunities, applicable regulations and political and economic factors, the intention being at all times to seek to protect the interests of the unit holders. Therefore, the tax treatment in the case of Balanced Scheme would be as follows:

- 1) In the case the allocation to equity is above 65% and the fund qualifies as an equity oriented fund, tax treatment will be similar to that of equity oriented fund as mentioned above.
- 2) In the case the allocation to equity is 65% or below and the fund do not qualify as equity oriented fund, tax treatment will be similar to that of funds other than equity oriented funds as mentioned above.

o. Default in furnishing the PAN :

As per the provisions of Rule 37BC of the Income Tax Rules, the higher deduction as per the provisions of Section 206AA of the Act shall not be applicable even if PAN of the non-resident not being a company or a foreign company (referred to as deductee) if the following details are available:

- (i) name, e-mail id, contact number;
- (ii) address in the country or specified territory outside India of which the deductee is a resident;
- (iii) a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- (iv) Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

p. Other Benefits:

Investments in Units of the Mutual Fund will rank as an eligible form of investment under Section 11(5) of the Act read with Rule 17C of the Income-tax Rules, 1962, for Religious and Charitable Trusts.

Stamp Duty

Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 read with Notification No. S.O. 115(E) dated January 08, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019 and the clarification given by SEBI vide its letter no. SEBI/IMD/DF2/OW/ P/2020/11099/1 dated Jun 29, 2020, a stamp duty @ 0.005% of the transaction value shall be levied on mutual fund transactions (including physical transactions, transactions carried through stock exchanges and depositories for units in demat mode), with effect from July 01, 2020.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including lump sum transactions, SIP, STP, switch-ins, and dividend reinvestment) to the unit holders would be reduced to that extent.

It is, however, not applicable on redemption/sale of units.

Further, any transfer of mutual fund units will attract a stamp duty of 0.015%.

Foreign Account Tax Compliance Act (FATCA)

Foreign Account Tax Compliance Act (FATCA) is a United States (US) law aimed at prevention of tax evasion by U.S. citizens and residents ("US Persons") through use of offshore accounts.

FATCA particularly obligates foreign financial institutions (FFI) to report accounts held by specified US persons. The FATCA provisions were included in the Hiring Incentives to Restore Employment (HIRE) Act, enacted by the US legislature to create employment opportunities in the US. FATCA is designed to increase compliance by U.S. taxpayers and is intended to bolster efforts to prevent tax evasion by the US tax payers with offshore investments. SEBI vide circular dated June 30, 2014 on the subject has clarified that the Government of India has advised that India and US have reached an agreement in substance on the terms of an Inter-Governmental Agreement (IGA) to implement FATCA and India is now treated as having an IGA in effect from April 11, 2014. The Inter Governmental Agreement (IGA) signed between US & Indian Governments for implementation of FATCA came into force on 31st August, 2015.

In order to comply with the requirement of FATCA, the AMC is required to collect information about investor's tax residency. Unit holders are required to fully cooperate & furnish the required information to the AMC, as and when deemed necessary by the latter in accordance with IGA and/or relevant circulars or guidelines etc., which may be issued from time to time by SEBI/AMFI or any other relevant & appropriate authorities. The impact of FATCA is relevant not only at the point of on-boarding of investors but also throughout the life cycle of the investors account or folio. Event such as closure of an account or folio, addition of a new holder to the folio or address change or any other change in circumstances is likely to trigger impact under FATCA. Further, FATCA due diligence shall be directed at each investor (including joint investor). Once an investor is identified as a reportable person/specified US person, all his folios shall be reported-including those where he may be a joint holder.

Shriram Mutual Fund /the AMC reserves the right to reject application forms submitted without disclosing necessary information as prescribed under the aforesaid laws/rules/regulations.

Investors can get more details on FATCA requirements at: Act-FATCA.

The applicants/unit holders/prospective investors are advised to seek independent advice from their own financial & tax consultants with respect to the possible implications of FATCA on their investments in the scheme(s).

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 a Official point of acceptance of transactions, 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 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, Shriram Mutual Fund / Shriram 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 have to be followed for cases of nomination :

- 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.
- Every new nomination for a folio/account will overwrite the existing nomination.
- 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.
- Even those investors who do not wish to nominate must sign separately confirming their non-intention to nominate.

"On Behalf of Minor" Accounts :

- The minor shall be the first and the sole holder in the folio.
- Guardian, being a natural guardian (i.e. father or mother) or a court appointed legal guardian or a court appointed legal guardian should submit requisite documentary evidence to AMC/registrar of fund to ascertain relationship/status of guardian.
- 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 :

- 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'.
- 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.
- 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 the existing standing instructions will continue to be processed beyond the date of the minor attaining majority, until an instruction to terminate the existing instructions is received by the AMC/RTA from the minor. 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.

Further process to be complied for investments made in the name of a Minor through a Guardian (SEBI Circular No: SEBI/HO/IMD/DF3/CIR/P/2019/166 dated December 24, 2019)

- a. Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor or from a joint account of the minor with the guardian only.
- b. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major.

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.

In addition, guidelines/formats prescribed by AMFI vide its Best Practice Circular no. 135/BP/ 86 /2020-21 dated July 16, 2020 need to be complied/followed w.r.t. Minors' Accounts & Change in status from Minor to Major.

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 dividend amounts :

SEBI vide its circular no: SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016 read with circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/608 dated July 30, 2021 has asked Mutual Funds to follow the following guidelines:

1. The unclaimed redemption and dividend amounts, that are currently allowed to be deployed only in call money market or money market instruments, shall also be allowed to be invested in a separate plan of only Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts.

Provided that such schemes where the unclaimed redemption and dividend amounts are deployed shall be only those Overnight scheme/ Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low CreditRisk) of Potential Risk Class matrix as per SEBI Circular No. SEBI/HO/IMD/IMD-II/ DOF3/P/CIR/2021/573 dated June 07, 2021.

AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50bps whichever is lower.

2. The list of names & addresses of investors, in whose folios there are unclaimed amounts, shall be posted on the website of the AMCs along with the information on the process of claiming the unclaimed amount and the necessary forms / documents required for the same.
3. AMFI shall also provide on its website, the consolidated list of investors across Mutual Fund industry, in whose folios there are unclaimed amounts. The information provided herein shall contain name of investor, address of investor and name of Mutual Fund/s with whom unclaimed amount lies.
4. Information at point 2 & 3 above may be obtained by investor only upon providing his proper credentials (like PAN, date of birth, etc.) along-with adequate security control measures being put in place by Mutual Fund / AMFI.
5. Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), shall be separately disclosed to investors through the periodic

statement of accounts / Consolidated Account Statement sent to the investors.

6. Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education.

Prevention of Money Laundering :

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti-Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address(es) of investors. Pursuant to the provisions of Prevention of Money Laundering Act, 2002, if after due diligence the AMC believe that any transaction is suspicious in nature as regards money laundering, on failure to required documentation, information etc. by the unit holder, the AMC shall have absolute discretion to report such suspicious transactions to Financial Intelligence Unit-India/ or to freeze the folios of the investor(s), reject any application(s)/allotment of units.

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 Shriram Mutual Fund ("the Fund") :

- a. Fill up and sign the KYC application form (for individual investors or non-individual investors as appropriate) available on the Funds web site i.e. www.shriramamc.in
- b. 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
- c. 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 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) In case of an existing investor of Shriram Mutual Fund and who is already KYC Compliant under the erstwhile centralized KYC with CVL (CVLMF)/CAMSKRA then there will be no effect on subsequent Purchase/Additional Purchase (or on-going SIPs/STPs, etc.) in the existing folios/accounts which are KYC compliant. Existing Folio holder cannot open a new folio with Shriram Mutual Fund with the erstwhile centralized KYC.
- 2) In case of an existing investor of Shriram Mutual Fund and who is not KYC Compliant as per our records, the investor will have to submit the standard KYC Application forms available in the website www.cvlkra.com/ [www.kra.ndml.in /](http://www.kra.ndml.in/) www.camskra.com/ www.nsekra.com 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 (KYC status with CVL-KRA as "MF - VERIFIED BY CVLMF") and not invested in the schemes of Shriram Mutual Fund i.e. not opened a folio earlier, and wishes 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.

Updating 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 then the KYC status at CVL-KRA will change to Verified by CVL KRA after due verification. In such a scenario, where the KYC status changes to "Verified by CVL KRA, investors need not submit the missing/not available KYC information to mutual funds again.

- a) In case of Individual investors, following details needs to be submitted:
- Father's/Spouse's Name,
 - Marital Status,
 - Nationality,
 - Gross Annual Income or Net worth as on recent date
 - In-Person Verification (IPV)

Individual Investors are required to submit "KYC Details Change Form issued by NSDL (www.kra.ndml.in) / CVL-KRA (www.cvlkra.com) / CAMS (www.camskra.com).

- b) In case of Non Individual investors, complied with KYC process before December 31, 2011, KYC needs to be done afresh due to significant and major changes in KYC requirements.

Further, investors investing under a SIP up to Rs. 50,000 per year i.e. the aggregate of instalments in a rolling 12 month period ("Micro SIP"), are also required to comply with the above mentioned KYC procedure. However, they are exempt from the requirement of providing PAN as a proof of identification.

Those investors (including joint holders) subscribing to a micro SIP will be required to submit a photocopy of any one of the following documents along with their micro SIP applications. It may be noted that the Supporting document must be current and valid and shall be self-attested by the investor / attested by the ARN holder mentioning the ARN number :

- Voter Identity Card
- Driving License
- Government / Defence identification card
- Passport
- Photo Ration Card
- Assembly / Parliament
- Senior Citizen / Freedom Fighter ID card issued by Government.
- Any other photo ID card issued by Central Government / State Governments /Municipal authorities / Government organizations.

In case a Micro SIP investor has a Pan card then he will have to complete the KYC formality with CDSL and attach a copy of the KYC acknowledgement along with the application.

In addition to the above, pursuant to the AMFI Best Practices Guidelines Circular No. 62/2015-16 dated September 18, 2015, effective from November 01, 2015:

- It is mandatory for all new Mutual Fund investors to provide additional KYC details as prescribed in Part II of the Account Opening Form (such as Gross Annual Income Details, Net Worth, Occupation, PEP) as part of account opening; and
- No purchase transactions (whether fresh or additional subscriptions) and switches pertaining to 'KYC-On Hold' cases shall be accepted, unless and until the customer also submits missing information or updated information, for updating the same in KRA-KYC system promptly.

A ready-reckoner of action to be taken by AMC/RTA in respect of new customers/folios/accounts is given in the table below

KYC Status	Action till October 31, 2015	Action from November 01, 2015
KYC-Registered	Accept	Accept
KYC-On Hold	Communicate for remediation	Reject ALL Purchase & Switch transactions if the missing information is not provided
KYC-Under Process	Accept	Accept
KYC Rejected	Reject	Reject
KYC-Not Available	Reject	Reject
KYC-Deactivated	Reject	Reject

Note: SIP and STP mandates already registered till October 31, 2015 may be exempted from the above stipulations

As regards the cases involving 'Missing/Not Available' KYC information, effective from January 01, 2016 it is mandatory for the existing MF customers to:

- provide/update additional KYC details as prescribed in Part II of the Account Opening Form (such as Gross Annual Income Details, Net Worth, Occupation, PEP) where such information was not provided to KRAs earlier, to be able to continue to make additional subscription (including

switches) in their existing folios

- provide the missing information, and complete In-Person Verification (IPV) in order to continue to make additional subscription, including switches, in their existing folios to make this process consistent across the Industry.

A ready-reckoner of action to be taken by AMC/RTA in respect of existing folios with KYC status as 'MF-KYC Registered' is given in the table below

KYC Status	Action till December 31, 2015	Action from January 01, 2016
MF-KYC Registered	Make sustained efforts to obtain the requisite Missing/Not Available KYC information and/or complete the IPV requirement, as the case may be and update in KRA records.	Reject ALL Purchase and switch transactions, if the missing KYC information is NOT provided and/or IPV is not completed

Note: SIP and STP mandates already registered till December 31, 2015 may be exempted from the above stipulations

Aadhaar based e-KYC process

SEBI vide circular no: CIR/MIRSD/09/2013 dated October 8, 2013, enabled Aadhaar based e-KYC service offered by UIDAI for KYC verification.

Also vide circular No. CIR/MIRSD/29/2016 dated January 22, 2016, SEBI clarified that the usage of Aadhaar card as issued by the UIDAI is voluntary.

Moreover, pursuant to SEBI Circular No:

SEBI/HO/MIRSD/DOP/CIR/P/2019/123 dated November 05, 2019, entities in the securities market, as may be notified by the Central Government, shall be allowed to undertake Aadhaar Authentication under section 11A of the PMLA. These entities would be registered with UIDAI as KYC user agency ("KUA") and shall allow all the SEBI registered intermediaries / mutual fund distributors to undertake Aadhaar Authentication of their clients for the purpose of KYC through them.

- For entering into account based relationship, the client may provide the following information to the intermediary:
 - Name
 - Aadhaar number
 - Permanent Account Number (PAN)
- The above information can be provided by the client electronically including through any web enabled device.
- The intermediary shall perform verification of the client with UIDAI through biometric authentication (fingerprint or iris scanning). Mutual Funds can also perform verification of the client with UIDAI through One Time password (OTP) received on client's mobile number or on e-mail address registered with UIDAI provided, the amount invested by the client does not exceed Rs. 50,000 per financial year per Mutual Fund and payment for the same is made through electronic transfer from the client's bank account registered with that Mutual Fund.
- PAN of such client is to be verified from the income tax website.
- After due validation of Aadhaar number provided by the client, the intermediary (acting as KUA) shall receive the KYC information about the client from UIDAI through KSA.
- The information downloaded from UIDAI shall be considered as sufficient information for the purpose of KYC verification. The intermediary shall upload this KYC information on the KRA system in terms of KRA Regulations.
- In case material difference is observed either in the name (as observed in the PAN vis-a-vis Aadhaar) or photograph in Aadhaar is not clear, the intermediary shall carry out additional due diligence and maintain a record of the additional documents sought pursuant to such due diligence.
- The records of KYC information so received shall be maintained by the intermediary as per the SEBI Act, Regulations and various circulars issued thereunder.

In addition to the above, SEBI, vide its Circular no:

SEBI/HO/IMD/DF2/OW/P/2016/0000006768/1 dated March 08, 2016, has clarified that in case of Aadhaar based e-KYC also the investment in mutual fund scheme upto INR 50,000 per investor per financial year per mutual fund shall continue to be exempted from the requirement of PAN.

Central KYC

Pursuant to SEBI circular no: CIR/MIRSD/ 66 /2016 dated July 21, 2016 the registered intermediaries shall upload the KYC data with Central KYC Records Registry (CKYCR), in respect of all individual accounts opened on or after August 1, 2016, wherever KYC is required to be carried out as per the circulars issued by SEBI from time to time and accordingly, shall take steps to prepare their systems for uploading the KYC data.

Further, SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2021/31 dated March 10, 2021 has mandated to upload the KYC records of Legal Entity (other

than individuals) accounts as well opened on or after April 01, 2021 on to CKYCR in terms of Rule 9 (1A) of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. For Legal Entity accounts opened prior to April 1, 2021, the KYC records are required to be uploaded on to CKYCR when the updated KYC information is obtained/received from the client.

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 Shriram 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., and 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 (Ref: AMFI Circular no. 135/BP/85/2020-21 dated June 26, 2020):

1. Deletion of names of the deceased unit holders in case of death of 2nd and/or 3rd Holder

- i. Request Form from surviving unitholder(s) requesting for Deletion of Name of Deceased 2nd and/or 3rd Holder.
- ii. Death Certificate in original or photocopy duly attested by a Notary Public or a Gazetted Officer.
- iii. Fresh Bank Mandate Form along with cancelled cheque of the new bank account (only if there is a change in existing bank mandate)
- iv. Fresh Nomination Form in case there is no nomination or a change in existing nomination is desired by the surviving unit holders.
- v. KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.

2. Transmission of Units to surviving unit holder(s) in case of death of the 1st holder

- i. Transmission Request Form for Transmission of Units to the surviving unitholder/s.
- ii. Death Certificate of the deceased unitholder(s) in original OR photocopy duly attested by a Notary Public or a Gazetted Officer.
- iii. Copy of PAN Card of the Surviving Joint Holder(s) (if PAN is not provided already)
- iv. Cancelled cheque of the new first unitholder, with the claimant's name pre-printed OR Recent Bank Statement/Passbook (not more than 3 months old) of the new first holder.
- v. KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.

3. Transmission of Units to the registered Nominee/s in case of death of Sole or All unitholders

- i. Transmission Request Form for Transmission of Units in favour of the Nominee(s).
- ii. Death Certificate of the deceased unitholder(s) in original OR photocopy duly attested by a Notary Public or a Gazetted Officer.
- iii. Copy of Birth Certificate, in case the Nominee is a minor.
- iv. Copy of PAN Card of the Nominee(s) / Guardian (in case the Nominee is a minor)
- v. KYC Acknowledgment OR KYC Form of the Nominee(s) / Guardian (where Nominee is a Minor)
- vi. Cancelled cheque with the Nominee's name pre-printed OR Copy of the Nominee's recent Bank Statement/Passbook (which is not more than 3 months old).
- vii. If the transmission amount is upto Rs. 2 Lakh, Nominee's signature attested by the Bank Manager as per Annexure-Ia. In case the Nominee is a Minor, signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested.

If the transmission amount is for more than Rs. 2 Lakh, as an operational risk mitigation measure, signature of the Nominee shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the

signature of the claimant.

4. Transmission of Units to the Claimant/s on death of Sole unitholder or All unitholders, where there is NO NOMINATION registered

- i. Transmission Request Form for Transmission of Units to the Claimant
- ii. Death Certificate of the deceased unitholder(s) in original OR photocopy duly attested by a Notary Public or a Gazette Officer.
- iii. Copy of Birth Certificate in case the Claimant is a minor.
- iv. Copy of PAN Card of the Claimant / Guardian (in case the Claimant is a minor).
- v. KYC Acknowledgment OR KYC Form of the Claimant / Guardian (in case the Claimant is a Minor)
- vi. Cancelled cheque with the claimant's name pre-printed OR Copy of the Claimant's recent Bank Statement/Passbook (which is not more than 3 months old).

If the transmission amount is up to Rs. 2 Lakh –

- a. Bank Attestation of signature of the Claimant by the Bank Manager. In case the Claimant is a Minor, the signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested.
- b. Any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.
- c. Bond of Indemnity → to be furnished by Legal Heirs for Transmission of Units without production of Legal Representation.

Provided that in case the legal heir(s)/claimant(s) is submitting the Succession Certificate or Probate of Will or Letter of Administration wherein the claimant is named as a beneficiary, an affidavit from such legal heir/claimant(s) alone would be sufficient; i.e., Bond of Indemnity is not required.

- d. Individual Affidavits to be given by each legal heir as per Annexure-III
- e. NOC from other Legal Heirs, where applicable.

If the transmission amount is more than Rs. 2 Lakh –

- a. Signature of the Claimant duly attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant. In case the Claimant is a Minor, the signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested.
- b. Individual Affidavits to be given each legal heir
- c. Any one of the documents mentioned below:
 - ✓ Notarised copy of Probated Will; OR
 - ✓ Succession Certificate issued by a competent court; OR
 - ✓ Letter of Administration or court decree, in case of Intestate Succession.

5. Change of Karta upon death of the Karta of Hindu Undivided Family (HUF)

If the case of a HUF, the property of the HUF is managed by the Karta and the HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will need to appoint a new Karta, who needs to submit following documents for transmission:

- i. Request Form for change of Karta upon demise of the registered Karta.
- ii. Death Certificate of the deceased Karta in original OR photocopy duly attested by a Notary Public or a Gazette Officer.
- iii. Bank's letter certifying that the signature and details of new Karta have been updated in the bank account of the HUF & attesting the Signature of the new Karta.
- iv. KYC Acknowledgment OR KYC Form of the new Karta and the HUF, if not KYC compliant.
- v. Indemnity Bond as per Annexure V signed by all surviving coparceners (including new Karta).
- vi. If the transmission amount is upto Rs. 2 Lakh, any appropriate document evidencing relationship of the new Karta and the other coparceners with the deceased Karta.
- vii. If the transmission amount is more than Rs. 2 Lakh, any one of the documents mentioned below –
 - Notarized copy of Settlement Deed, or
 - Notarized copy of Deed of Partition, or
 - Notarized copy of Decree of the relevant competent court.

6. Transmission of Units to the Claimant/s upon death of the Karta of HUF, where there is no surviving co-parcener or the HUF has been dissolved/partitioned after demise of the Karta

- i. Transmission Request Form for Transmission of Units to the Claimant.
- ii. Death Certificate of the deceased Karta in original OR photocopy duly attested by a Notary Public or a Gazette Officer.

- iii. Copy of Birth Certificate in case the Claimant is a minor.
- iv. Copy of PAN Card of the Claimant(s) / Guardian (in case the Claimant is a minor)
- v. KYC Acknowledgment OR KYC Form of the Claimant(s) / Guardian (in case the Claimant is a Minor)
- vi. Cancelled cheque with the claimant's name pre-printed OR Copy of the Claimant's recent Bank Statement/Passbook (which is not more than 3 months old).
- vii. If the transmission amount is upto Rs. 2 Lakh, attestation of signature of the claimant by Bank Manager as per Annexure-Ia. In case the claimant is a Minor, the signature of the Guardian (as per the Minor's bank account / Minors joint account with the Guardian) shall be attested.

If the transmission amount is for more than Rs. 2 Lakh, signature of the claimant shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant.

- viii. Bond of Indemnity to be furnished by the Claimant.
- ix. If the HUF has been dissolved/partitioned by the surviving members after demise of the Karta, the transmission of units should be effected only on the basis of any of the following documents:
 - Notarized copy of Settlement Deed, OR
 - Notarized copy of Deed of Partition, OR
 - Notarized copy of Decree of the relevant competent Court.

For more clarification on transmission process and for the formats of the different forms/documents as mentioned above, kindly visit our website link <https://www.shriramamc.in/Transmission.aspx>

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 have a demat account. 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 dividend, 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 Shriram 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, 1996 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., and

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 pledger 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 in case of open ended schemes. However in case of close ended schemes, 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 Unit holder 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 above, under 'Procedure and manner of Winding Up', if SEBI is satisfied that all measures for winding up of the Scheme have been completed, the Scheme shall cease to exist.

SUSPENSION OF REDEMPTION / REPURCHASE OF UNITS AND DIVIDEND DISTRIBUTION :

The Mutual Fund at its sole discretion reserves the right to withdraw repurchase or switching of Units of the Scheme, temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and /or suitable investment opportunities are not available for deployment of funds. However, the suspension of repurchase/switching either temporarily or indefinitely will be with the approval of the trustee. The AMC reserves the right in its sole discretion to withdraw the facility of switching out of the Scheme, temporarily or indefinitely. Further, the AMC & Trustee may also decide to temporarily suspend determination of NAV of the Scheme offered under this Document, and consequently redemption of Units, declaration and distribution of dividend in any of the following events:

1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays.
2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme is not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unitholders.
3. In the event of a breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the Scheme cannot be accurately calculated.
4. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unitholders of the Scheme.
5. In case of natural calamities, strikes, riots and bandhs.
6. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Registrar.
7. During the period of Book Closure.
8. If so directed by SEBI.

In the above eventualities, the time limits indicated above, for processing of requests for redemption of Units and/or distribution of dividend will not be applicable. Further an order to purchase units is not binding on and may be rejected by the Trustee, the AMC or their respective agents until it has been confirmed in writing by the AMC or its agents and payment has been received. The suspension or restriction of repurchase/redemption facility under the scheme shall be made applicable only after the approval of the Board of Directors of the Asset Management Company and the Trustee and the details of the circumstances and justification for the proposed action shall be informed to SEBI in advance.

Investors are requested to note that No Redemption/ repurchase of units shall be allowed in a close ended scheme prior to the maturity of the scheme. Unitholders who wish to exit may do so through the Stock Exchange mode.

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 dividend 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.

Further, vide its Best Practice Guidelines Circular No. 71/2017-18 dated March 23, 2018 AMFI has recommended that cost of borrowing made to manage redemptions, to the extent of YTM/ running yield of the fund as on previous day, should be charged to the scheme and any access cost over YTM/ running yield of the previous day may be borne by the AMC, and in case of any reversal subsequently, the same should be disclosed separately.

INTER-SCHEME TRANSFER OF INVESTMENTS :

Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if -

- (a) Such transfers are done at the prevailing market price for quoted instruments on spot basis.

Explanation : "spot basis" shall have same meaning as specified by stock exchange for spot transactions.

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

In order to ensure that such Inter Schemes Transfers (ISTs) of securities are in conformity with the above objective, additional safeguards have been prescribed by SEBI vide its circular no. SEBI/HO/IMD/DF4/CIR/ P/2020/202 dated October 08, 2020. ISTs shall be undertaken in compliance with the guidelines/requirements as specified in the said SEBI circular as well.

ASSOCIATE TRANSACTIONS :

1. Investment in Group Companies

Investments in securities of group companies, if any, will be made purely on commercial considerations for the benefit of the Fund. No investment will be made in any unlisted security of an associate or group company of the Sponsor and in any security issued by the way of private placement by an associate or group company of the Sponsor. Further, investments in listed securities of the group company of the Sponsor will not exceed 25% of the net assets of each scheme of the fund.

Investment in group companies will be done only in the interest of the Fund and as per SEBI Regulations. Before making an investment, the AMC will evaluate the same on merits and on arm's length basis and in accordance with the objective of the scheme.

Market value of investments in group companies 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

NIL

Details of investment made by the scheme of the Mutual Fund more than 25% of its net assets in group companies :

NIL

Following are the list of associates of Sponsor (as on March 31, 2022):

- Shriram Capital Limited
- Shriram Asset Management Company Limited
- Shriram Insight Share Brokers Limited
- Shriram Wealth Advisors Limited
- Shriram Fortune Solutions Limited
- Shriram Financial Products Solutions (Chennai) Pvt. Ltd
- Way2Wealth Securities Private Limited
- Sea Funds Management India Private Limited
- Way2Wealth Brokers Private Limited

Names of Associates of the AMC are as under (as on March 31, 2022):

- Shriram Credit Company Limited
- Shriram Insight Share Brokers Limited
- Shriram Wealth Advisors Limited
- Shriram Fortune Solutions Limited
- Shriram Financial Products Solutions (Chennai) Pvt. Ltd
- Way2Wealth Securities Private Limited
- Sea Funds Management India Private Limited
- Way2Wealth Brokers Private Limited

2. Underwriting obligations with respect to issues of Associate Companies :

The Mutual Fund has 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 :

The Asset Management Company 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.

4. Dealings with Associate Companies

Shriram 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 SEBI (Mutual Fund) Regulations 1996 as amended from time to time. 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 the AMC.

Following are the names of Associates of the Sponsor or the Asset Management Company with which the Mutual Fund proposes to have dealings, transactions and those whose services may be used for marketing and distributing the schemes and the commissions that may be paid to them are as follows:

- Shriram Fortune Solutions Limited
- Shriram Financial Products Solutions (Chennai) Limited
- Shriram Insight Share Brokers Limited
- Shriram Wealth Advisors Limited
- Way2Wealth Securities Private Limited
- Way2Wealth Brokers Private Limited

Commission paid to associates/related parties/group companies of sponsor/AMC

Name of Associate/ related parties/ group companies of Sponsor/AMC	Nature of Association	Period covered	Business given (Rs. in Cr. & % of total business received by the fund)		Commission (Rs in Cr & % of total Commission paid by the fund)	
			Rs. in Cr.	%	Rs. in Cr.	%
Shriram Fortune Solutions Ltd	Distribution of Scheme	01/04/2021 to 31/03/2022	0.17	0.64%	0.02	0.77%
		01/04/2020 to 31/03/2021	0.18	0.63%	0.02	0.87%
		01/04/2019 to 31/03/2020	0.15	0.21%	0.02	0.93%
Shriram Insight Share Brokers Ltd	Distribution of Scheme	01/04/2021 to 31/03/2022	7.07	26.99%	1.56	50.89%
		01/04/2020 to 31/03/2021	7.92	27.65%	1.55	56.48%
		01/04/2019 to 31/03/2020	30.89	43.34%	1.15	54.82%
Way2Wealth Securities Pvt. Ltd.*	Distribution of Scheme	01/04/2021 to 31/03/2022	1.89	7.21%	0.04	1.43%
		01/04/2020 to 31/03/2021	1.71	5.97%	0.003	0.12%
		01/04/2019 to 31/03/2020	N.A.	N.A.	N.A.	N.A.
Way2Wealth Brokers Pvt. Ltd.*	Distribution of Scheme	01/04/2021 to 31/03/2022	0.23	0.87%	0.001	0.04%
		01/04/2020 to 31/03/2021	0.01	0.04%	Less than 0.001	Less than 0.001%
		01/04/2019 to 31/03/2020	N.A.	N.A.	N.A.	N.A.

* Way2Wealth Securities Pvt. Ltd. became associate distributor during FY 2020-21

* Way2Wealth Brokers Pvt. Ltd. became associate distributor during FY 2020-21

Brokerage paid to associates/related parties/group companies of Sponsor/AMC

Name of Associate/ related parties/ group companies of Sponsor/AMC	Nature of Association	Period covered	Value of transaction (in Rs. in Cr. & % of total value of transaction of the fund)		Brokerage (Rs in Cr & % of total brokerage paid by the fund)	
			Rs. in Cr.	%	Rs. in Cr.	%
Shriram Insight Share Brokers Ltd.	Associate Broker	01/04/2021 to 31/03/2022	0.00	0.00%	0.00	0.00%
		01/04/2020 to 31/03/2021	9.73	0.85%	0.01	1.84%
		01/04/2019 to 31/03/2020	8.39	1.16%	0.008	2.66%
Way2Wealth Brokers Pvt. Ltd.*	Associate Broker	01/04/2021 to 31/03/2022	19.77	1.61%	0.012	2.36%
		01/04/2020 to 31/03/2021	35.01	3.05%	0.015	2.84%
		01/04/2019 to 31/03/2020	N.A	N.A	N.A	N.A

* Way2Wealth Brokers Pvt. Ltd. became associate broker during FY 2020-21.

Additional Information pertaining to Dealing with associates

Nil

Documents Available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund at Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 during business hours on any day (excluding Saturdays, Sundays and public holidays) :

- a. Memorandum and Articles of Association of the AMC
- b. Investment Management Agreement
- c. Trust Deed and amendments thereto, if any
- d. Mutual Fund Registration Certificate
- e. Agreement between the Mutual Fund and the Custodian
- f. Agreement with Registrar and Share Transfer Agents
- g. Consent of Auditors to act in the said capacity
- h. Consent of Legal Advisors to act in said capacity
- i. Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- j. Indian Trusts Act, 1882.

Investor Grievances Redressal Mechanism :

Investor grievances are normally received at the Corporate Office and Administrative Head office of the AMC or at the official point of acceptance of transactions or directly by the Registrar or in info@shriramamc.in. All grievances will be forwarded to the Registrar for their necessary action. The complaints will be closely followed up with the Registrar to ensure timely redressal and prompt investor service.

The status of complaints received, redressed and pending with the Mutual Fund

Period	Number of Complaints		
	Received	Redressed	Pending
01/04/2021 to 31/03/2022	0	0	0
01/04/2020 to 31/03/2021	1	1	0
01/04/2019 to 31/03/2020	0	0	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.

Note : The Statement of Additional Information (SAI) containing details of Shriram Mutual Fund, Shriram Asset Management Company Limited and Board of Trustees has been approved by the Board of Trustees on 29/06/2022

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

Sd/-

Director

Place : Kolkata

Dated : June 29, 2022



SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Registered Office :

217, 2nd Floor, Swastik Chambers, Near Junction of S.T. & C.S.T. Road,
Chembur, Mumbai - 400 071, India

e-mail for Investors : info@shriramamc.in | e-mail for Distributors : dist@shriramamc.in
website : www.shriramamc.in