

STATEMENT OF ADDITIONAL INFORMATION

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

Name of Mutual Fund

Samco Mutual Fund

Registration code: MF/077/21/03

Name of Asset Management Company

Samco Asset Management Private Limited

CIN: U65929MH2019PTC334121

Name of Trustee Company

Samco Trustee Private Limited

CIN: U65999MH2019PTC333053

Name of Sponsor

Samco Securities Limited

CIN: U67120MH2004PLC146183

Address: 1004 - A, 10th Floor, Naman Midtown - A Wing Senapati Bapat Marg, Prabhadevi 400013

Addresses, Website of the Entities:

Samco Mutual Fund

Samco Asset Management Private Limited

Samco Trustee Private Limited

Address: 1003 A, Naman Midtown, Senapati Bapat Marg, Prabhadevi – west, Mumbai – 400 013

Website: www.samcomf.com, Email: mfassist@samcomf.com

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Interpretation

For all purposes of the SAI, except as otherwise expressly provided or unless the context otherwise requires:

- all references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- all references to “dollars” or “\$” refer to United States Dollar`s and “Rs” refer to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand”.
- all references to timings relate to Indian Standard Time (IST).
- References to a day are to a calendar day including non-Business Day.

Please note that words and expressions used in the SAI will have the same meaning assigned from time to time in the SID.

SECTION I – INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

A. CONSTITUTION OF THE MUTUAL FUND

Samco Mutual Fund (the “Mutual Fund”) has been constituted as a trust on August 06, 2020, in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Samco Securities Limited as the Sponsor and Samco Trustee Private Limited as the Trustee to the Mutual Fund. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on July 30, 2021 under Registration Code MF/077/21/03.

B. SPONSOR

Samco Mutual Fund is sponsored by Samco Securities Limited. The Sponsor is the Settlor of the Mutual Fund Trust. The Sponsor have entrusted a sum of ₹ 1,00,000/- (Rupees One Lakh only) to Samco Trustee Private Limited (the Trustee Company) as the initial contribution towards the corpus of the Mutual Fund.

SAMCO Securities Limited, formerly Samruddhi Stock Brokers Limited is India's leading discount broker incorporated in May 2004 and rebranded to Samco Securities Limited in 2015. Mr. Jimeet Vipul Modi is the Group CEO. It is headquartered in Mumbai and is one of India's fastest-growing companies in the discount broking space, with over 2,50,000 customers. Samco's mission is to provide retail investors access to sophisticated financial technology that can assist in creating wealth for retail investors at a low cost. Today Samco Securities Limited provides some of the unique products to enable customers to make the most efficient use of their capital. Samco Securities Limited thereby endeavors to give low-cost access to capital markets to every Indian.

Financial Performance of the Sponsor (past three years)

(₹ In lakhs)			
Particulars	2020-21 (un-audited)	2019-20	2018-19
Net Worth	6,410.30	4,642.85	4,101.27
Total Income	8,405.42	5,749.36	3,360.77
Profit/(Loss) after tax	857.59	743.76	875.21
Asset Under Management (if applicable)	NA	NA	NA

C. THE TRUSTEE

Samco Trustee Private Limited (the “Trustee”), through its Board of Directors, shall discharge its obligations as Trustee of the Samco Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI (Mutual Funds) Regulations, 1996 (“SEBI (MF) Regulations”) and will also review the activities carried on by the AMC.

Shareholding Pattern of the Trustee Company:

Name of the Shareholders	Percentage
Samco Securities Limited	64%
Samco Venture Private Limited	36%

Details of Trustee Directors:

Name of Director	Age	Qualification	Experience
Mr. Ghyanendra Nath Bajpai	78	M.Com, LLB	Mr. G N Bajpai, a distinguished leader in Indian business was the Chairman of the Securities and Exchange Board of India (SEBI). Earlier Mr. Bajpai was Chairman of the Life Insurance Corporation of India (LIC). Mr. Bajpai was also Non-Executive Chairman of National Stock Exchange, Stock Holding Corporation of India, LIC Housing Finance Ltd, and LIC International EC Bahrain and LIC Nepal Ltd. Mr. Bajpai is on the Board of Advisors of Indian Army Group Insurance Fund and Member of Governing Board of National Insurance Academy. Mr. Bajpai was the Chairman of Indian's National Pension Trust Board. Earlier he has served on the Governing Board of Indian Institute of Management, Lucknow.
Mr. Prabhat Kumar	80	M.Sc. (Economies)	Mr. Prabhat Kumar is retired civil servant. An Indian Administrative Service (IAS) officer of the 1963 batch and Uttar Pradesh cadre, Kumar served as secretary to the Ministry of Textiles before his appointment as the cabinet secretary between 1998 and 2000. Upon creation of the State of Jharkhand in November 2000, he was made the first governor.
Mr. Shailesh Ramji Ghedia	63	B. Com, FCA	Mr. Shailesh Ghedia has over 35 years' experience in managing in the field of Direct and Indirect Taxes, Bank Audits, Project Finance and Management Consultancy Since the past 26 years, he is associated with Investors' Grievance Forum (IGF) a SEBI registered NGO working in the field of investors' protection as founder general secretary. Currently holds the position as Honorary Vice President of IGF.

Name of Director	Age	Qualification	Experience
Mr. Vipul Jayantilal Modi *	55	Graduate, FCA	Mr. Vipul Modi has over 30 years' experience in managing groups businesses of corporate and transaction advisory, broking and real estate with expertise in field of corporate laws, taxation and finance. He was also associated as Erstwhile member of (1) SEBI constituted Group on review of Issue Process 2007 (GRIP) (2) SEBI constituted – Primary Market Advisory Committee. (3) SEBI constituted – Committee of delisting which inter alia suggested reverse book building for delisting.

* Associate Director in terms of SEBI Regulations.

Rights, Obligations, Duties and Responsibilities of the Trustees:

Pursuant to the Trust Deed dated August 06, 2020 (as amended from time to time) constituting the Mutual Fund and in terms of the SEBI (MF) Regulations, the rights, obligations, duties and responsibilities of the Trustee, inter-alia, are as under:

1. The Trustee and the AMC have with the prior approval of SEBI entered into an Investment Management Agreement.
2. The Investment Management Agreement contains clauses as are mentioned in the Fourth Schedule of the SEBI (MF) Regulations and such other clauses as are necessary for the purpose of entrusting investment management of the Mutual Fund.
3. The Trustee shall have a right to obtain from the AMC such information as is considered necessary by it.
4. The Trustee shall ensure before the launch of any Scheme that the AMC has:
 - a. Systems in place for its back office, dealing room and accounting;
 - b. Appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain educational qualifications, past experience in the securities markets, with the Trustee, within 15 days of their appointment;
 - c. Appointed auditors to audit its accounts;
 - d. Appointed a compliance officer who shall be responsible for monitoring the compliance of the SEBI Act, 1992, rules and regulations, notifications, guidelines, instructions etc. issued by SEBI or the Central Government and for redressal of investors grievances.
 - e. Appointed registrars and laid down parameters for their supervision;
 - f. Prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - g. Specified norms for empanelment of brokers and marketing agents.
 - h. Obtained, wherever required under these regulations, prior in principle approval from the recognised stock exchange(s) where units are proposed to be listed.
5. The Trustee shall ensure that:
 - a. The AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
 - b. The AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to the interests of the Unitholders.
 - c. The transactions entered into by the AMC are in accordance with SEBI (MF) Regulations and the Scheme(s).
 - d. 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.
 - e. All the activities of the AMC are in accordance with the provisions of SEBI (MF) Regulations.
6. Where the directors of the Trustee have reason to believe that the conduct of the business of the Fund is not in accordance with the SEBI (MF) Regulations and / or the Scheme(s), they shall forthwith take such remedial steps as are necessary and shall immediately inform SEBI of the violation and the action taken by them.
7. Each Director of the Trustee shall file with the Fund details of his/her transactions of dealings in securities of such value on a periodical basis as may be specified under the SEBI (MF) Regulations from time to time.
8. The Trustee shall be accountable for, and be the custodian of the funds and property of the Scheme(s) and shall hold the same in trust for the benefit of the Unitholders in accordance with SEBI (MF) Regulations and the provisions of the Trust Deed.
9. The Trustee shall take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.
10. The Trustee shall be 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 SEBI (MF) Regulations and the Trust Deed.
11. The Trustee shall obtain the consent of the Unitholders:
 - a. whenever required to do so by SEBI in the interest of the Unitholders; or

- b. whenever required to do so on the requisition made by three-fourths of the Unitholders of any scheme or such number of Unitholders as may be prescribed by SEBI from time to time; or
 - c. when the majority of the directors of the Trustee decide to wind up or prematurely redeem the Units of any scheme.
12. 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(s) 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.
13. The Trustee shall call for the details of transactions in securities by the key personnel of the AMC in their own personal names or on behalf of the AMC and report to SEBI, as and when required.
14. The Trustee shall quarterly or at such frequency as may be prescribed by SEBI from time to time review all transactions carried out between the Mutual Fund, AMC and its associates.
15. The trustees shall on a quarterly basis review the networth of the asset management company to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis.
16. The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the Unitholders.
17. The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its networth by the AMC and the interest of the Unitholders.
18. The Trustee shall periodically review the investor complaints received and the redressal of the same by the AMC.
19. The Trustee shall abide by the Code of Conduct as specified in the Fifth Schedule to the SEBI (MF) Regulations.
20. The Trustee shall furnish to SEBI on a half yearly basis or at such frequency as may be prescribed by SEBI from time to time:
 - a. a report on the activities of the Mutual Fund.
 - b. a certificate stating that the Directors have satisfied themselves that there have been no instances of self-dealing or front running by any of the directors and key personnel of the AMC.
 - c. a certificate to the effect that the AMC has been managing the Scheme(s) independently of the other activities and in case any activities of the nature referred to in sub regulation (2) of Regulation 24 of SEBI (MF) Regulations have been undertaken by the AMC and has taken adequate steps to ensure that the interest of the Unitholders are protected.
21. The independent directors of the Trustee 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 Sponsors.
22. The Trustee shall exercise due diligence as under:
 - A. General Due Diligence:**
 - i. The directors of the Trustee shall be discerning in the appointment of the directors on the Board of the AMC.
 - ii. The Trustee shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the scheme(s) and shall not allow the AMC to float new scheme(s).
 - iii. The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
 - iv. The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
 - v. The Trustee shall arrange for test checks of service contracts.
 - vi. The Trustee shall immediately report to SEBI of any special developments in the mutual fund.
 - B. Specific Due Diligence:**

The Trustee shall:

 - i. Obtain internal 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.
 - 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 Trustee at their meetings and of the minutes of the meetings.
 - vi. Prescribe and adhere to the code of ethics by the Trustee, AMC and its personnel.
 - vii. Communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.
23. Notwithstanding anything contained in any applicable SEBI (MF) Regulations (1) to (22), the Trustee shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.

24. The independent directors shall pay specific attention to the following, as may be applicable, namely:

- the Investment Management Agreement and the compensation paid under the agreement.
- service contracts with affiliates: whether the AMC has charged higher fees than outside contractors for the same services.
- selection of the AMC's independent directors.
- securities transactions involving affiliates to the extent such transactions are permitted.
- selection and nomination of individuals to fill independent directors' vacancies.
- designing of code of ethics to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
- the reasonableness of fees paid to Sponsors, AMC and any others for services provided.
- principal underwriting contracts and their renewals.
- any service contract with the associates of the AMC.

Amendments to the Deed of Trust shall not be carried out without the prior approval of SEBI and unitholders' approval/consent as per the procedure/provision laid down in the Regulations.

Supervisory Role of the Trustee

The supervisory role of Trustee will be discharged inter alia by reviewing the information and operations of the Mutual Fund based on the internal audit reports/compliance reports received on a periodical basis. The Compliance Officer has direct reporting line to the Board of Directors of the Trustee. The Board Meeting of the Trustee shall be held at least once in every two calendar months and at least six such meetings shall be held in every year or at such frequency as may be prescribed under the

Regulations. Further, the quorum for a Board meeting of the Trustee shall not be constituted unless such number of independent directors as may be prescribed by SEBI from time to time, are present at the meeting.

Further the Audit Committee chaired by an independent director of the Trustee Company is responsible for:

- Review of the periodic financial statements of the Trustee and Mutual Fund including audit observations
- To review the internal audit systems and internal and statutory audit reports
- Recommending appointment of auditors

Trustee - Fees and Expenses

In accordance with the Deed of Trust constituting the Mutual Fund, the Trustee shall be entitled to receive a fee not exceeding 0.05% per annum of the average daily/weekly net assets of the Fund. In addition to the aforesaid remuneration, the Trustee shall be entitled for reimbursement of all costs, charges and expenses incurred in or about the administration and execution of the Fund. Such reimbursement from and out of the Trust Funds would always be to the extent permitted under the Regulations. Subsequently, the maximum rate of remuneration may be reviewed and mutually decided by the Sponsor and Trustee Company from time to time.

D. ASSET MANAGEMENT COMPANY

Samco Asset Management Private Limited ("the AMC") is a company incorporated under the Companies Act, 2013, on December 06, 2019, having its registered office at Naman Midtown 'A' - Wing, 10th Floor, Senapati Bapat Marg, Prabhadevi, Mumbai - 400 013. The AMC has been appointed as the Asset Management Company of Samco Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated August 21, 2020, and executed between the Trustee and the AMC.

Shareholding Pattern of the AMC:

Name of the Shareholders	Percentage
Samco Securities Limited	64%
Samco Ventures Private Limited	36%

Details of the AMC Directors:

Name of Director	Age	Qualification	Experience
Mr. Ashok Kacker	70	M.Sc.	Mr. Ashok Kacker has more than 3 decades of experience of working in the Government as an Indian Revenue Service (IRS – Income Tax) Officer. After seeking voluntary retirement from Government in 2007 (while working as a Chief Commissioner of Income Tax), he is currently involved in providing Financial Consultancy Services. During his long years with the Government, he has held important senior positions both in Executive capacities as well as in policy formulation roles.
Mr. Kanu H Doshi *	83	B. Com, FCA	Mr. Kanu H Doshi is a senior chartered accountant & at present Professor Emeritus - Finance, at Welingkar Institute of Management (now WeSchool Matunga, Mumbai) where he teaches Corporate Tax Planning, Investment Banking and allied subjects in Business Management Courses. Till recently he was Dean-Finance, We School having been appointed in the year 2002. He has been an Independent Director past several years on the Boards of many Companies. He was till recently Independent Director with Reliance Nippon Life Asset Management Limited, Edelweiss Asset Management Ltd and Motilal Oswal Asset Management Ltd.

Name of Director	Age	Qualification	Experience
Mr. Ishwar Naik	68	B. Com, LLB (Gen), FCA	Mr. Ishwar Naik is a practicing Chartered Accountant since 1984, practicing in the field of Statutory Audit, Internal Audit, Income Tax, Company Law, FEMA, Mergers & Acquisitions. Actively involved with a group of Companies' having diversified interest in varied industries as a consultant.
Mr. Jimeet Vipul Modi *	32	B. Com, ACA & CFA (USA)	Mr. Jimeet Modi is a Rank Holder Chartered Accountant and Founder & CEO of the SAMCO Group. Under his leadership, SAMCO operates under a wide range of financial service businesses including equity and commodity broking, depository services, equity research, mutual fund research and distribution. He has a career spanning over 15 years with rich experience in equity research, investment analysis and technology.

* Associate Director in terms of SEBI Regulations.

Duties and Obligations of the AMC

- The AMC 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 the SEBI (MF) Regulations and the Trust Deed.
- The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
- The AMC shall obtain, wherever required under the SEBI (MF) Regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.
- The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the AMC.
- The AMC shall submit quarterly reports on the functioning of the schemes and the compliance with SEBI (MF) Regulations to the Trustee or at such intervals as may be required by the Trustee or SEBI.
- The Trustee at the request of the AMC may terminate the assignment of the AMC at any time; Provided that such termination shall become effective only after the Trustee has accepted the termination of assignment and communicated its decision in writing to the AMC.
- Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of any liability to the Mutual Fund for its / their acts of commission or omissions, while holding such position or office.
- The Chief Executive Officer (whatever his designation may be) of the AMC shall ensure that the Mutual Fund complies with all the provisions of the SEBI (MF) 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.
- The fund managers (whatever the designation may be) shall ensure that the funds of the schemes are invested to achieve the objectives of the scheme(s) and in the interest of the unit holders.
- The AMC 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 or as may be prescribed under SEBI (MF) Regulations; Provided that for the purpose of this clause, 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 or as may be prescribed under SEBI (MF) Regulations.
- The AMC shall not purchase or sell securities through any broker (other than a broker referred to in clause above) which is average of 5% or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its schemes or as may be prescribed under SEBI (MF) Regulations unless the AMC has recorded in writing the justification for exceeding the limit of 5% or as may be prescribed under SEBI (MF) Regulations and reports of all such investments are sent to the Trustee on a quarterly basis; Provided that the aforesaid limit shall apply for a block of any three months or as may be prescribed under SEBI (MF) Regulations.
- The AMC shall not utilise 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 the AMC may utilise such services if disclosure to that effect is made to the Unitholders and the brokerage or commission paid is also disclosed in the half yearly and annual accounts of the Mutual Fund;

Provided further that the Mutual Fund shall disclose at the time of declaring half yearly and yearly results:

 - any underwriting obligations undertaken by the schemes for the Mutual Fund with respect to issue of securities of associate companies;
 - development, 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 associate companies have acted as arranger or manager.
- The AMC shall file with the Trustees the details of transactions in securities by the key personnel of the

AMC in their own name or on behalf of the AMC and shall also report to SEBI, as and when required by SEBI.

14. In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustee at its next meeting.

15. In case any company has invested more than 5 per cent of the Net Asset Value of a scheme or as may be prescribed under SEBI (MF) Regulations, the investment made by that scheme or by any other scheme in that company or its subsidiaries shall be brought to the notice of the Trustee by the AMC and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment. The said disclosure will be made provided the latter investment has been made within one year of the date of the former investment, calculated on either side.

16. The AMC shall file with the Trustee and SEBI: -

- a. detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;
- b. any change in the interest of directors every six months; and
- c. a quarterly report to the Trustee giving details and adequate justification about the purchase and sale of the securities of the group companies of the Sponsor or the AMC as the case may be by the Mutual Fund during the said quarter.

17. Each director of the AMC shall file with the Trustee details of his transactions or dealings in securities of such value on a quarterly basis or at such frequency as may be specified under the SEBI (MF) Regulations from time to time.

18. The AMC shall not appoint any person as key personnel who has been found guilty of moral turpitude or convicted of any economic offence or involved in violation of securities laws.

19. The AMC shall appoint registrars and share transfer agents who are registered with SEBI; Provided if the work relating to the transfer of Units is processed in-house, the charge at competitive market rates may be debited to the scheme(s) and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.

20. The AMC shall abide by the Code of Conduct as specified in the SEBI (MF) Regulations.

21. The AMC shall –

- A. not act as a Trustee of any mutual fund;
- B. not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds or Category I foreign portfolio investor as specified in Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, if any of

such activities are not in conflict with the activities of the Mutual Fund.

Provided that the AMC may itself or through its subsidiaries undertake any such activities, if it satisfies SEBI and ensures that the conditions as laid under the applicable Regulations are met.

Provided further that the AMC may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund subject to complying with the additional conditions viz.

- i. that the key personnel of the AMC, the systems, back office, bank and securities accounts are segregated activity wise and there exist systems to prohibit access to inside information of various activities;
- ii. that the capital adequacy requirements, if any, separately for each such activity are met and that separate approval, if necessary, under the relevant regulations is obtained; and other directions, as may be specified by the SEBI from time to time are adhered to.

Provided further that the AMC may become a proprietary trading member for carrying out trades in the debt segment of a recognised stock exchange, on behalf of the Mutual Fund.

22. The AMC shall not invest in any of its schemes unless full disclosure of its intention to invest has been made in the Scheme Information Document(s) (SID); Provided that the AMC shall not be entitled to charge any fees on its investment in that scheme(s);

23. The AMC shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India.

24. The AMC shall compute and carry out valuation of investments made by the scheme(s) of the Mutual Fund in accordance with the investment valuation norms specified in Eighth Schedule of SEBI (MF) Regulations, and shall publish the same.

25. The AMC and the Sponsor shall be liable to compensate the affected investors and/or the scheme(s) for any unfair treatment to any investor as a result of inappropriate valuation.

26. The AMC shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by SEBI from time to time.

27. The AMC shall not acquire any assets out of the Trust Fund which involves the assumption of any liability which is unlimited or which may result in encumbrance of the scheme(s) property in any way.

28. 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 Mutual Fund and intimate to SEBI the place where such books of account, records and documents are maintained.

29. The AMC shall maintain and preserve for a period of eight years its books of account, records and documents.

30. The Sponsor or the AMC shall invest the prescribed minimum amount in such schemes as may be specified under the SEBI (MF) Regulations / SEBI guidelines from time to time and such investment shall not be redeemed unless the scheme(s) is wound up or except as permitted under the SEBI (MF) Regulations from time to time.

Information on Key Personnel of the Asset Management Company

Name /Designation	Age / Qualification	Brief Experience
Mr. Umeshkumar Mehta Chief Executive Officer	45 B. Com, CA, PGDBA	Mr. Umeshkumar Mehta has over 20 years of experience in financial services industry. He has deep understanding of price and value. He is a vivid speaker and writer at various chartered account forums and business schools. He use to lead the Samco group's Research team, managed Public Relations through regular interaction in Business Channels and print media. He has understanding of securities law and is passionate about equities. He has working knowledge of marketing & advertisement. He has extensive experience in analyzing business models, assessing balance sheets, profit and Loss accounts and as part of experience he has rated and ranked almost all companies listed on the National Stock Exchange. He is associated with the group since last fifteen years.
Ms. Nirali Bhansali Fund Manager - Equity	31 B.E., MBA (Finance)	Ms. Nirali Bhansali started out as a senior analyst at Samco Securities Ltd. and has been the Head of Equity Research. She has over 7 years of work experience with more than 5 years spanning capital markets and investment research and has been instrumental in preparing diversified long-term baskets of stocks for the Stock Basket product by deep-diving into the business models and number crunching nitty-gritties of varied Indian companies.
Mr. Dhawal G Dhanani (Dedicated Fund Manager for overseas investments)	27 B. Com, CA	Mr. Dhawal Ghanshyam Dhanani started out as an equity research analyst at Samco Securities Ltd. He has over 5 years of work experience with more than 2 years spanning capital markets and investment research and has been known for in-depth examination into the business models and computational crux of varied Indian companies. His multi-disciplinary approach and working knowledge of fundamentals have aided the prime objective of guiding investors through insightful ideas for the long term.
Mr. C Balasubramanian Head – Compliance, Risk & Company Secretary	34 B. Com, B.L., FCS	Mr. Balasubramanian has over 11 years of experience in the Mutual Fund industry in the fields of Compliance, Secretarial and Legal. Prior to the current assignment, he was associated with ITI Asset Management Limited as Head – Compliance, Secretarial & Legal. He has also been associated with Union Mutual Fund, Nippon Life Mutual Fund and Sundaram Mutual Fund.
Mr. Sachin Shetty Head - Operation	37 B. Com, MBA	Mr. Sachin Shetty has experience of 14 plus years in the financial services covering Asset Management (Mutual Fund), Banking, Treasury and Operations. He has handled various functions that include audit, treasury, operations, equity and debt market segment and general management. Prior to samco he was associated with ITI Asset Management as Chief operation Manager & Kotak MF
Mr. S V Durga Prasad Head – Investor Services	51 B. A	Mr. S. V. Durga Prasad has over 29 years of total experience, out of which 23 years have been in the Mutual Fund industry in the fields of Investor and Distributor Services, R&T operation, MIS reports, Banking operations and Unit Admin. Prior to the current assignment, he was with IDBI Asset Management Limited as Head Investor & Distributor Services. He has also been associated with Edelweiss Mutual Fund, JM Mutual Fund
Mr. Mohammed Zakaria Khan Chief Technology Officer	37 B.E (IT)	Mr. Khan carries 12 years of rich experience in IT field, his expertise lies in Software Development for Search Engine Optimization, E-commerce & Financial services. He is qualified as BE in Information Technology from Mumbai University. He is associated with the group since last five plus years.
Mr. Mahesh R Prajapati Equity Dealer	42 H.S.C	Mr. Prajapati carries more than one decade experience in Equity, Derivatives & Commodity dealing desk, Along with Risk Management he has hands on knowledge in Back office & operational. He is associated with the group since last five plus years.
Mr. Dharmendra Yadav Equity Dealer	30 B. Com	Mr. Dharmendra Yadav has overall 10 years of expertise in Equity, Derivatives & Commodity dealing desk, Sales and Risk Management. He is associated with the group since last five plus years.

All the key personnel are based at the Registered Office of the AMC in Mumbai.

Procedure followed for Investment decisions

All investment decisions, relating to the schemes, shall be undertaken by the AMC in accordance with the Regulations, the investment objectives of the respective Scheme(s) and the Investment Manual of the AMC.

Equity team comprises of Fund Manager, Equity Analysts & Dealer. The Fund Manager holds charge of the schemes under his/her management. He / She is responsible for the performance of the schemes under him / her. Analysts have responsibilities for specific sectors and it is their duty to provide the fund managers with well researched opinions on the companies and the sectors they track.

The dealer executes the trading mandates that are passed onto him with a view to getting the best execution in terms of price and quantity. The analysts/fund managers meet companies, if possible, at one-on-one meetings or at analyst/fund manager meets. Equity group meets periodically to discuss the following;

1. Presentations on all the companies met during the past meeting;
2. Review of the portfolio and action to be taken.
3. Review of the sectors by the analysts.

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. 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 may additionally observe such internal guidelines as may be prescribed by the Boards of the AMC / Trustee Company or any internal committee. All investment decisions shall be recorded in terms of SEBI Circular No. MFD / CIR / 6 / 73 / 2000 dated July 27, 2000 as amended from time to time.

The Board of Directors of the AMC has appointed an Investment Committee of the AMC. The primary function of the Investment Committee shall, inter-alia, be to formulate and review the investment policy for the various schemes of the Mutual Fund and to review the portfolio and performance of the Schemes periodically. The performance of each scheme shall be monitored by the Boards of AMC and Trustee Company on a periodic basis vis-à-vis the respective benchmark index as mentioned in the respective SIDs.

Soft Dollar Arrangements

In terms of Clause F of SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, soft dollar arrangements between the Asset Management companies and brokers should be limited to only benefits (like free research report, etc.) that are in the interest of investors and the same should be suitably disclosed.

In this context, Samco Asset Management Private Limited ('the AMC') / Samco Mutual Fund ('the Fund') do not have any soft dollar arrangement with brokers. However, brokers do provide information-based services like free research reports etc. Also dedicated hot-lines are set up by few brokers which are used for execution of trades. The hot lines aid execution of trades. Further, the AMC / the Fund are under no obligation to provide business to any broker in lieu of these services

E. SERVICE PROVIDERS

1. Custodian

Deutsche Bank AG
Address: Deutsche Bank House,
Hazarimal Somani Marg, Fort, Mumbai 400001
SEBI Registration No. – IN/CUS/003

2. Registrar & Transfer Agent

Kfin technologies private limited
Address: Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial, District, Nanakramguda,
Serilingampally, Hyderabad – 500 008
SEBI Registration No. – INR000000221

3. Statutory auditor for Mutual Fund

S.R. Batliboi & Co. LLB
Chartered Accountants
The Ruby, 14th Floor, 29, Senapati Bapat Marg,
Dadar (W), Mumbai – 400 028

4. Legal Counsel

There are no retained legal counsels to the Mutual Fund or AMC. The AMC uses the services of renowned legal counsel, if need arises.

5. Fund Accountant

Deutsche Bank AG
Address: Deutsche Bank House,
Hazarimal Somani Marg, Fort, Mumbai 400001

6. Collecting Bankers

HDFC Bank and / or such other banks registered with SEBI may be appointed as the collecting banker(s)/ paying banker(s) under the schemes on such terms and conditions as may be decided by the AMC from time to time. The name(s) of collecting bankers, if appointed, during the NFO will be disclosed in the SID of new scheme as and when launched.

Address: Maneckjiwadia Building, Nanik Motwani
Marg, Mumbai – 400 023.
SEBI Registration No. INB100000063

SECTION II – CONDENSED FINANCIAL INFORMATION

Not Applicable: due to schemes not having completed 3 years since inception.

SECTION III - HOW TO APPLY?

This section must be read in conjunction with the Section "Units and Offer" in the SID of the respective scheme(s).

1. New investors can purchase units of the respective Scheme(s)/ Plans by using an application form, whereas, existing Unit holders may use transaction slip or application form. The application form/Transaction Slip for the Sale of Units of the respective Schemes/ Plans will be available and accepted at the office of the Investor Service Centres (ISCs) / Official Points of acceptance during their business hours on their respective business days. The same can also be downloaded from the website of the Mutual Fund viz. www.samcomf.com. In respect of New Fund Offer (NFO) of Schemes/Plan(s), an investor can subscribe to the NFO through Applications Supported by Blocked Amount (ASBA) facility by applying for the Units offered under the Option(s)/Plan(s) of the Scheme(s) in the ASBA Application Form and following the procedure as prescribed in the form. For details, please refer to the Section "Additional mode of payment through Applications Supported by Blocked Amount (ASBA) facility".
2. Applications must be completed in Block Letters in English.
3. Signatures should be in English or in any Indian Language. Applications filled up and duly signed by the applicant and in case of joint applicants by all joint are required to sign. Applications on behalf of minors should be signed by their Guardian. In case of a HUF, the Karta should sign the application form on behalf of the HUF. Investor who cannot sign and in case required to provide a thumb impression will have to contact the AMC for the additional documentation/information required.

For investments through Constituted Attorney, the Power of Attorney has to be signed by the Applicant and Constituted Attorney. The signature in the Application Form needs to clearly indicate that the signature is on behalf of the applicant by the Constituted Attorney.

4. The duly completed application form/transaction slip as the case maybe, can be submitted at the designated ISCs / official points of acceptance. The personnel at the official point of acceptance of transaction will time stamp (Manual stamp for NFO), and return the acknowledgement slip in the application form. The application shall be subject to verification. For details on updated list of ISCs / Official Points of Acceptance investors may log on to download section on our website www.samcomf.com
5. Applicants should be submitted along with the cheque/ draft/other payment instrument or instruction to a designated ISC /Official Point of acceptance of AMC or the Registrar as specified.
6. All cheques and bank drafts must be drawn in favour of a specific "Scheme Name A/c PAN " and crossed "A/c Payee only". A separate cheque or bank draft must accompany each application/each scheme. Investors

must use separate application forms for investing simultaneously in more than one Plan of the Scheme subject to the minimum subscription requirements under each Plan. If the amount mentioned on the application is different from the amount mentioned on the accompanying cheque or bank / demand draft or the amount is not mentioned in the application form, then the amount on the cheque will be treated as the application amount and the application will be processed accordingly. In case the name of the Scheme/Plan mentioned on the application form differs from the name mentioned on the accompanying payment instrument, then the application will be treated as an application for the Scheme/Plan mentioned on the application form. Returned cheque(s) are liable not to be presented again for collection, and the accompanying Application Form is liable to be rejected. In case the returned cheque(s) are presented again, the necessary charges are liable to be debited to the Investor.

7. All cheques and bank drafts accompanying the application form should contain the application form number / folio number, scheme name and name of first investor on its reverse.
8. In order to protect the interest of Investors from fraudulent encashment of cheques, the current SEBI (MF) Regulations, has made it mandatory for Investors to mention in their application their bank name, branch, address, account type and account number. The Registrar/AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.
9. In order to comply with AMFI (Association of Mutual Funds in India) best practice guidelines on 'risk mitigation process against third party instruments and other payment modes for mutual fund subscriptions' issued from time to time and also to enhance compliance with Know Your Customer (KYC) norms under the Prevention of Money Laundering Act, 2002 (PMLA), the acceptance of Third-Party Payments is restricted.
10. Investors should note that it is mandatory for all applicants (in the case of application in joint names, each of the applicants) to mention his/her Permanent Account Number (PAN)/PAN Exempt KYC Reference Number (PEKRN) irrespective of the amount of purchase in the Application Form. Where the applicant is a minor, and does not possess his / her own PAN/PEKRN, he / she shall quote the PAN/ PEKRN of his/her father or mother or the guardian, as the case may be. PAN will not be required in case of Systematic Investment Plans (SIPs) where aggregate of installments in a year does not exceed Rs 50,000/- (hereafter referred to as "Micro Investments"). This exemption will be applicable only to investments by Individuals and sole Proprietary Firms (but not NRIs and Minors). Accordingly, w.e.f. February 11, 2013, where the aggregate of the lumpsum investment (fresh & additional purchase) and micro-SIP installments by an investor based on the rolling 12-month period/in a year

does not exceed ₹ 50,000/-, it shall be exempt from the requirement of PAN. However, requirements of Know Your Customer (KYC)/ Central KYC Registry (CKYC) shall be mandatory. Fresh / Additional Purchase and Systematic Investment Plans will be covered in the limit of ₹ 50,000. Investors may switch their investments to other Schemes. However, if the amount per switch transaction is ₹ 50,000 or more, in accordance with the extant Income Tax rules, investors will be required to furnish a copy of PAN to the Mutual Fund. The detailed procedures / requirements for accepting applications shall be as specified by the AMC/Trustee from time to time and their decision in this behalf will be final and binding.

11. Accordingly, investors seeking the above exemption from PAN still need to submit the KYC Acknowledgment i.e., PAN Exempt KYC Reference No (PEKRN) / KYC Identification No. (KIN) acknowledgement issued by KRA / CKYC, irrespective of the amount of investment. For the purpose of identifying Micro Investments, the value of investments at the Investor level (first holder) will be aggregated based on the unique ID number mentioned on the KYC Acknowledgment / KIN No. and such aggregation shall be done irrespective of the number of folios/ accounts under all the schemes of the Fund which the investor had invested. This exemption will be available only to Micro investment made by the individuals being Indian citizens (Joint holders*, minors acting through guardian and sole proprietary firms not having PAN). Person of Indian Origin (PIO), Hindu Undivided Family (HUF) and other categories of investors will not be eligible for this exemption.

*In case of joint holders, first holder must not possess a PAN.

12. PAN requirement is also exempt for investors residing in the state of Sikkim, Central Government, State Government, and the officials appointed by the courts e.g., Official liquidator, Court receiver etc. (under the category of Government). However, this would be subject to verifying the veracity of the claim of the specified organizations or residents of Sikkim, by collecting sufficient documentary evidence in support of their claim for such an exemption. Please refer to the application form for details of the document(s) which are required to be submitted in such cases.
13. The detailed procedures/requirements for accepting PAN exempt investments shall be as specified by the AMC / Trustee from time to time and their decision in this behalf will be final and binding.
14. Cash Investments in mutual funds:

Pursuant to SEBI circular no. 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, SEBI has permitted receipt of cash for purchases / additional purchases to the extent

of ₹ 50,000/- per investor, per mutual fund, per financial year 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.

However, payment of redemption/ IDCW proceeds, etc. with respect to aforementioned investments shall be paid only through banking channel.

The Fund/ AMC is currently in the process of setting up appropriate systems and procedures for the said purpose. Appropriate notice shall be displayed on its website as well as at the Investor Service Centres, once the facility is made available to the investors.

15. Know Your Client ("KYC") formalities under the Prevention of Money Laundering Act, 2002 ("PMLA") and the related guidelines issued by SEBI are required to be completed by investors for all fresh investments / applications irrespective of the amount of investment.

KYC requirements will have to be complied with for any amount of investment for the following transactions:

1. New / Additional Purchases
2. Switch Transactions
3. New SIP Registrations
4. New STP Registrations

IDCW reinvestment transactions of any amount will not be subject to the KYC Compliance requirements.

Please refer to para on "Prevention of Money Laundering - Know Your Customer (KYC) Compliance" under section "Legal Information" for detailed procedures and other information related to KYC compliances.

Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standards ("CRS") requirements:

As a part of various ongoing tax and regulatory developments around the globe [e.g. information exchange laws such as Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS')], financial institutions like Samco Mutual Fund ('Samco MF' or 'the Fund') are being cast with additional investor and counterparty account related due diligence requirements.

The Central Board of Direct Taxes (CBDT) has notified Rules 114F to 114H, as part of the Income-tax Rules, 1962, which Rules require Indian financial institutions such as the Banks, Mutual Funds, etc. to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our investors and counterparties. According to the FATCA-CRS Rules, financial institutions in India are required to report tax information about account holders that are tax resident of U.S. and other foreign countries, to the CBDT/ Indian

Government which will, in turn, relay that information to the US Internal Revenue Service (IRS) and governments of other foreign countries.

These developments have resulted in compliance and reporting obligations on Financial Institutions like Samco MF. In relevant cases, information will have to be reported to tax authorities/appointed agencies. Towards compliance, the Fund may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto. As may be required by domestic or overseas regulators/ tax authorities, we may also be constrained to withhold and pay out any sums from your account or close or suspend your account(s). Samco MF may also have to comply with other similar laws as and when applicable.

Prospective investors and Unit holders will therefore be required to comply with the request of the Fund to furnish such information / documentation / declarations as and when deemed necessary by the Investment Manager in accordance with Applicable Laws. In case prospective investor / Unit holder fails to furnish the relevant information / documentation / declarations in accordance with Applicable Laws, the Fund reserves the right to reject the application or redeem the Units held directly or beneficially and may also require reporting of such accounts and/or levy of withholding tax on payments made to the Unit holders / investor and/or take any other action/s in accordance with Applicable Laws. FATCA-CRS provisions are relevant not only at on-boarding stage of Unit holders but also throughout the life cycle of investment with the Fund. Unit holders therefore should intimate to the Fund/the Investment Manager, any change in their status with respect to any FATCA-CRS related information / documentation / declarations provided by them previously, including but not limited to any declarations provided in respect of residency of the Unit holders for tax purposes promptly, i.e. within 30 days. Further, if the Fund and/or the Investment Manager is required by Applicable Laws, to provide information regarding the Fund and/or the unit holders / investors to any regulatory authority and/or the Fund Investments and/or income therefrom, and the Fund and/or the Investment Manager complies with such request in good faith, whether or not it was in fact enforceable, they shall not be liable to the Unit holders / investors or to any other party as a result of such compliance or in connection with such compliance.

Prospective investors / Unit holders should consult their own advisors to understand the implications of FATCA-CRS provisions/requirements. Please note that Samco MF will be unable to provide advice to any investor or counterparty about their tax status or FATCA/CRS classification relevant to their account. It is the responsibility of the investor or counterparty to ensure that they record their correct tax status / FATCA/ CRS classification. Investor/ counterparty may seek advice from their tax advisor in this regard. The onus to provide accurate, adequate and timely inputs in this regard would be that of the investor or counterparty. Any changes in earlier information provided must be intimated within 30 days of such change.

Investors are requested to provide all the necessary information / declarations to facilitate compliance, considering India's commitment to implement CRS and FATCA under the relevant international treaties.

Ultimate Beneficial Owner

SEBI vide its circular no. CIR/MIRSD/2/2013 dated January 24, 2013 has prescribed its guidelines for identification of Beneficial Ownership to be followed by the intermediaries for determination of beneficial owners. Further, AMFI vide its circular no. 62/2015-16 dated September 18, 2015 has issued best practice guidelines to be followed by AMC's for identification of beneficial ownership. A 'Beneficial owner' is defined as a 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 exercise ultimate effective control over a legal person or arrangement. In this regard, all categories of investors (including all new / existing investors / unitholders) (except individuals, companies listed on a stock exchange or majority-owned subsidiary of such companies) are mandatorily required to provide details about beneficial ownership for all investments. Failing which the Fund reserves the right to reject applications/ subscription requests / additional subscription requests (including switches) /restrict further investments or seek additional information from investors who have not provided the requisite information on beneficial ownership. In the event of change in beneficial ownership, investors are requested to immediately update the details with the Fund/Registrar.

Subscriptions from U.S. Persons and Residents of Canada

Samco Mutual Fund restricts subscriptions from U.S. Persons (including NRIs and all persons residing in U.S, U.S Corporations or other entities organised under the laws of U.S) and Residents of Canada in the Schemes of Samco Mutual Fund.

U.S. Persons and Residents of Canada are requested to note the following:

- a) No purchases (including Systematic Investment Plans, Systematic Transfer Plans and IDCW Transfer Plans)/ additional purchases/switches in any Schemes of Samco Mutual Fund would be allowed.
- b) If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Schemes of Samco Mutual Fund;
- c) All existing registered Systematic Investment Plans, Systematic Transfer Plans and IDCW Transfer Plans along with related mandates would cease from the effective date;
- d) In case Samco Asset Management Private Limited/ Samco Mutual Fund subsequently identifies, that the subscription amount has been received from U.S. Person(s) or Resident(s) of Canada, then Samco Asset Management Private Limited/Samco Mutual Fund at

its discretion shall redeem all the units held by such person from the Scheme at applicable Net Asset Value.

However, transactions from U.S. Persons and Residents of Canada meeting following requirements will be accepted:

- a) subscriptions received by way of lump sum / switches / systematic transactions received from Non-resident Indians (NRIs) / Persons of Indian origin (PIO) / Overseas Citizen of India (OCI) who at the time of such investment, are present in India and
- b) FPIs

These investors need to submit a transaction request along with such documents as may be prescribed by the AMC/ the Trustee/ the Fund from time to time.

The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.

The Trustee / the AMC /the Fund reserve the right to change/ modify the above provisions at a later date.

Mode of Payment

Payment can be made by either through

- cheque;
- draft (i.e., demand draft or bank draft); or
- a payment instrument (such as pay order, banker's cheque, etc.)
- a payment mode as may be specified by the AMC from time to time.

I. Resident Investors

- a) For Investors having a bank account with HDFC Bank or such banks with whom the AMC would have an arrangement from time to time:

Payment may be made for subscription to the Units of the Scheme either by issuing a cheque drawn on such banks or by giving a debit mandate to their account with a branch of HDFC Bank situated at the same location as the ISC/ Official Point of acceptance or such other banks with whom the AMC would have an arrangement from time to time.

- b) For Investors not covered by (a) above:

Payment may be RTGS/NEFT or made by cheque or bank draft drawn on any bank, which is situated at and is a member of the Bankers' Clearing House, located at the place where the application is submitted. Outstation cheques will not be accepted. Bank charges for outstation demand drafts will be borne by the AMC and will be limited to the bank charges stipulated by the State Bank of India. Outstation Demand Draft has been defined as a demand draft issued by a bank where there is no ISC available for Investors. The AMC will not accept any request for refund of demand draft charges, in such cases.

In addition to existing facility available for payments through Direct Debits/ / Standing Instructions for investments in SIP, the unit holders can also make payment of SIP instalments through NACH facility. NACH is a centralized system, launched by National Payments Corporation of India (NPCI) with an aim to consolidate multiple NACH mandates. This facility will enable the unit holders of the Fund to make SIP investments through NACH by filling up the SIP Registration cum mandate form. A Unique number will be allotted to every mandate registered under NACH called as Unique Mandate Reference Number ("UMRN") which can be used for SIP transactions. The NACH facility shall be available subject to terms and conditions contained in the SIP registration Mandate Form and as prescribed by NPCI from time to time.

II. Non-Resident Indians (NRI)/Persons of Indian Origin (PIO), Foreign Portfolio Investment (FPI)

- a) Repatriation Basis

In the case of NRIs including PIOs, payment may be made either by inward remittance through normal banking channels or out of funds held in his Non - Resident (External) Rupee Account (NRE) / Foreign Currency (Non- Resident) Account (FCNR). 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.

FPI shall pay their subscription either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non- Resident Rupee Account maintained by the FPI with a designated branch of an authorised dealer in accordance with the relevant exchange management regulations.

- b) Non-Repatriation Basis

In the case of NRIs/PIOs, payment may be made either by inward remittance through normal banking channels or out of funds held in his NRE / FCNR / Non-Resident Ordinary Rupee Account (NRO). 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.

Application incomplete in any respect (other than mentioned above) will be liable to be rejected.

In order to protect investors from frauds, it is advised that the Application Form number / folio number, scheme name and name of the first investor should be written overleaf the cheque / draft, before they are handed over to any courier / messenger / distributor / ISC.

In order to protect investors from fraudulent encashment of cheques, Regulations require that cheques for Redemption of Units specify the name of the Unit Holder and the bank name and account number where payments are to be credited. Hence, all applicants for Purchase of

Units must provide a bank name, bank account number, branch address and account type in the Application Form.

Returned cheque(s) are liable not to be presented again for collection, and the accompanying Application Form is liable to be rejected. In case the returned cheque(s) are presented again, the necessary charges may be debited to the Investor.

Application on behalf of minor accounts

- Minor shall be the first and the sole holder in an account. There shall not be any joint accounts with minor as the first or joint holder.
- Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian, and should mandatorily submit requisite documentation to the AMC evidencing the relationship/status of the guardian.
- Date of birth of the minor along with supporting documents (viz. birth certificate, school leaving certificate/ Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or, passport or any other document evidencing the date of birth of the minor) should be mandatorily provided while opening the account.

However, pursuant to SEBI circular SEBI/HO/IMD/DF3/CIR/P/2019/166 Dt.24/12/2019 the following process shall be applicable for Investments made in the name of a Minor through a Guardian –

- i. 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. For existing folios, the AMCs shall insist upon a Change of Pay-out Bank mandate before redemption is processed.
- ii. 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.
- iii. In case of existing systematic transactions, system controls are built at the account set up stage of Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) on the basis of which, the standing instruction is suspended when the minor attains majority, till the status is changed to major.

Change in guardian

When there is a change of guardian of the minor unitholder either due to mutual consent between the parents or due to demise of the existing guardian, mutual funds shall seek the following documents prior to registering the new guardian:

1. An application for change in guardian of the minor unitholder in a standard / prescribed form (as per the format available in website of mutual fund) along

with PAN card copy and KYC acknowledgement of the new guardian and a cancelled cheque evidencing the change of guardian in respect of the minor's registered bank account with the new guardian's name.

2. A Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
3. A copy of the Death Certificate of the deceased guardian, where applicable duly attested by a Notary Public or a Judicial Magistrate First Class (JMFC) or a Gazetted Officer. The attestation may also be done by authorised official of the AMC after verifying the original.
4. The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian and the new guardian's name & signature should have been registered as the guardian with the minor's bankers in respect of the minor's bank account.

4.1 AMCs shall invariably obtain the information regarding the relationship/ status of the guardian as father, mother or legal guardian in the application form.

4.2 In case of natural guardian, AMC shall obtain a document evidencing the relationship with the minor, if the same is not available as part of the documents submitted as per 3 above.

4.3 In the case of a court appointed legal guardian, a copy of the court order in respect of the appointment of Legal Guardian shall be obtained.

5. In case of change in guardian with mutual consent between the parents, the signature of the new guardian shall be duly attested by the existing guardian whose signature is registered in the records of the mutual fund against the folio of the minor unitholder in the space provided in the form.
6. In all other cases, Bank attestation in respect of the signature of the new guardian shall be obtained on a separate letter / form from the bank where the bank account of the minor where the new guardian should have been registered as the guardian.
7. The new guardian shall be registered as the guardian in respect of the registered bank account of the minor unitholder. A cancelled cheque evidencing the change of guardian in respect of the minor's registered bank account shall be attached to the application for change in Guardian of Minor Unitholder.
8. Wherever the minor's PAN has been provided in the MF folio, TDS should be paid against / quoting the minor's PAN. This would enable the parents of the minor to report the minor's IDCW amount against the PAN of the parent in whose income the minor's income needs to be clubbed while filing their tax returns.

Pledge/Lien of Units

The Units standing to the credit of the Unit holder under the Scheme(s) (subject to completion of Lock-in Period, if any) may be offered by the Unit holder as security in favour of scheduled banks, financial institutions, nonbanking finance

companies (NBFC's) or any other persons ("Lender") subject to applicable SEBI Regulations and other laws, provided such Lenders are eligible to hold the Units. Upon a specific authorisation request made by the Unit holder (to be signed by all Unitholders, in case the mode of holding is joint or either or survivor) and completion of necessary documentary formalities, the Mutual Fund/AMC will instruct the Registrar to mark a pledge/ lien on the Units in favour of the Lender on the Units as may be requested by the Unitholder. A standard form for this purpose is available on request from any of the ISCs and our website i.e. samcomf.com. Disbursement/ sanctioning of loans/ facilities will be at the sole discretion of the Lender and the Mutual Fund/AMC assumes no responsibility thereof. The Unitholder will not be able to redeem/switch-out the Units that are pledged/ lien marked in favour of the Lender until the Mutual Fund/AMC receives a written authorization from the Lender that the Unitholder has been absolved of the financial obligations and that the pledge / lien may be removed/vacated. As long as the Units are pledged/ lien marked, the Lender will have complete authority to redeem/ transact in respect of such Units. If by enforcing the pledge / lien, the Lender seeks to transfer the Units in its own name or in the name of any other entity, then in such event the Mutual Fund/ AMC shall be obliged to comply with the said request, provided the Lender or such other entity, as the case may be, is eligible to hold the units and all the necessary documentary evidence is made available to the satisfaction of the Mutual Fund/AMC. Upon such transfer, the Mutual Fund/AMC shall be discharged of all its liabilities in respect of the Units towards the Unitholder.

An intimation of the invocation of the pledge/ lien will be sent to the Unitholder. The Mutual Fund/AMC thereafter shall not be responsible for any claims made and/or losses incurred by the Unitholder and/or any third party in this regard. In case the units of close-ended scheme are under pledge/ lien, then at the time of maturity of the scheme if the units are still under pledge/lien, then on the failure to receive any instructions from the Lender and the Unitholder, the Mutual Fund/AMC reserves the right to pay the maturity proceeds to the Unitholder, post intimation of such payment to the Lender, and AMC/Mutual Fund shall not be liable/responsible for any loss incurred by the Lender and/or the Unitholder on account of such payment. The AMC/ Mutual Fund shall also not be liable/responsible for any delay in payment of the maturity proceeds in such an event. Upon such payment, the Mutual Fund/AMC will be discharged of all its liabilities towards such Unitholder. The distribution of income in the nature of IDCW pay-outs declared on units under pledge/ lien shall always be paid to the Unitholder. The Mutual Fund/AMC reserves the right to change the operational guidelines for this facility offered by the AMC from time to time.

For Units held in Electronic (Demat) Mode

For units of the Scheme(s) held in electronic (demat) form, the rules/bye-laws of Depository applicable for lien/pledge will be applicable to the units of the Scheme(s). The Unitholder and the Lender must have a beneficial account with the Depository.

Powers To Remove Difficulties

If any difficulty arises in giving effect to the provisions of the Scheme, the Trustee may take such steps that are not inconsistent with these provisions which appear to them to be necessary and expedient, for the purpose of removing difficulties.

Powers To Make Rules

The Mutual Fund/AMC may from time to time prescribe such forms and make such rules for the purpose of giving effect to the provisions of the Scheme, and add to, alter or amend all or any of the forms and rules that may be framed from time to time in the interest of the Investors.

Investors' Personal Information and disclosure of Personal Information to third parties

The AMC, being a SEBI registered intermediary governed by the provisions of SEBI (Intermediaries) Regulations, 2008 and by virtue of the provisions of SEBI Circular No. MIRSD/Cir 23/2011 dated December 02, 2011 is authorised to collect information/ relevant KYC documents relating to investor(s) in connection with KYC process of investor(s) and in connection with the transactions executed by such investor(s). The Fund and the AMC recognize the importance of protecting the Personal Information of its Investor(s) (as defined in the Privacy Policy) and the documents so furnished, and have established policies and procedures in place for appropriate handling and for maintaining confidentiality and secrecy of the Personal Information of its Investor(s) and the KYC documents. As per the Code of Conduct for intermediaries stipulated by SEBI (Intermediaries) Regulations, 2008, the intermediaries shall not divulge to anybody, either orally or in writing, directly or indirectly, any confidential information about its clients/investors, which has come to its knowledge, without taking prior permission of its clients/investors except where such disclosures are required to be made in compliance with any law for the time being in force and is in line with the Privacy Policy. The Personal information provided in the scheme application form/s, any transaction document and/or provided by Investor(s) shall be governed by the terms of the Privacy Policy as displayed on the www.samcomf.com ("Site"). By subscribing to the Unit/s of the Scheme/s the Investor(s) are deemed to have consented for the usage of the Personal Information as stated herein and in the Privacy Policy.

Personal Information collected by the AMC in the physical form and through the Site may be converted and stored in electronic form by the AMC and/or its Registrar, Karvy at its sole discretion for the purposes mentioned in the Privacy Policy.

Personal Information of an Investor, as defined in the Privacy Policy, shall mean such information that is of a confidential nature and may include any information that relates to a natural person, which, either directly or indirectly, is capable of identifying such Investor. The type of Personal Information collected from an Investor shall include, but may not be limited to, full name, address, telephone number, e-mail address and any

other information as defined in Rule 3 of the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 as may be required by AMC and/ or its Registrar from time to time in order to provide services to the Investor(s).

The AMC reserves the right to use the Personal Information and to share/disclose the same with third parties as stated in the Privacy Policy. Notwithstanding anything contained in the Privacy Policy, the AMC may also share, disclose, or remit in any form, mode or manner, all/any of the Personal Information collected from the Investor(s), including all changes and updates thereto, as and when provided, with any Indian or foreign governmental authority including but not limited to the RBI, SEBI, Income Tax Authority, Financial Intelligence Unit –India (FIU-IND), or any other judicial and quasi-judicial authorities or investigation agencies, to the extent required by such authority, without any obligation of advising / informing Investors/Unit holder(s) about the same. The AMC may also share/exchange with other SEBI registered intermediaries on a reciprocity basis the Personal Information, including information on FATCA/ CRS/ UBO and/ or any details of transaction(s) undertaken by the Investor(s) for single updation/submission for operational/administrative convenience of the AMC and also to enable the AMC to serve the Unit holder(s) better. These third parties shall be bound by confidentiality arrangements when handling the Investor(s) Personal Information requiring that such information only be used for the limited purpose for which it was shared. The AMC shall not make any disclosures of the Personal Information to any third party for the purpose of marketing their products or services to the Unit holder(s). The AMC may delegate to another entity/ third party service provider including to its Sponsor, its subsidiaries, associates, or any group company of the Sponsor, either established or to be established at a later date (the "Service Providers"), the processing of the Personal Information and/or distributor communications, to the extent permitted by the applicable laws and SEBI Regulations. For any further information please refer to the Privacy Policy displayed on the Site.

The AMC can also share Investors' Personal Information with its associates or Group companies of the Sponsor or any other Organisations / Authorities / Bodies for compliance with any group, legal or regulatory requirements, including, but not limited to, compliance with anti-money laundering, sanctions and / or any other financial crime control risk management requirements.

Extract of Privacy Policy:

To the extent required or permitted under law, we may share your Personal Information for the uses mentioned herein with the following third parties:

- The Sponsor or its associates, Trustee Company, Registrar and transfer agent/s, call centres, Banks, custodians, depositories and / or authorized external third parties who are involved in transaction processing, despatches, etc., of investors' investment with us;
- Distributors or Sub-brokers through whom applications of investors are received for the investments; or

- Entities involved in data analysis, data management, data storage etc., for various purposes including but not limited to reporting, audit, investigations, record keeping etc.
- Any other organization for verifying the identity of investors for complying with anti-money laundering requirements.
- Any governmental authority including but not limited to the Reserve Bank of India or the Securities and Exchange Board of India.
- We may share your investment account and transaction details and other Personal Information with the intermediaries, whose ARN stamp appears on the application forms / transaction slips.
- We may share certain with third parties such as post office, local and international couriers and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, through Electronic Clearing Services (ECS), NEFT etc. For further details on Privacy Policy refer our website.

Application under Power of Attorney

An applicant wanting to transact through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC compliance status at the time of investment. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA. PoA holder must lodge the photocopy of the Power of Attorney (PoA) attested by a Notary Public or the original PoA (which will be returned after verification) within 30 days of submitting the Application Form / Transaction Slip at a Designated ISC's/Official Point of acceptance or along with the application in case of application submitted duly signed by POA holder. Applications are liable to be rejected if the power of attorney is not submitted within the aforesaid period.

Application by a Non – individual investor

In case of an application by a company, body corporate, society, mutual fund, trust or any other organisation not being an individual, a duly certified copy of the relevant resolution or document along with the updated Specimen Signature list of Authorised Signatories must be lodged along with the Application Form / Transaction Slip at a Designated ISC's/Official Point of acceptance. Further, the AMC may require that a copy of the incorporation deeds / constitutive documents (e.g. Memorandum and Articles of Association) be also submitted to the ISC's/Official Point of acceptance. Requests for redemption may not be processed if the necessary documents are not submitted.

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

- When payment is made through instruments issued from an account other than that of the beneficiary investor, the same is referred to as Third-Party payment. In case of payments from a joint bank account, the first holder of the mutual fund folio has to be one of the

joint holders of the bank account from which payment is made.

b) The Asset Management Company shall not accept subscriptions with Third-Party payments except in the following exceptional situations:

- 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 ₹ 50,000/- (each regular purchase or per SIP installment). However, this restriction will not be applicable for payment made by a guardian whose name is registered in the record 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 or deduction out of expense reimbursements.
- iii. Custodian on behalf of a Foreign Portfolio Investor (FPI) or a client.

Documents to be obtained for exceptional cases:

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.

- 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 OPA/ ISC of Samco Mutual Fund or visit our website www.samcomf.com for the said Declaration Form.

Adoption of a safe mode of writing a cheque

In order to avoid fraud, the investors shall make the payment instrument (cheque, demand draft, pay order, etc) favouring "XYZ Scheme A/c First Investor name" or "XYZ Scheme A/c Permanent Account Number".

Process to identify Third-Party payments:

The following process shall be followed for identifying Third-Party Cheques:

An investor at the time of his/her purchase must provide 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 / IDCW proceeds are to be paid).

Identification of third-party cheques by the AMC / Mutual Fund / Registrar & Transfer Agent (R&TA) will be on the basis of either matching of pay-in bank account details

with pay-out bank account details or by matching the bank account number / name / signature of the first named applicant / investor with the name / account number / signature available on the cheque. If the name is not pre-printed on the cheque or signature on the cheque does not match, then the first named applicant / investor should submit any one of the following documents:

- i. a copy* of the bank passbook or a statement of bank account having the name and address of the account holder and account number;
- ii. 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).

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

* Investors should also bring the original documents along with the documents mentioned in (i) above to the ISCs / Official Points of Acceptance of Samco 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.

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.

(a) If the subscription is settled with pre-funded instruments such as Pay Order, Demand Draft issued against debit to investor's bank account, Banker's cheque, etc., the AMC will accept any one of following as a valid supporting document:

- i. a proof of debit to the investor's bank account in the form of a bank manager's certificate with details of account holder's Name, bank account number and PAN as per bank records, if available.
- ii. 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.
- iii. a copy of the passbook/bank statement evidencing the debit for issuance of a DD

(b) A pre-funded instrument issued by the Bank against Cash shall not be accepted for investments of ₹ 50,000/- or more. This also should be accompanied by a certificate from the banker giving name, bank account number, address and PAN (if available) of the person who has requested for the demand draft.

(c) If payment is made by RTGS, NEFT, bank transfer, etc., a copy of the instruction to the bank stating the account number debited must accompany the purchase application.

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

In 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.

Mode of Holding

An application can be made by up to a maximum of three applicants. Applicants must specify the 'mode of holding' in the Application Form.

If an application is made by one Unit Holder only, then the mode of holding will be considered as 'Single'. If an application is made by more than one investor, they have an option to specify the mode of holding as either 'Jointly' or 'Anyone or Survivor'.

In either of the cases referred above i.e. application made by one investor/more than one investor, the Fund shall not entertain requests for including any other person as a joint holder once the application has been accepted.

If the mode of holding is specified as 'Jointly', all instructions to the Fund would have to be signed by all the Unit Holders, jointly. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases. If the mode of holding is specified as 'Anyone or Survivor', an instruction signed by any one of the Unit Holders will be acted upon by the Fund. It will not be necessary for all the Unit Holders to sign. If an application is made by more than one investor and the mode of holding is not specified, the mode of holding would be treated as joint. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

In all cases, all communication to Unit Holders (including account statements, statutory notices and communication, etc.) will be addressed to the first-named Unit Holder. All payments, whether for redemptions, IDCW, etc will be made favouring the first-named Unit Holder. The first named Unit Holder shall have the right to exercise the voting rights associated with such Units as per the applicable guidelines.

Investors should carefully study the paragraphs on "Transfer and Transmission" and "Nomination Facility" before ticking the relevant box pertaining to the mode of holding in the Application Form.

Option to hold Units in Dematerialized (demat) form

Investors shall have an option to receive allotment of Mutual Fund units in their demat account while subscribing to the Units of the Scheme in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. In case the Demat account details are incomplete or the details do not match with the records as per Depository(ies), the application shall be treated as

invalid for processing under demat mode and therefore may be considered for processing in non-demat form i.e. in physical mode, if the application is otherwise valid.

Where units are held by investor in dematerialized form, the demat statement issued by the Depository Participant would be deemed adequate compliance with the requirements in respect of dispatch of statements of account.

In case investors desire to convert their existing physical units (represented by statement of account) into dematerialized form or vice versa, the request for conversion of units held in physical form into Demat (electronic) form or vice versa should be submitted along with a Demat/Remat Request Form to their Depository Participants. In case the units are desired to be held by investor in dematerialized form, the KYC performed by Depository Participant shall be considered compliance of the applicable SEBI norms.

Units held in Demat form are freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the Depository Participant in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.

For details, Investors may contact any of the Investor Service Centres of the AMC.

Account Statements

The Account Statement is non-transferable. Dispatch of account statements to NRIs/FPI will be subject to applicable regulations, if required. In case of Unit holder who have provided their e-mail address the Fund will provide the Account Statement only through e-mail message, subject to Regulations and unless otherwise required. In cases where the email does not reach the Unit holder, the Fund / its Registrar & Transfer Agents will not be responsible, but the Unit holder can request for fresh statement. The Unit holder shall from time to time intimate the Fund / its Registrar & Transfer Agent about any changes in his e-mail address. In case of Unit Holders holding units in the dematerialized mode, the Fund will not send the account statement to the Unit Holders. The statement provided by the Depository Participant will be equivalent to the account statement. The Unit holder may request for a physical account statement by writing/ calling the AMC/ISC/Registrar. In case of 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.

Consolidated Account Statement (CAS)

Consolidated is an account statement detailing all the transactions and holding at the end of the month including transaction charges paid to the distributor, across all

schemes of all mutual funds, CAS issued to investors shall also provide the total purchase value/cost of investment in each scheme.

Further, CAS issued for the half-year (September/ March) shall also provide

- i. The amount of actual commission paid by AMC/ Mutual Fund to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each scheme.
- ii. The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

The word transaction will include purchase, redemption, switch, Pay-out of Income Distribution cum Capital Withdrawal, Reinvestment of Income Distribution cum Capital Withdrawal, systematic investment plan, systematic withdrawal plan and systematic transfer plan.

a) For Unitholders not holding Demat Account:

CAS for each calendar month shall be issued, on or before 15th day of succeeding month by the AMC/their service provider.

The AMC shall ensure that a CAS for every half yearly (September/ March) is issued, on or before 15th day of succeeding month, detailing holding at the end of the six months, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period.

The AMC shall identify common investors across fund houses by their Permanent Account Number (PAN) for the purposes of sending CAS. In the event the account has more than one registered holder, the first named Unit Holder shall receive the Account Statement.

The AMC will send statement of accounts by e-mail where the Investor has provided the e-mail id. Additionally, the AMC may at its discretion send Account Statements individually to the investors.

b) For Unitholders holding Demat Account:

SEBI vide its circular no. CIR/MRD/DP/31/2014 dated November 12, 2014, in order to enable a single consolidated view of all the investments of an investor in Mutual Fund and securities held in demat form with Depositories, has required Depositories to generate and dispatch a single CAS for investors having mutual fund investments and holding demat accounts.

CAS will be sent by Depositories every half yearly (September/March), on or before 21st day of succeeding month, detailing holding at the end of the six months, to all such investors in whose folios and demat accounts there have been no transactions during that period.

CAS sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase,

redemption, switch, Pay-out of Income Distribution cum Capital Withdrawal, reinvestment of Income Distribution cum Capital Withdrawal, systematic investment plan, systematic withdrawal plan, systematic transfer plan (including transaction charges paid to the distributor) and transaction in dematerialized securities across demat accounts of the investors and holding at the end of the month.

In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send account statement in terms of regulations applicable to the depositories. Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS.

Consolidation of account statement is done on the basis of PAN. Investors are therefore requested to ensure that their folio(s)/demat account(s) are updated with PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding.

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

Investors who do not wish to receive CAS sent by depositories have an option to indicate their negative consent. Such investors may contact the depositories to opt out. Investors who do not hold demat account continue to receive Consolidated Account Statement sent by RTA/AMC, based on the PAN, covering transactions across all mutual funds as per the current practice.

In case an investor has multiple accounts across two depositories; the depository with whom the account has been opened earlier will be the default depository.

The dispatch of CAS by the depositories constitute compliance by the AMC/ the Fund with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations. However, the AMC reserves the right to furnish the account statement in addition to the CAS, if deemed fit in the interest of investor(s).

Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS. Investors are therefore requested to ensure that their folio(s)/ demat account(s) are updated with PAN. For folios not included in the CAS (due to non-availability of PAN), the AMC shall issue monthly account statement to such Unit holder(s), for any financial transaction undertaken during the month on or before 15th of succeeding month by mail or email.

For folios not eligible to receive CAS (due to non-availability of PAN), the AMC shall issue an account statement detailing holding across all schemes at the end of every six months (i.e. September/March), on or before 21st day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period shall be sent by mail/e-mail.

c) For Dormant Account Statement.

In respect of dormant folios, i.e., folios wherein there were no financial transactions during a half-year period ending September or March, the CAS is sent once in six months in October / April detailing the holding at the end of the previous month. In the interest of investors, the Mutual Funds shall provide the account statements to the unit holders who have not transacted during the last six months prior to the date of generation of account statements. The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the scheme. The account statement should reflect the latest closing balance and value of the units prior to the date of generation of the account statement. Further, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.

Additional facilities for Subscription/Redemption/Switch of Units

Transactions through Electronic Mode

The Mutual Fund may allow subscriptions of Units by electronic mode including through the various web sites with which the AMC would have an arrangement from time to time.

Subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar may accept transactions through any electronic mode including through fax/ web/ phone transactions as permitted by SEBI or other regulatory authorities.

For details investors are advised to refer to the SID of the respective Scheme(s) of the Mutual Fund.

Online Transactions

Investors may undertake transactions viz. purchase / redemption / switch through the online/electronic modes/ sources like its official website - www.samcomf.com, mobile handsets, etc. and may also submit transactions in electronic mode offered by distributors with whom AMC has entered or may enter into specific arrangements including through secured internet sites operated by respective service providers. Accordingly, the servers (maintained at various locations) of the AMC and service providers will be the official point of acceptance for all such online / electronic transaction facilities offered by the AMC. For details and applicable terms and conditions for such transactions investors are advised to refer to 'SID' of the respective Scheme(s) of the Mutual Fund and the website of the Asset Management Company i.e. www.samcomf.com. For the purpose of determining the applicability of NAV (post NFO) time of transaction would be the time when request for purchase / sale / switch of units is received in the servers of AMC/RTA.

Facility to transact units of the Scheme(s) through Stock Exchange(s)

Existing/ New Investors (During NFO and ongoing) may transact units of the eligible Scheme(s)/ Plan(s) through

the Stock Exchange infrastructure. In order to facilitate transactions in mutual fund units through the stock exchange infrastructure, BSE has introduced BSE StAR MF Platform and NSE has introduced Mutual Fund Service System (MFSS). All trading members of BSE & NSE who are registered with AMFI as Mutual Fund Distributor and also registered with BSE & NSE as Participants ("AMFI certified stock exchange brokers" or "Brokers") are eligible to offer this facility to investors. Additionally, the units of the Scheme are permitted to be transacted through Clearing Members of the registered Stock Exchanges.

The eligible AMFI certified stock exchange Brokers/ Clearing Members/Depository Participants who have complied with the conditions stipulated in SEBI Circular No. SEBI /IMD / CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund will be considered as Official Points of Acceptance of the Mutual Fund. Distributors registered with Association of Mutual Funds in India (AMFI) and permitted by the concerned recognized stock exchanges shall be eligible to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units (Demat / Non Demat) on behalf of their clients, directly from Mutual Fund. The facility to transact units through the stock exchange infrastructure shall be in accordance with guidelines issued by SEBI and operating guidelines issued by the respective Stock Exchanges and the Depositories from time to time. For more details, investors are advised to refer to 'Scheme Information Document' of the respective Scheme(s) of Samco Mutual Fund.

Additional mode of payment through Applications Supported by Blocked Amount (ASBA) facility:

Pursuant to SEBI Circular No. SEBI/IMD/CIR No 18 /198647 /2010 dated March 15, 2010, an investor can subscribe to the New Fund Offer (NFO) through ASBA facility by applying for the Units offered under the Option(s)/Plan(s) of the Scheme(s) in the ASBA Application Form and following the procedure as prescribed in the form. ASBA is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Scheme of Samco Mutual Fund. Thus, for an investor who applies through ASBA facility, the application money towards the subscription of Units shall be debited from his specified bank account only if his/her application is selected for allotment of Units.

Benefits of Applying through ASBA facility

- i. Writing cheques and demand drafts is not required, as investor needs to submit ASBA application Form accompanying an authorization to block the account to the extent of application money towards subscription of Units. The balance money, if any, in the account can be used for other purposes by the investors.
- ii. Release/Unblocking of blocked funds after allotment is done instantaneously.
- iii. Unlike other modes of payment, ASBA facility prevents the loss of interest income on the application money

towards subscription of Units as it remains in the bank account of the investor till the allotment is made.

- iv. Refunds of money to the investors do not arise as the application money towards subscription of Units gets blocked only on the allotment of Units.
- v. The investor deals with the known intermediary i.e. his/her own bank.
- vi. The application form is simpler as the application form for ASBA will be different from the NFO application form.

ASBA Procedure

- a) An Investor intending to subscribe to the Units of the NFO through ASBA, shall submit a duly completed ASBA Application Form to a Self-Certified Syndicate Bank (SCSB), with whom his/her bank account is maintained.
- b) The ASBA Application Form towards the subscription of Units can be submitted through one of the following modes
 - i. Submit the form physically with the Designated Branches (DBs) of the SCSB ("Physical ASBA"); or
 - ii. Submit the form electronically through the internet banking facility offered by the SCSB ("Electronic ASBA").
- c) An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner that the investors will be allotted the Units applied for.
- d) If the bank account specified in the ASBA Application Form does not have sufficient credit balance to meet the application money towards the subscription of Units, the Bank shall reject the ASBA Application form.
- e) On acceptance of Physical or Electronic ASBA, the SCSB shall block funds available in the bank account specified to the extent of the application money specified in the ASBA Application Form.
- f) The application money towards the Subscription of Units shall be blocked in the account until (i) Allotment of Units is made or (ii) Rejection of the application or (iii) Winding up of the Scheme, as the case may be.
- g) SCSBs shall unblock the bank accounts for (i) Transfer of requisite money to the Mutual Fund / Scheme bank account against each valid application on allotment or (ii) in case the application is rejected.
- h) The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in) and shall also be given in the ASBA application form of respective schemes.

Note: No request for withdrawal of ASBA application form made during the NFO Period will be allowed.

Grounds for Technical Rejections of ASBA application forms

ASBA Application Forms can be rejected, at the discretion of Registrar and Transfer Agent of Samco Mutual Fund or SCSBs including but not limited on the following grounds:-

1. Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
2. Mode of ASBA i.e. either Physical ASBA or Electronic ASBA, not selected or ticked.
3. ASBA Application Form without the stamp of the SCSB.
4. Application by any person outside India if not in compliance with applicable foreign and Indian laws.
5. Bank account details not given/incorrect details given.
6. Duly certified Power of Attorney, if applicable, not submitted along with the ASBA application form.
7. No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository Account.

Mechanism for Redressal of Investor Grievances

All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving full details such as name, address of the applicant, number of Units applied for, counterfoil or the application reference given by the SCSBs, DBs or CBs, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Investor. If the SCSB is unable to resolve the grievance, it shall be addressed to Investor Relations Officer of Samco Mutual Fund

Additional official points of acceptance of transactions through MF Utility pursuant to appointment of MF Utilities India Pvt. Ltd.

Samco Asset Management Private Limited ("the AMC") has entered into an Agreement with MF Utilities India Private Limited ("MFUI"), a "Category II – Registrar to an Issue" under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility ("MFU") - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form and a single payment instrument.

Accordingly, investors are requested to note that in addition to the existing official points of acceptance ("OPA") for accepting transactions in the units of the schemes of the Samco Mutual Fund as disclosed in the SID, www.mfuonline.com i.e. online transaction portal of MFU and the authorized Points of Service ("POS") designated by MUFI shall also be the OPA with effect from the dates as

may be specified by MFUI on its website/AMC by issuance of necessary communication.

All financial and non-financial transactions pertaining to Schemes of Samco Mutual Fund can be done through MFU either electronically on www.mfuonline.com as and when such a facility is made available by MFUI or physically through the POS of MFUI with effect from the respective dates as published on MFUI website against the respective POS locations. The list of POS of MFUI is published on the website of MFUI at www.mfuindia.com. This will be updated from time to time.

The uniform cut-off time as prescribed SEBI (Mutual Funds) Regulations 1996, circulars issued by SEBI and as mentioned in the SID / KIM of respective schemes shall be applicable for applications received on the portal of MFUI i.e. www.mfuonline.com. However, investors should note that transactions on the MFUI portal shall be subject to the terms & conditions (including those relating to eligibility of investors) as stipulated by MFUI / Samco Mutual Fund /

the AMC from time to time and in accordance to the laws applicable.

Further, MFUI will allot a Common Account Number ("CAN"), a single reference number for all investments in the Mutual Fund industry, for transacting in multiple Schemes of various Mutual Funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the MFUI POS. The AMC and / or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFU. Investors are requested to visit the websites of MFUI or the Samco Mutual Fund i.e. samcomf.com to download the relevant forms.

For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to clientservices@mfuindia.com.

SECTION IV- RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. If the Mutual Fund declares a IDCW under the Scheme, the IDCW warrants shall be dispatched within 15 days from the record date. In case of failure to dispatch IDCW proceeds within 15 days, the AMC will be liable to pay a penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time, for the delay period.
3. On acceptance of valid application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS within 5 business days from the date of receipt of transaction request will be sent to the Unitholders registered e-mail address and/or mobile number. Where investors / Unitholders, have provided an email address, an account statement reflecting the units allotted to the Unitholder shall be sent by email on their registered email address. The Unitholder may request for a physical account statement by writing / calling the AMC / ISC / RTA. The AMC shall dispatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder.

A Consolidated Account Statement (CAS) for each calendar month shall be issued, on or before 15th day of succeeding month, detailing all the transactions (purchase, redemption, switch, IDCW pay-out, IDCW reinvestment, systematic investment plan, systematic withdrawal plan and systematic transfer plan etc.) and holding at the end of the month including the total purchase value /cost of investment in each scheme and transaction charges paid to the distributor, across all schemes of all mutual funds, to all the investors in whose folio's transaction has taken place during that month.

Pursuant to SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016 read with SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, following additional disclosure(s) shall be provided in CAS issued for the half year (ended September / March):

- a) The amount of actual commission paid by the AMCs /Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF Scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by the AMCs /MFs to the distributors. Further, the commission disclosed in CAS shall be gross commission and shall not exclude costs incurred by distributors such as service tax/GST (wherever applicable, as per existing rates), operating expenses, etc.
- b) The scheme's average total expense ratio (in percentage terms) for the half-year period for the scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in. Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been

paid to distributors, during the concerned half-year period.

CAS detailing holding across all schemes at the end of every six months (i.e., September/ March), on or before 21st day of succeeding month, to all such Unitholders holding units in non - demat form in whose folios no transaction has taken place during that period shall be sent by email.

For more details, please refer to the section 'Account Statements' in the Scheme Information Document(s) of respective schemes of Samco Mutual Fund.

4. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the duly completed Redemption request. In case of failure to dispatch redemption proceeds within 10 business days, the AMC will be liable to pay a penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time, for the delay period.
5. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
6. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
7. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
8. The Trustee shall obtain the consent of the Unit holders:
 - whenever required to do so by SEBI, in the interest of the Unit holders.
 - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
 - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
9. The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless:
 - a. a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
 - b. the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.

In addition to the conditions specified under Regulation 18 (15A) for bringing change in the fundamental attributes of any scheme, the trustees shall take comments of SEBI before bringing such change(s).
10. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI. Unitholders are entitled to one vote per unit held on all matters to be voted upon by unitholders.

SECTION V - INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

PART - I

VALUATION NORMS FOR EQUITY/EQUITY RELATED SECURITIES

A. TRADED SECURITIES

1. EQUITY AND EQUITY RELATED SECURITIES:

SEBI Regulations has prescribed following methodology for valuation of Equity and Equity related securities:

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
Equity, Preference shares and Cumulative Convertible Preference Share	Traded	<p>AMC has selected the National Stock Exchange (NSE) as the Principal Stock Exchange. In respect of the Index Funds, the Principal Stock Exchange would be the Exchange where the underlying benchmark index has been set up.</p> <p>a) Traded securities shall be valued at the day's closing price on the NSE.</p> <p>b) When, on a particular day a security is not traded on NSE, the closing price of the security on the Bombay Stock Exchange Limited (BSE). Will be considered for valuation. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the National Stock Exchange or the Bombay Stock Exchange, as the case may be, on the earliest previous day may be used, provided such date is not more than thirty days prior to the valuation date</p> <p>c) For Index Funds, valuation shall be done at the closing prices of the underlying index.</p>
	Not Traded / Thinly Traded	<p>When a security (other than Futures & Options) is not traded on any Stock Exchange on a particular valuation day, the value at which it was traded (closing price) on the selected stock exchange or any other stock exchange shall be used, provided such day is not more than thirty days prior to the valuation date.</p> <p>Valuation of Non –Traded / Thinly Traded :</p> <p>Thinly Traded: When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is both less than ₹ 5,00,000 and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly. In order to consider a security as a thinly traded security, the volumes traded only on the NSE and the BSE shall be considered.</p> <p>Where a security is identifies as a "thinly traded" securities by applying the above parameters for the preceding calendar month, the same will be valued by SAMPL as thinly traded security.</p> <p>If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the Fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.</p> <p>Further, thinly traded securities would be monitored on calendar month basis and not on rolling basis. i.e. If a security in holding has been classified as thinly traded according to the criteria mentioned above, it would be fairly valued ignoring the primary and secondary stock exchange prices. This fair valuation would continue for the entire month even though, the volumes and value might have exceeded the limit in the current month.</p> <p>In case trading in an equity security is suspended for trading on the stock exchange up to 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for trading for more than 30 days, then it would be considered as Non-Traded and valued accordingly.</p> <p>Non Traded: If the equity securities are not traded on NSE and BSE for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' scrip.</p> <p>For Equity Shares :</p> <p>Based on the latest available audited Balance Sheet, net worth shall be calculated as follows:</p> <p>i. Net Worth per share = [Share Capital + Reserves (excluding Revaluation Reserves) – Misc. expenditure and Debit Balance in P&L A/c] / No. of Paid up Shares. This shall be computed based on the latest available audited balance sheet.</p>

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
		<p>ii. Average capitalization rate (P/E ratio) for the industry based upon either NSE or BSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts will be considered for this purpose.</p> <p>iii. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.</p> <p>iv. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.</p> <p>v. 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.</p> <p>vi. 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 should 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> <p>Preference share:</p> <p>Convertible preference shares shall be valued based on the intrinsic value of the preference shares considering the conversion ratio as adjusted for illiquidity on case to case basis and other relevant factors as applicable as on the valuation date with the approval of the Valuation Committee.</p> <p>Non-traded non-convertible redeemable preference shares, being similar to debt securities, valuation shall be on the same basis as is for debt instruments as approved by the Valuation Committee</p> <p>Convertible Debentures:</p> <p>In respect of convertible debentures and bonds, the non-convertible and convertible portion would be valued separately. The non-convertible portion would be valued on the same basis as is applicable to a debt instrument. The convertible component would be valued based on the same basis as would be applicable to an equity instrument.</p> <p>If after conversion, the resultant equity instrument would be traded pari-passu with an existing equity instrument which is traded, the value of the later instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion while valuing such instruments, the fact whether conversion is optional should also be factored in. The appropriate discount applied should be approved and factored in.</p> <p>The value of the optional conversion shall be determined as follows:</p> <ul style="list-style-type: none"> • If the option to exercise rests with the issuer, the lower of the value when exercised or value when not exercised shall be taken. • If the option to exercise rests with the investor, the higher of the value when exercised or value when not exercised shall be taken. The valuation shall be approved by the Valuation Committee.
Equity	Unlisted securities	<p>The Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:</p> <p>A. Based on the latest available audited balance sheet, Net Worth shall be calculated as the lower of the following:</p> <p>(i) 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</p>

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
		<p>(ii) After taking into account the outstanding warrants and options, Net Worth per share shall again be calculated and shall be = [Share Capital plus consideration on exercise of Option and/or Warrants received/ receivable by the Company plus Free Reserves (excluding Revaluation Reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by (Number of Paid up Shares plus Number of Shares that would be obtained on conversion and/or exercise of Outstanding Warrants and Options).</p> <p>The lower of (i) and (ii) above shall be used for calculation of Net Worth per share and for further calculation to be arrive at the fair value per share as stated in (-C) below:</p> <p>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 of the latest audited annual accounts will be considered for this purpose.</p> <p>C. The value as per the Net Worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15 per cent for illiquidity so as to arrive at the fair value per share. In effect, the Computation of fair value per share to be considered for valuation at 15 % discount for illiquidity. [(Net worth per share + Capitalized value of EPS) / 2] * 0.85</p> <p>The above valuation methodology shall be subject to the following conditions:</p> <ol style="list-style-type: none"> 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. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning. 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 in accordance with the procedure as mentioned above on the date of valuation. <p>In order to ensure fair valuation, the valuation committee of the AMC may decide to value an unlisted security at a price lower than the value derived using the aforesaid methodology</p>
Initial Public Offering (IPO)		Prior to allotment, application money is accounted in the Fund books of account at the bid price paid. No holding position is created, until confirmed allotment is received. Post allotment, while awaiting listing, it will be valued at allotment price
Equity and equity related securities under lock-in period / pending listing		These shall be valued based on the last quoted closing price of the security after applying suitable discount for liquidity. The Valuation Committee shall decide on the illiquidity discount to be applied on a case to case basis.
Rights" entitlement/partly paid up rights shares	Traded Non Traded/Unlisted/ Thinly Traded	<p>If the rights are traded, then the traded price will be considered for valuation.</p> <p>a) Until they are traded, post the rights renunciation period, the value of the "rights" entitlement would be calculated as per the SEBI prescribed formula stated below:</p> $V_r = n/m * (P_{ex} - P_{of})$ <p>Where</p> <p>V_r = Value of Rights</p> <p>n = Number of rights offered</p> <p>m = Number of original shares held</p> <p>P_{ex} = Ex-right price</p> <p>P_{of} = Rights Offer price</p>

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
		<p>Ratio of Rights i.e. (n/m where n = No. of Rights offered and m = No. of original shares held) will be adjusted in the quantity directly while booking the Rights and hence not considered again for valuation.</p> <p>b) Where the rights are not treated 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.</p> <p>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.</p> <p>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.</p> <p>e) In case the rights offer/exercise/issuance price is greater than the ex-rights/ closing price of the underlying security, the value of the rights share to be considered as zero.</p> <p>f) Post payment of the subscription amount for the rights entitlement, it will be valued in line with the normal valuation methodology for valuation of equities.</p>
Partly Paid-up Equity Shares:	Traded	If the partly paid-up equity shares are traded in market separately then the same shall be valued at traded price (like any other equity instrument).
	Non - traded	<p>Uncalled liability per share shall be reduced from the value of fully paid share, if traded, to derive price of non traded partly paid shares.</p> <p>If the fully paid up shares are not traded, the valuation principles for valuing non-traded equity shares shall be followed for valuing the fully paid up on-traded shares (with suitable illiquidity discounts) and then reduced by the uncalled liability per share to arrive at the value of non-traded partly paid shares</p>
	Thinly Traded	<p>Partly paid shares should be valued at the lower of the following two prices:</p> <ul style="list-style-type: none"> • Current closing price per share of fully paid up shares less uncalled amount per share of partly paid shares, and, • Closing price of the partly paid share if it has not been traded on any particular valuation day (not exceeding the last 30 days).
Shares tendered for Buyback		If a company offers to buy back hundred percent of the shares tendered, then shares will be valued at the price of buy back, if the shares are already tendered ignoring the market price. Else, market price of the security will be considered for valuation till the date of receipt of formal confirmation of acceptance of shares tendered under the buyback scheme.
Suspended Security	-	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 securities should be treated as unlisted and valued accordingly.
Valuation of Shares on Merger, De-merger and Other Corporate Action Events	-	<p>Merger:</p> <p>Valuation of merged entity would be arrived at by summation of previous day's value of the respective companies prior to merger divided by the entitled quantity of the merged entity in cases where identity of the entities getting merged is lost until the new entity is listed. E.g. If Company A and Company B merge to form a new Company C, then new company C would be valued at the previous day's price of A and B with appropriate inter-se weights as indicated in the scheme of merger.</p> <p>In case of a merger where the identity of one entity continues, valuation of merged entity would be at the closing price of the surviving entity.</p> <p>E.g. If Company A merges into Company B then merged entity would be valued at the price of Company B being the surviving Company.</p>

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
		<p>De-merger:</p> <p>On de-merger following possibilities arise which influence valuation:</p> <p>Both the shares are traded immediately on de-merger:</p> <p>In this case, shares of both the Companies are valued at respective traded prices.</p> <p>Shares of only one company continued to be traded on de-merger: In case one entity is demerged into two or more entities and one of those entities continues to be listed, the value of unlisted entity(ies) will be difference between the closing price of the security on the ex-date (after demerger) and closing price of the security on previous trading day (before demerger) that continues to be listed. The difference in price of two dates will be the valuation price of the unlisted entity(ies) proportionately, till they are listed and traded on a stock exchange. The cost price of new entity/entities would be derived proportionately from the cost price of parent entity.</p> <p>In case the value of the traded security of de-merged entity is equal to or in excess of the value of that entity before de-merger, then the security of the non-traded entity will be valued at zero.</p> <p>In case an unlisted security is not listed within a period of 60 days from the ex-date, the valuation price derived for the demerged security will be reviewed on expiry of 30 days.</p> <p>Both the shares are not traded on de-merger:</p> <p>The price of the shares of the Company one day prior to ex-date of de-merger will be bifurcated over the de-merged shares in the ratio of cost of shares of each demerged entity or on the basis of net assets transferred if the same is available from the Company and any other relevant factors.</p> <p>In case shares of both the companies are not traded for more than 60 days, these are to be treated as unlisted security and valued accordingly.</p> <p>On merger/demerger, in case the company specifies any regulations/ method for cost bifurcation or valuation the same will be adopted. In case the above methodology does not derive the fair valuation of de-merged entities; the same may be determined by the Valuation Committee on case to case basis.</p> <p>Other corporate action event:</p> <p>In case of any other type of capital corporate action event, the same shall be valued at fair price on case to case basis as may be determined by the Valuation Committee.</p>
Stock and Index Derivatives		<p>Equity / Index Options Derivatives and Equity / Index Futures Derivatives</p> <p>Market values of traded open future/option contracts shall be determined with respect to the exchange on which it is contracted originally, i.e., a future/option contracted on the National Stock Exchange (NSE) would be valued at the Settlement price of future/option on the NSE. Futures & Options are considered as Non-Traded, when such Futures & Options are not traded on the respective stock exchange on the Valuation Date. Non-traded futures and options are valued based on the settlement price / any other equivalent price provided on the respective stock exchange.</p>
Valuation of Warrants	Traded Non Traded	<p>If the warrants are traded, the traded price will be considered for valuation.</p> <p>Warrants can be valued at the value of the share which would be obtained on exercise of the Warrant after applying appropriate discount as decided by valuation committee prorated on a monthly basis after reducing the exercise price / issuance price from the closing price of the underlying cash equity security.</p> <p>If the amount payable on exercise of the warrants is higher than the value of the share, the value of the warrants should be taken as zero.</p>
Security Lending & Borrowing (SLB)		Security Lending & Borrowing (SLB) will be valued on the basis of amortization.

2. FIXED INCOME AND RELATED SECURITIES

Asset Class	Valuation Methodology
For debt & money market securities (Including AT-1 and Tier – II issued under Basel III framework) (excluding Government Securities, Treasury Bills, Cash Management Bills, State Development Loans, etc.)	<p>All money market and debt securities including floating rate securities having irrespective residual maturity shall be valued at average of security level prices obtained from valuation agencies entrusted by AMFI/SEBI from time to time.</p> <p>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> <p>In case if the prices derived by the above methodology do not reflect the fair value of securities, Valuation Committee shall adopt such alternate procedures / methodologies in conformance with the guiding principles of fair valuation in good faith to arrive at a true and fair estimation of the realisable value of the security / asset under normal, business-as-usual circumstances.</p>
Valuation of Government Securities, Treasury Bills, Cash Management Bills, State Development Loans, etc	Irrespective of the residual maturity, Government Securities (including T-bills, Cash Management Bills, State Development Loans, etc) shall be valued on the basis of security level prices obtained from valuation agencies.
Valuation of money market and debt securities classified as below investment grade or default	<ul style="list-style-type: none"> All money market and debt securities which are rated below investment grade (if the long term rating below BBB- or if the short term rating of the security is below A3) shall be valued at the average of the security level price provided by valuation agencies. 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 Credit Rating Agency (CRA). Any extension in maturity of money market or debt security shall result in the security being treated as 'Default' for purpose of valuation. Any changes to the terms of investment, including extension in the maturity of a money market or debt security, details shall promptly inform to the valuation agencies and the CRAs, 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 by the valuation agencies on the basis of indicative haircuts. In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, traded price will be considered if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies. In case of trades after the valuation price is computed by the valuation agencies as referred above and where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price will be revised accordingly. 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 with detailed rationale for deviation, as per prescribed in SEBI Circulars, Rules, Regulation and Master Circulars time to time.
Valuation of Short Term Deposits with Banks (pending deployment)	Investments in short term deposits with banks will be valued at cost plus accrual
Valuation of Bills Rediscounting, Market Linked Debentures and OTC derivatives	<p>The bills purchased under rediscounting scheme shall be valued based on average of security level prices provided by the agencies appointed by AMFI/SEBI. Where any scheme of Mutual Fund has purchased such securities and security level price from the agencies appointed by AMFI/SEBI is not available, such securities shall be valued at purchase yield on the date of allotment / purchase</p> <p>All market linked debentures shall be valued at prices obtained from the Valuation Agencies.</p>
Valuation of other money market / debt securities (Tri-party repo i.e. TREPS/Reverse Repo/Corporate Bond Repo)	<p>Investments in, Tri-party repo i.e. TREPS/Reverse Repo (including Corporate Bond Repo)</p> <ol style="list-style-type: none"> With tenor of upto 30 days, shall be valued at cost plus accrual basis. With tenor of over 30 days, shall be valued based on average of security level prices provided by the agencies appointed by AMFI/SEBI. Where any scheme of Mutual Fund has purchased such securities and security level price from the agencies appointed by AMFI/SEBI is not available, such securities shall be valued at weightage average purchase yield on that day and till the day preceding the next business day.
Interest Rate Swap (IRS) /Forward Rate Agreement (FRA)	Interest rate swaps or Forward Rate Agreements shall be valued based on average security level prices provided by the agencies appointed by AMFI/SEBI

Asset Class	Valuation Methodology
Securities with Put/Call Options	<p>The option embedded securities would be valued as follows:</p> <p>i) Securities with Call Option:</p> <p>The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.</p> <p>In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.</p> <p>ii) Securities with Put Option:</p> <p>The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.</p> <p>In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instrument.</p> <p>iii) Securities with both Put and Call Option:</p> <p>Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:</p> <p>a) 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>b) 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>c) In case no Put Trigger Date or Call Trigger Date ("Trigger Date") is available, then the 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>iv) 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> <p>Refer to SEBI/HO/IMD/DF4/P/CIR/2021/593</p> <p>Further, with effect from October 01, 2021 onwards, put would be in accordance with circular no SEBI/HO/IMD/DF4/P/CIR/2021/593</p>
Interest Rate Futures	<p>The exchange traded Interest Rate Futures would be valued based on the day end daily Settlement Price or any other derived price provided by the exchange / adopted by the Industry.</p>

3. MUTUAL FUND UNITS, ETFS AND GOLD

Asset Class	Traded / Not Traded / / Listed / Unlisted	Valuation Methodology
Mutual Fund Unit and ETFs	Traded/Non-traded	<p>Mutual fund, ETF, units shall be valued at closing traded price on the principal stock exchange as on the valuation date.</p> <p>If the units are not traded on a particular valuation day, they shall be valued at the quoted closing price on other recognised stock exchange.</p> <p>Non-traded units shall be valued at the declared applicable NAV as on the valuation date.</p>
Units of InvITs / ReITs	Non-Traded	<p>Valuation of units of InvITs and ReITs will be based on the last quoted closing price on the principal stock exchange where such security is listed. The AMC has selected National Stock Exchange (NSE) as principal stock exchange. If no trade is reported on the principal stock exchange on a particular valuation date, units of InvITs and ReITs shall be valued at the last quoted closing price on other recognised stock exchange.</p> <ul style="list-style-type: none"> When units of InvITs and ReITs are not traded on any stock exchange on a particular valuation day, the value at which these were traded on the selected stock exchange or any other stock exchange, as the case may be, on any day immediately prior to valuation day, shall be considered for valuation provided that such date is not more than thirty days prior to the valuation date. Where units of InvITs and ReITs are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvITs and ReITs will be determined by the Valuation Committee in consultation with the Internal Auditors or independent valuation agencies as deemed appropriate by the Valuation Committee from time to time. <p>In addition to the above, if the valuation of units of InvITs and REITs is provided by the independent agency as approved by AMFI, AMC may get into an arrangement with such agency to provide security level price for Valuation.</p>

Asset Class	Traded / Not Traded / / Listed / Unlisted	Valuation Methodology
Gold		<p>Gold acquired by a scheme is in the form of standard bars and its value as on a particular day is determined as under:</p> <p>(1) AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:</p> <ol style="list-style-type: none"> adjustment for conversion to metric measure as per standard conversion rates; adjustment for conversion of US dollars into Indian rupees as per the reference rate declared by the Financial Benchmark India Limited (FBIL). Addition of- <ol style="list-style-type: none"> transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the mutual fund ;and notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from London to the place where it is actually stored on behalf of the mutual fund; <p>Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the mutual fund; Provided further that where the gold held by a scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph.</p> <p>(2) If the gold acquired by the Scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued like standard bars. If on any day the LBMA AM fixing or FBIL reference rate is not available due to holiday, then the immediately previous day's prices are applied for the purpose of calculating the value of gold.</p>

4. INTER SCHEME TRANSFER

Asset Class	Traded/Not Traded	Valuation Methodology
Inter Scheme Transfer	Equity and related securities	In respect of inter scheme transfer of equity securities, the spot/current market price available from stock exchange/Bloomberg/Eikon terminal at the time into entering into the deal is considered. The screenshot of the exchange/Bloomberg/Eikon screen be obtained to confirm the price.
	Fixed Income securities including Government Securities, Treasury Bills, Cash Management Bills, State Development Loans, etc	<p>AMC shall seek prices for Inter-scheme Transfer of any money market or debt security (irrespective of maturity), from the valuation agencies. (SEBI/HO/IMD/DF4/CIR/P/2019/102)</p> <p>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.</p> <p>If price from only one valuation agency is received within the agreed TAT, that price may be used for IST pricing.</p> <p>If prices are not received from any one of the valuation agencies, within the agreed TAT, AMCs may determine the price for the IST, as per Clause 3 (a) of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996</p>

5. FOREIGN SECURITIES

Asset Class	Valuation Methodology
Foreign Securities	<p>There are no specific SEBI guidelines on valuation of foreign securities at present. In the absence of any guidelines, the following policy would be followed:</p> <p>The security issued outside India and listed on the stock exchanges outside India shall be valued as follows:</p> <ul style="list-style-type: none"> On a particular valuation day, the foreign securities globally available for trading shall be valued at the day's closing price on the principle/relevant stock exchange. If it is determined that market quotations (last traded/closing prices) are not readily available or reliable for a particular security, the Valuation Committee reserves the right to fair value the security.

Asset Class	Valuation Methodology
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- However, in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation will be backed by reasons for such change being recorded in writing by the AMC. Further in case of extreme volatility in the overseas markets, the securities listed in those markets may be valued on a fair value basis
- If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis. When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India.
- If the security is listed in a time zone ahead of India, then the same day's closing price would be used for valuation. If the security is listed in a time zone behind India, then the previous day's price would be used for valuation.
- Valuation of Foreign Exchange Conversion: On the valuation day, all the assets and liabilities in foreign currency will be valued in Indian Rupees on the basis of Foreign Exchange rate as per RBI/Reuters/Bloomberg/Eikon reference rate. The Trustees/AMC recorded in writing.
- In case of subscription in subsequent public offer of an existing listed foreign security, the security which will be documented and approved by the Valuation Committee.

Valuation of IDR/ADR/ GDR:

IDR/ADR/GDRs are exchange traded securities and hence closing price of the IDR/ADR/ GDR on the exchange where it is listed will be taken for valuation purpose.

If any American Depository Receipt (ADR)/ Global Depository Receipt (GDR) is traded in OTC (Over the Counter) market, in such cases closing price in OTC market will be considered for valuation of ADR/ GDR.

If the security is listed/ traded in a time zone ahead of India, then the same day's closing price would be used for valuation.

If the security is listed/traded in a time zone behind India, then the previous day's price would be used for valuation.

ANNEXURE II

1. WATERFALL APPROACH FOR VALUATION OF MONEY MARKET AND DEBT SECURITIES:

As per SEBI guidelines on valuation of money market and debt securities, a waterfall approach shall be followed by the valuation agencies for arriving at security level pricing. AMFI, in consultation with SEBI, has issued detailed guidelines on waterfall approach for valuation of money market and debt securities vide AMFI Best Practice Circular No.83 / 2019-20 dated November 18, 2019.

The broad principles of the said waterfall approach, for arriving at the security level prices are as follows:

- Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN (whether through book building of fixed price) and secondary trades in the same ISIN
- VWAY of primary issuances through book building of same issuer; similar maturity (Refer Note 1 below)
- VWAY of secondary trades of same issuer, similar maturity
- VWAY of primary issuances through fixed price auction of same issuer, similar maturity
- VWAY of primary issuance through book building of similar issuer, similar maturity (Refer note 1 below)
- VWAY of secondary trades of similar issuer, similar maturity
- VWAY of primary issuance through fixed price auction of similar issuer, similar maturity
- Construction of matrix (polling may also be used for matrix construction)

ix. In case of exceptional circumstances, polling for security lever 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 circumstances would be stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action of 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: It is understood that there are certain exceptional events, occurrence of which during market hours may lead to significant change in the yield of the debt securities. Hence, such exceptional events need to be factored in while calculating the price of the securities. Thus, for the purpose of calculation of VWAY of trades and identification of outliers, on the day of such exceptional events, rather than considering whole day trades, only those trade 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 of 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.

2. Definition of tenure buckets for Similar Maturity

When a trade in the same ISIN has not taken place, reference should be taken to trades of either the same

issuer or similar issuer, where the residual tenure matches the tenure of the bond to be priced. However, as it may not be possible to match the exact tenure, it is proposed that tenure buckets are created and trades falling within such similar maturity be used as per table below

Residual Tenure of Bond to be priced	Criteria for similar maturity
Up to 1 month	Calendar Weekly Bucket
Greater than 1 month to 3 months	Calendar Fortnightly Bucket
Greater than 3 months to 1 year	Calendar Monthly Bucket
Greater than 1 year to 3 years	Calendar Quarterly Bucket
Greater than 3 years	Calendar Half Yearly of Greater Bucket

In addition to the above:

- a. In case of market events, or to account for specific market nuances, valuation agencies may be permitted to vary the bucket in which the trade is matched or to split buckets to finer time periods as necessary. Such changes shall be auditable. Some examples of market events/ nuances include cases where traded yields for securities with residual tenure of less than 90 days and more than 90 days are markedly different even though both may fall within the same maturity bucket, similarly for less than 30 days and more than 30 days or cases where yields for the last week v/s second last week of certain months such as calendar quarter ends can differ.
- b. In the case of illiquid/ semi liquid bonds, it is proposed that traded spreads be permitted to be used for longer maturity buckets (1 year and above). However, the yields should be adjusted to account for steepness of the yield curve across maturities.
- c. The changes / deviations mentioned in clauses a and b, above, should be documented, along with the detailed rationale for the same. Process for making any such deviations shall also be recorded. Such records shall be preserved for verification.

3. Process for determination of similar issuer

Valuation agencies shall determine similar issuers using one or a combination of the following criteria. Similar issuer do not always refer to issuers which trade at same yields, but may carry spreads amongst themselves & move in tandem or they are sensitive to specific market factor/s hence warrant review of spreads when such factors are triggered.

- i. Issuers within same sector/industry and/or
- ii. Issuers within same rating band and/or
- iii. Issuers with same parent/ within same group and/or

- iv. Issuers with debt securities having same guarantors and/or
- v. Issuers with securities having similar terms like Loan Against Shares (LAS)/ Loan Against Property (LAP)

The above criteria are stated as principles and the final determination on criteria, and whether in combination or isolation shall be determined by the valuation agencies. The criteria used for such determination should be documented along with the detailed rationale for the same in each instance. Such records shall be preserved for verification. Similar issuers which trade at same level or replicate each other's movements are used in waterfall approach for valuations. However, similar issuer may also be used just to trigger the review of spreads for other securities in the similar issuer category basis the trade/news/action in any security/ies within the similar issuer group.

4. Recognition of trades and outlier criteria

i. Volume criteria for recognition of trades (marketable lot)

Paragraph 1.1.1.(a) of SEBI vide circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 on Valuation of money market and debt securities, prescribes that the marketable lots shall be defined by AMFI, in consultation with SEBI. In this regard, marketable lot is defined as under. The following volume criteria shall be used for recognition of trade by valuation agencies

Parameter	Minimum Volume Criteria for marketable lot
Primary	INR 25 cr for both Bonds/NCD/CP/CD and other money market instruments
Secondary	INR 25 cr for CP/CD, T-Bills and other money market instruments
Secondary	INR 5 cr for Bonds/NCD/G-secs

Trades not meeting the minimum volume criteria i.e. the marketable lot criteria as stated above shall be ignored.

ii. Outlier criteria

It is critical to identify and disregard trades which are aberrations, do not reflect market levels and may potentially lead to mispricing of a security or group of securities. Hence, the following broad principles would be followed by valuation agencies for determining outlier criteria.

- a. Outlier trades shall be classified on the basis of liquidity buckets (Liquid, Semi-liquid, Illiquid). Price discovery for liquid issuers is generally easier than that of illiquid issuers and hence a tighter pricing band as compared to illiquid issuers would be appropriate.
- b. The outlier trades shall be determined basis the yield movement of the trade, over and above the yield movement of matrix. Relative movement

ensures that general market movements are accounted for in determining trades that are outliers. Hence, relative movement over and above benchmark movement shall be used to identify outlier trades.

- c. Potential outlier trades which are identified through objective criteria defined above will be validated through polling from market participants. Potential outlier trades that are not validated through polling shall be ignored for the purpose of valuation.
- d. The following criteria shall be used by valuation agencies in determining Outlier Trades

Liquidity classification	BPS criteria (Yield movement over Previous Day yield after accounting for yield movement of matrix)		
	Upto 15 days	15-30days	Greater than 30 days
Liquid	30 bps	20 bps	10 bps
Semi-liquid	45 bps	35 bps	20 bps
Illiquid	70 bps	50 bps	35 bps

The above criteria shall be followed consistently and would be subject to review on a periodic basis by valuation agencies and any change would be carried in consultation with AMFI.

- e. In order to ensure uniform process in determination of outlier trades the criteria for liquidity classification shall be as detailed below.

Liquidity classification criteria liquid semi –Liquid, semi-liquid and Illiquid definition

Valuation agencies shall use standard criteria for classifying trades as Liquid, Semi-liquid and illiquid basis the following two criteria

- a. Trading volume
- b. Spread over reference yield

Such criteria shall be reviewed on periodic basis in consultation with AMFI.

Trading volume (Traded days) based criteria:

Number of unique days an issuer trades in the secondary market or uses a new security in the primary market in a calendar quarter

- Liquid >=50% of trade days
- Semi liquid >=10% to 50% trade days
- Illiquid <10% of trade days

Spread based criteria:

Spread over the matrix shall be computed and based on thresholds defined, issuers shall be classified as liquid, semi liquid and illiquid. For bonds thresholds are defined as up to 15 bps for liquid; >15-75 bps for semi-liquid; >75bps for illiquid. (Here, spread is computed

as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix), For CP/CD - upto 25 bps for liquid; >25-50 bps for semi liquid; >50bps for illiquid. (Here, spread is computed as average spread of issuer over A1+/AAA CD Bank matrix).

The thresholds shall be periodically reviewed and updated having regard to the market.

The best classification (liquid being the best) from the above two criteria (trading volume and spread based) shall be considered as the final liquidity classification of the issuer. The above classification shall be carried out separately for money market instruments (CP/CDs) and bonds.

5. Process for construction of spread matrix

Valuation agencies shall follow the below process in terms of calculating spreads and constructing the matrix:

Steps	Detailed Process
Step 1	<p>Segmentation of corporates-</p> <p>The entire corporate sector is first categorised across following four sectors i.e. all the corporates will be catalogued under one of the below mentioned bucket:</p> <ol style="list-style-type: none"> 1. Public Sector Undertakings/ Financial Institutions/ Banks; 2. Non-banking Finance Companies - except Housing Finance Companies; 3. Housing Finance Companies 4. Other Corporates
Step 2	<p>Representative issuers-</p> <p>For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher rating (i.e. "AAA" or AA+) Benchmark/Representative issuers will be identified basis high liquidity, availability across tenure in AAA/AA+ category and having lower credit/ liquidity premium. Benchmark issuers can be single or multiple for each sector.</p> <p>It may not be possible to find representative issuers in the lower rated segments, however in case of any change in spread in a particular rating segment, the spreads in lower rated segments should be suitably adjusted to reflect the market conditions. In this respect, in case spreads over benchmark are widening at a better rated segment, then adjustments should be made across lower rated segments, such that compression of spread is not seen at any step. For instance, if there is widening of spread of AA segment over the AAA benchmark, then there should not be any compression in spreads between AA and A rated segment and so on.</p>
Step 3	<p>Calculation of benchmark curve and calculation of spread-</p> <ol style="list-style-type: none"> 1. Yield curve to be calculated for representative issuers for each sector for maturities ranging from 1 month till 20 years and above.

Steps	Detailed Process
	<ol style="list-style-type: none"> 2. Waterfall approach as defined in Part A (1) above will be used for construction of yield curve of each sector. 3. In the event of no data related to trades/primary issuances in the securities of the representative issuer is available, polling shall be conducted from market participants 4. Yield curve for Representative issuers will be created on daily basis for all 4 sectors. All other issuers will be pegged to the respective benchmark issuers depending on the the sector, parentage and characteristics. Spread over the benchmark curve for each security is computed using latest available trades/ primaries/polls for respective maturity bucket over the Benchmark Issuer. 5. Spreads will be carried forward in case no data points in terms of trades/ primaries/polls are available for any issuer and respective benchmark movement will be given
Step 4	<ol style="list-style-type: none"> 1. The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve on the basis of trades/ primary issuances. 2. In case of rating downgrade/credit event/change in liquidity or any other material event in Representative issuers, new Representative issuers will be identified. Also, in case there are two credit ratings, the lower rating to be considered. 3. Residual tenure of the securities of representative issuers shall be used for construction of yield curve.

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

The following is the waterfall mechanism for valuation of Government securities:

- 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.

ANNEXURE III

Valuation of AT-1 Bonds and Tier II Bonds Valuation

I. Deemed Residual Maturity of Bonds

Deemed Residual Maturity for the Purpose of Calculation of valuation as well as Macaulay Duration for existing as well as new perpetual bonds issued under Basel III framework will be as under:

Time Period	Deemed Residual Maturity of Basel III AT-1 Bonds (years)	Deemed Residual Maturity of Basel III Tier 2 Bonds (years)
Till March 31, 2022	10	10 years or contractual maturity whichever is earlier
April 01, 2022 – September 31, 2022	20	Contractual maturity
October 01, 2022 – March 31, 2023	30	Contractual maturity
March 31, 2023 onwards	100*	Contractual maturity

* 100 years from the date of the issue of the bond

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

Macaulay Duration shall be calculated based on the deemed residual maturity as mentioned above:

1. If the issuer does not exercise call option for any ISIN, then maturity of bonds to be considered as 100 years from the date of issuance of AT-1 bonds and contractual maturity of Tier II Bonds for all the ISINs of the said issuer for the purpose of valuation and calculation of Macaulay Duration.
2. If the non-exercise of call option is due to financial stress or if there is any adverse news, the same must be reflected in the valuation.

II. Guidelines for Valuation

1. Form two types of ISINs:

- a) Benchmark ISINs (a non-benchmark ISIN can be linked to only one benchmark ISIN. Currently, SBI ISINs happens to be the benchmark ISINs across all maturities for AT-1 Bonds.)
- b) Non-benchmark ISINs (Will be divided into multiple groups based on similar issuer and similar maturity).

2. Take a look back period for trade recognition as under:

- a) 15 working days for benchmark ISINs
- b) 30 working days for non-benchmark ISINs
- c) This will be revised to 7 working days for benchmark ISIN and 15 working days for non-benchmark ISINs from October 01, 2021.

Note 1

- a) If the ISIN gets traded, the traded YTM will be taken for the purpose of valuation.
- b) If 1 ISIN of the issuer trades, all other ISINs of issuers will be considered as traded but with necessary adjustment of spread to YTM.
- c) If none of the ISIN of the issuer gets traded, the trade of similar issuer in the group will be taken to valuation however with necessary adjustment of spread to YTM of similar issuer similar maturity. If none of the ISIN in a group gets traded on any particular day, an actual trade in a look back period will be seen.
- d) If there is an actual trade in look back period the security will be considered as traded and valued with necessary adjustment of spread to YTM. According to this valuation will be done based on the trade of issuer, trade of similar issuer and as an additional layer a look back period of is requested. It is confirmed that spread over YTM will be taken without any adjustment of modified duration to call.

Note 2

As the valuation is based on trade during the look back period, it is confirmed that a spread will be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.

Note 3

If there is no actual trade of any ISIN of the issuer as well as similar issuer during look back period also, then valuation will be done by taking spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.

Note 4

AT-1 bonds and Tier 2 bonds being different categories of bonds, the valuation of these bonds will be done separately (i.e.) ISIN of AT-1 bond traded will not mean that ISIN of Tier-2 bonds of the same issuer have also traded. However, if any issuer does not exercise call option for any ISIN, then the valuation and calculation of Macaulay Duration should be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and Contractual Maturity for Tier 2 bonds, for all ISINs of the issuer.

ANNEXURE IV

Upfront Fees on Trade

1. Upfront fees on all trade (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.
2. 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.

3. For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made the investment.
4. In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes.

Notes:

The policy will stand modified to the extent it is inconsistent with any regulatory pronouncements hereafter.

SECTION VI - TAX, LEGAL & GENERAL INFORMATION

The information furnished below outlines briefly the key income-tax implications applicable to the unit holders of the Scheme and to the Mutual Fund based on relevant provisions of the Income-tax Act, 1961 [as amended by the Finance Act 2021] (collectively called 'the relevant provisions').

The information given is included only for general purpose and is based on advice received by the Asset Management Company (AMC) regarding the law and practice currently in force in India and the Investors/Unit holders should be aware that the relevant fiscal rules or their explanation may change. As is the case with any investment, there can be no assurance that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely.

In view of the individual nature of tax consequences, each Investor / Unit holder is advised to consult his / her own professional tax advisor.

A. INCOME-TAX BENEFITS TO THE MUTUAL FUND

Samco Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India (SEBI) and, hence, the entire income of the Mutual Fund is exempt from income-tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (the Act).

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

However, the Mutual Fund shall be liable to pay securities transaction tax (STT) in respect of certain transactions (refer Note 1).

B. INCOME-TAX BENEFITS TO THE UNIT HOLDERS

Tax on dividend/ IDCW Income distributed by the Mutual Fund

From Financial year 2020-21 onwards

From A.Y. 2021-22 (FY 2020-21) onwards, any income distributed by mutual fund also subject to withholding of taxes at source by Mutual Fund:

Particulars	Tax Implications in Dividend/ IDCW received by unit holders	Withholding of Taxes by Mutual Fund
Resident (Individuals / Non-corporates / Corporates)	Taxed in the hands of unitholders at applicable rate under the provisions of the Act	10% u/s 194K of the Act*
Non-residents (Individuals / Non-corporates / Corporates) **	Taxed in the hands of unitholders at the rate of 20% u/s 115A of the Act. (plus applicable surcharge and cess)	20% (plus applicable surcharge and cess) u/s 196A of the Act

* As per provision of section 194K of the Act, where the amount of income credited or paid in a financial year, in aggregate, does not exceed INR 5,000, no withholding is required to be carried out.

** As per the provisions of section 196A of the Act which is specifically applicable in case of non-resident unitholders, the Mutual Fund shall have to deduct TDS at the rate of 20% (plus applicable surcharge and cess) on dividend income credited or paid, as section 196A of the Act does not make reference to "rates in force" but provides the withholding tax rate of 20% (plus applicable surcharge and cess). Rates as per tax treaty cannot be considered for withholding of taxes by the Mutual Fund.

Non-resident unitholders would in such a scenario, need to consider DTAA benefits at the time of filing their tax returns and claim a refund of excess taxes, if any unless adjustable against other tax liabilities arising in the course of the tax year (excess tax withheld may be adjusted against capital gains tax liability, if any, arising in the course of the tax year).

Tax on Capital Gains on transfer of Mutual Fund Units

As per the provisions of section 2(42A) of the Act, a unit of an equity oriented Mutual Fund, held by the investor as a capital asset, is considered to be a short-term capital asset, if it is held for 12 months or less from the date of its acquisition by the unit holder. A unit of other than equity-oriented Mutual Fund, is considered to be a short-term capital asset, if it is held for 36 months or less from the date of its acquisition by the unit holder.

Accordingly, if the unit of the equity-oriented Mutual Fund or other than equity-oriented mutual fund held for a period of more than 12 months or 36 months, respectively, it is treated as a long-term capital asset.

Long Term Capital Gains

Equity-oriented Mutual Fund - All Unit Holders

The Finance Act 2018 has withdrawn the exemption for taxing long term capital gains on sale of Units as provided in clause (38) of section 10 of the Act. Further, a new section 112A has been inserted for taxability of long-term capital gain arising from transfer of a long-term capital asset being a unit of equity-oriented fund which shall be taxed @10% on entire capital gains exceeding ₹ 1,00,000 p.a. w.e.f. April 1, 2018. The said tax rate shall be increased by applicable surcharge and cess (Refer Note 3). The tax rate of 10% will be applicable to such long-term capital gains, if long term capital asset is in the nature of a unit of an equity-oriented fund and STT has been paid on transfer of such capital asset.

Further, the third provision to section 48 of the Act, introduced in Finance Act, 2018 new provision provides that:

- The long-term capital gains will be computed without giving effect to the first and second provisos to section 48, i.e., inflation indexation in respect of cost of acquisition and cost of improvement, if any, and the benefit of computation of capital gains in foreign currency in the case of a non-resident, will not be allowed.
- Section 55(2) (ac) of the Act provides the mode of computation of cost of acquisition in respect of the long-term capital asset being an equity share in a company or unit of an equity-oriented fund or unit of

business trust acquired by the assessee before the 1st day of February, 2018, shall be deemed to be the higher of –

- a. the actual cost of acquisition of such asset; and
- b. the lower of –
 - (I) the fair market value of such asset;* and
 - (II) the full value of consideration received or accruing as a result of the transfer of the capital asset.

*Fair market value has been defined to mean –

- a) in a case where the capital asset is listed on any recognized stock exchange, the highest price of the capital asset quoted on such exchange on the 31st day of January, 2020. However, where there is no trading in such asset on such exchange on the 31st day of January, 2020, the highest price of such asset on such exchange on a date immediately preceding the 31st day of January, 2020 when such asset was traded on such exchange shall be the fair market value; and
- b) in a case where the capital asset is a unit of an equity oriented mutual fund and is not listed on recognized stock exchange, the net asset value of such asset as on the 31st day of January, 2020.

As per the Explanation to provisions of section 112A of the Act (a) "equity-oriented fund" means a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and,

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

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

In case of individuals/ HUFs, being residents, where the total taxable income excluding long-term capital gains is below the maximum amount not chargeable to tax (refer note 2), then the difference between the current maximum amount not chargeable to tax and total income excluding long-term capital gains, shall

be adjusted from long-term capital gains. Therefore, only the balance long term capital gains will be liable to income-tax at the rate of 10 percent, plus education cess. STT is not deductible while computing capital gains.

Other than equity-oriented Mutual Fund - FPI unit holders

Long-term capital gains arising on sale / repurchase of other than equity-oriented mutual fund units shall be taxed at the rate of 10% under Section 115AD of the Act. The said tax rate shall be increased by applicable surcharge and health and education cess (refer Note 3). Such gains shall be calculated without inflation index and currency fluctuations.

Specified overseas financial organisations

As per the provisions of section 115AB of the Act, long-term capital gains arising on sale / repurchase of units of other than equity-oriented mutual fund purchased in foreign currency shall be liable to tax at the concessional rate of 10%. The said tax rate shall be increased by applicable surcharge and health and education and cess (refer Note 3). However, such gains shall be computed without the benefit of cost indexation where the gross total income of the offshore fund consists only of income from units or income by way of long-term capital gains arising from the transfer of units

Unit holders other than FPI and Specified overseas financial organisations

Long-term capital gains arising on sale / repurchase of units of other than equity-oriented mutual fund shall be chargeable under Section 112 of the Act, at concessional rate of tax, at 20%. The said tax rate shall be increased by applicable surcharge and health and education cess (refer note 3).

The following amounts shall be deductible from the full value of consideration, to arrive at the amount of capital gains:

Cost of acquisition of Units as adjusted by Cost Inflation Index notified by the Central Government, and Expenditure incurred wholly and exclusively in connection with such transfer.

In case of individuals/ HUFs, being residents, where the total taxable income excluding long-term capital gains is below the maximum amount not chargeable to tax (refer note 2), then the difference between the current maximum amount not chargeable to tax and total income excluding long-term capital gains, shall be adjusted from long-term capital gains. Therefore, only the balance long term capital gains will be liable to income-tax at the rate of 20 percent, plus education cess. STT is not deductible while computing capital gains.

Short-term Capital Gains

Equity-oriented Mutual Fund - All unit holders

As per Section 111A of the Act, short-term capital gains arising from the sale of a unit of an equity-oriented fund

is taxed at 15% provided such transaction of sale is chargeable to STT.

The said tax rate shall be increased by applicable surcharge and cess (Refer Note 3).

In case of individuals/ HUFs, being residents, where the total taxable income excluding short-term capital gains is below the maximum amount not chargeable to tax (refer note 2), then the difference between the current maximum amount not chargeable to tax and total income excluding short-term capital gains, shall be adjusted from short-term capital gains. Therefore, only the balance short term capital gains will be liable to income-tax at the rate of 15 percent, plus education cess.

Other than equity-oriented mutual fund - FPI unit holders

Short-term capital gains arising on sale / repurchase of units of other than equity-oriented mutual fund shall be taxed at the rate of 30% (as increased by applicable surcharge and education cess, if any (refer Note 3).

Specified overseas financial organisations

Short-term capital gains arising on sale / repurchase of units of other than equity-oriented mutual fund purchased in foreign currency may be taxed at 40% in case of foreign companies, and 30% in case of others. The said tax rate shall be increased by applicable surcharge and cess (refer Note 3). Each Unit holder is advised to consult his / her or its own professional tax advisor for application of tax rate of 10% (increased by applicable surcharge and health and education cess) on short-term capital gains arising on sale / repurchase of such units (other than unit of equity-oriented fund referred to above) purchased in foreign currency.

Other than FPI and specified overseas financial organisations

Short-term capital gains arising on sale / repurchase of units of other than equity-oriented mutual fund shall be taxed at following rates (as increased by applicable surcharge and education cess, if any (refer Note 3).

Investors	Tax rate
Individual, HUF, AOP, BOI	Slap rates (Refer note 2)
Firm	30%
Resident Company	30%/25% ¹ /22% ² /15% ³ (discussed detail in Note 2 below)
Foreign company	40%

In case of individuals/ HUFs, being residents, where the total taxable income excluding short-term capital gains is below the maximum amount not chargeable to tax (refer note 2), then the difference between the current maximum

amount not chargeable to tax and total income excluding short-term capital gains, shall be adjusted from short-term capital gains. Therefore, only the balance short term capital gains will be liable to income-tax at the slab rates, plus education cess.

Relief under double taxation avoidance agreement (DTAA)

Section 90 of the Act provides that where a double taxation avoidance agreement (DTAA) has been executed between the Government of India and the Government of any other country, the provisions of the Act will apply to the extent they are more beneficial to the non-resident unit holder. Section 90(4) of the Act provides that a tax payer, not being a resident, to whom a DTAA applies, shall not be entitled to claim any relief under such DTAA unless a certificate of it being a resident in a country outside India is obtained by it from the Government of that country. Further, section 90(5) provides that a tax payer to whom a DTAA applies, as referred to in section 90(4) of the Act, shall provide information in Form 10F where the required information is not explicitly mentioned in the TRC.

Further, as per provisions of section 90 of the Act, a non-resident unit holder would be able to claim beneficial rate under relevant DTAA subject to furnishing of TRC and Form 10F (if required). STT is not deductible while computing capital gains.

Tax Deduction at Source on capital gains

Domestic Unit holders

No tax is required to be deducted at source from capital gains arising to resident investors at the time of repurchase or redemption of the units⁴.

Foreign Portfolio Investors (FPI)

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 Section 115AD of the Act.

Specified overseas financial organizations

As per section 196B of the Act, income-tax is deductible on long-term capital gains arising on sale / repurchase of units of other than equity oriented mutual fund purchased in foreign currency, at the rate of 10 per cent. The said tax rate shall be increased by applicable surcharge and cess (refer Note 3).

Income-tax is deductible on short-term capital gains arising on sale / repurchase of such units at the rate of 40 per cent plus applicable surcharge and cess (refer Note 3) in case of foreign companies; and 30 per cent plus applicable surcharge and cess (refer Note 3) in case of non-corporate Unit holders.

¹ If the total turnover of the resident corporate investor does not exceed INR 400 crores during financial year 2017-18, a concessional rate of 25% (plus applicable surcharge and health & education cess) may apply.

² Applicable to existing companies opting to discharge taxes at 22% and fulfils prescribed conditions.

³ Applicable to a domestic manufacturing company incorporated after 1 October 2019 and fulfils prescribed conditions.

⁴ Vide press release dated 4 February 2020, it has been clarified that withholding under section 194K of the Act is not applicable on capital gains arising on redemption of units of Mutual Fund.

Other Non-resident Unit holders

Income-tax is deductible at source on short-term capital gains arising on sale / repurchase of units of equity oriented mutual fund at the rate of 15% plus applicable surcharge and health and education cess (refer Note 3).

Income-tax is deductible on long-term capital gains arising on sale / repurchase of unit of equity-oriented fund referred to above at the rate of 10 % plus applicable surcharge and cess (refer Note 3).

Tax at source on long-term capital gains arising on sale / repurchase of units of other than equity-oriented mutual fund it shall be deducted at the rate of 20 per cent plus applicable surcharge and health and education cess (refer Note 3).

Tax is deductible on short-term capital gains arising on sale / repurchase of units at the marginal rates, viz. at 30 per cent in case of individuals (assuming the individual falls in the highest tax bracket) and other non-corporate Unit holders; and at 40 per cent in case of corporate Unit holders (being non-resident). Surcharge on income-tax will be levied as applicable and cess (refer Note 3).

However, in case of such other non-resident unit holder who is a resident of a country with which India has signed a DTAA (which is in force), income-tax is payable at the rate provided in the Act or the rate provided in the said agreement, whichever is more beneficial to such other non-resident unit holder.

If the non-resident unit holder produces a nil or lower withholding certificate from the income tax authorities, then tax shall be deducted at such rates mentioned in the certificate during the validity of the certificate.

Other Benefits and Important concerns

Certain deductions available under Chapter VI-A of the Act (Equity Linked Savings Schemes)

Equity Linked Savings Schemes (ELSS) are schemes formulated under the Equity Linked Savings Scheme (ELSS), 2005, issued by the Central Government.

Accordingly, any investment made by an assessee in the ELSS of the Fund up to a sum of ₹ 1,50,000/- in a financial year would qualify for deduction under Section 80C of the Act.

An "assessee" as per ELSS 2005 means: –

- (i) an individual; or
- (ii) a Hindu undivided family; or
- (iii) an association of persons or a body of individuals consisting, in either case, only of husband and wife governed by the system of community of property in force in the State of Goa and Union Territories of Dadra and Nagar Haveli and Daman and Diu by whom, or on whose behalf, investment is made;

Note-

FA 2020 has announced a new tax regime giving taxpayers an option to pay taxes at a concessional rate (new slab rates) from FY 2020-21 onwards. Any individual/ HUF

opting to be taxed under the new tax regime from FY 2020-21 onwards will have to give up certain exemptions and deductions. Since, individuals/ HUF opting for the new tax regime are not eligible for Chapter VI-A deductions, the investment in ELSS Funds cannot be claimed as deduction from the total income.

Minimum Alternate Tax (All Corporate investors)

Finance Act, 2016 amended MAT provisions, whereby it has been clarified that MAT provisions shall not be applicable and shall be deemed to have never been applicable to a foreign company:

- i. if such foreign company is a resident of a country or specified territory with which the Government of India has entered into a DTAA or such other agreement as specified in Sec 90A(1), and the foreign company does not have a permanent establishment in India in accordance with the provisions of such agreement; or
- ii. if the foreign company is a resident of a country with which India does not have an agreement as stated above and the foreign company is not required to seek registration under any law for the time being in force relating to companies.

Finance Act 2018 has also clarified that provisions of this aforementioned section shall not be applicable and shall be deemed never to have been applicable to an assessee being a foreign company where its total income comprises solely of profits and gains from business referred to in section 44B, 44BB, 44BBA or 44BBB of the Act and such income has been offered to tax at the rates specified in those sections.

Ordinance, 2019 has reduced the MAT rate from existing 18% to 15% (as increased by applicable surcharge and education cess). Further, MAT shall not be applicable to resident companies opting taxation under section 115BAA and section 115BAB (refer Note 2 below).

Deduction for the Securities Transaction Tax

As per the Finance Act, 2008 deduction in respect of STT paid is allowed in the computation of business income. This is subject to the condition that such income from taxable securities transaction is included under the head "profit and gains from business and profession".

Religious and Charitable Trusts

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 (Rules), for Religious and Charitable Trusts.

Set off of Capital losses

The long-term capital loss suffered on sale / repurchase of units shall be available for set off against long-term capital gains arising on sale of other assets and balance unabsorbed long-term capital loss shall be carried forward for set off only against long-term capital gains in subsequent years.

Short-term capital loss suffered on sale / repurchase of units shall be available for set off against both long-term

and short-term capital gains arising on sale of other assets and balance unabsorbed short-term capital loss shall be carried forward for set off against capital gains in subsequent years.

Such carry forward is admissible maximum upto eight assessment years.

Each Investor is advised to consult his / her or its own professional tax advisor before claiming set off of long-term capital loss arising on sale of units of an equity-oriented fund/ other than equity-oriented fund referred to above, against long-term capital gains arising on sale of other assets.

Furnishing of Permanent Account Number (PAN)

As per the provisions of the section 206AA of the Income-tax Act, 1961, applicable from 1 April 2010 (i.e., financial year starting from 1 April 2010), any person whose receipts are subject to deduction of tax at source shall mandatorily furnish his PAN to the deductor failing which the deductor shall deduct tax at source at higher of the following rates:

- the rate prescribed in the Act;
- at the rates in force (this takes into account the rates as per the DTAA)
- at the rate of 20%

However, with effect from 24 June 2016, the provisions of Sec. 206AA shall not apply to a non-resident investor if he receives income in the nature of interest, royalty, fees for technical services or transfer of any capital asset and provides alternate documents as may be prescribed under Rule 37BC of the Rules instead of the PAN. In view of the same, a non-resident is technically required to have a PAN or such other document as may be prescribed under the provisions of the Act and non-availability of the same may result in withholding tax at higher rate. However, if PAN or such other document prescribed is available, then the beneficial rates as per DTAA (if applicable) can be availed subject to deductee being eligible for DTAA benefits.

Manner of making Permanent Account Number (PAN) inoperative

Rule 114AAA of the Rules provides that where a taxpayer does not link his PAN with his Aadhaar number, then PAN of such a taxpayer shall become inoperative and consequences for not furnishing, intimating or quoting of PAN under the Act shall be applicable. However, PAN will again become operative as and when the taxpayer links it with the Aadhaar number.

In this regard, Central Board of Direct Taxes (CBDT) vide Notification No. 37/2017, F. No. 370133/6/2017-TPL, dated 11 May 2017 has clarified that provisions of section 139AA of the IT Act shall not apply to an individual who does not possess the Aadhaar number or the Enrolment ID and is a non-resident as per the Act.

Given that provisions of section 139AA of the IT Act does not apply to a non-resident, consequently, the provisions of Rule 114AAA shall also not apply.

Gift Tax

Pursuant to Section 56 of the Income Tax Act, the value of any property, including units of mutual funds, received without consideration or for inadequate consideration will be included in the computation of total income of the recipient and be subject to tax.

Note 1:

Nature of Transaction	Payable by	Value on which tax shall be levied	Rates (%)
Delivery based purchase transaction in equity shares in a company entered in recognized stock exchange	Purchaser	Value at which shares are bought	0.100
Delivery based purchase transaction in units of equity-oriented fund entered in a recognized stock exchange	Purchaser	Value at which units are bought	Nil
Delivery based sale transaction in equity shares entered in a recognized stock exchange	Seller	Value at which shares are sold	0.100
Delivery based sale transaction in units of equity-oriented fund entered in a recognized stock exchange	Seller	Value at which units are sold	0.001
Non-delivery-based sale transaction in equity shares or units of equity-oriented fund entered in a recognised stock exchange	Seller	Value at which shares / units are sold	0.025
Transaction for sale of futures in securities	Seller	Value at which futures are traded	1.010
Transaction for sale of an option in securities	Seller	The option premium	0.050

Nature of Transaction	Payable by	Value on which tax shall be levied	Rates (%)
Transaction for sale of an option in securities, where the option is exercised	Purchaser	difference between settlement price and strike price	0.125
Sale of units of an equity-oriented fund to the mutual fund	Seller	Value at which units are sold	0.001
Transactions for sale of unlisted equity shares under an offer for sale to public	Seller	Value at which shares are sold	0.200
Transactions for sale of unlisted units of a business trust under an offer for sale to public	Seller	Value at which units are sold	0.200

Value of taxable securities transaction in case of units shall be the price at which such units are purchased or sold.

Note 2:

Rates of income-tax

With effect from FY 2019-20, as per newly inserted section 115BAA of the act, domestic companies shall have an option to pay income tax at the rate of 22% plus 10% surcharge and 4% cess, subject to the condition that they will not avail specified tax exemptions or incentives under the Act. Such option once exercised cannot be subsequently withdrawn. Companies exercising such option will not be required to pay Minimum Alternate Tax (MAT).

Domestic companies claiming any tax exemptions or incentives shall also be eligible to exercise such option after the expiry of the tax incentive period.

Further, as per newly inserted section 115BAB of the Act, new domestic manufacturing companies, incorporated on or after 1 October 2019 and commencing manufacturing on or before 31 March 2023, making fresh investments in manufacturing will have an option to avail an even lower tax rate of 15% plus 10% surcharge and 4% cess. Companies exercising such option will not be required to pay MAT.

However, such new domestic manufacturing company should fulfil, inter alia, following conditions:

- It is not formed by splitting-up/ reconstruction of a business already in existence;
- It should not use the following assets:
 - Any plant or machinery previously used in India in value exceeding 20% of total value of plant or machinery;

- Any building previously used as a hotel/ convention centre;

(iii) It should not claim any specified tax incentive;

(iv) It should exercise option to claim the benefit of lower tax rate in the first of the returns to be filed by it and such option once exercised cannot be withdrawn.

	Total income for a tax year	Tax
Individuals, Hindu Undivided Families, Association of Persons, Body of Individuals, Non-resident Indians and PIOs	<= ₹ 2.5 lacs > ₹ 2.5 lacs and <= ₹ 5 lacs > ₹ 5 lacs and <= ₹ 10 lacs > ₹ 10 lacs	Nil (basic exemption limit*) 5% of total income exceeding ₹ 2.5 lacs ₹ 12,500/- plus 20 of amount exceeding ₹ 5 lacs ₹ 1,12,500/- plus of amount exceeding ₹ 10 lacs
*Basic exemption limit for resident individuals of the age of 60 years or more but less than 80 years is ₹ 3 lacs, for individuals of the age of 80 years or more (very senior citizen) is ₹ 5 lacs. An additional rebate upto ₹ 12,500/- is being provided for residential individuals whose income doesn't exceed ₹ 5,00,000/-.		
Partnerships (including LLPs)	30%	
Resident companies	30%/25%/22%/15%	
Foreign companies other than FPIs	40%	

FA 2020 has introduced a new tax regime giving individuals/ HUFs an option to pay taxes as per concessional tax slabs from FY 2020-21 onwards which are as follows:

Total income for a tax year:	Tax Rate
<= ₹ 2.5 lacs	Nil (basic exemption limit*)
> ₹ 2.5 lacs and <= ₹ 5 lacs	5%
> ₹ 5 lacs and <= ₹ 7.5 lacs	10%
> ₹ 7.5 lacs and <= ₹ 10 lacs	15%
> ₹ 10 lacs and <= ₹ 12.5 lacs	20%
> ₹ 12.5 lacs and <= ₹ 15 lacs	25%
> ₹ 15 lacs	30%

* Basic exemption limit for resident individuals of the age of 60 years or more but less than 80 years is ₹ 3 lacs, for individuals of the age of 80 years or more (very senior citizens) is ₹ 5 lacs. An additional rebate upto ₹ 12,500 /- is being provided for residential individuals whose income doesn't exceed Rs 5,00,000 /-

Note - Any individual/ HUFs opting to be taxed under the new tax regime from FY 2020-21 onwards will have to give up certain exemptions and deductions. Further, individuals and HUF who do not have business income or income from profession can opt for new tax regime on a year-on-year basis. However, taxpayers earning business income or income from profession can opt into the regime only once on irrevocable basis. Such option will apply to all subsequent tax years and in a case where such option is withdrawn

by the taxpayer, he shall not be eligible to avail the concessional slab rates in subsequent years until he ceases to have business income or income from profession.

Note 3: Surcharge rate Individual/ HUF/ AOP/ BOI

Income	Individual*, HUF, AOP, BOI	Cess
₹ 50 lakh to 1 crore (including income under section 111A and 112A of the Act)	10%	
Above ₹ 1 crs upto ₹ 2 crs (including income under section 111A and 112A of the Act)	15%	4% on tax plus Surcharge, applicable in all cases
Above ₹ 2 crs upto ₹ 5 crs (excluding income under section 111A and 112A of the Act)	25%	
Above ₹ 5 crs (excluding income under section 111A and 112A of the Act)	37%	

*For income earned under provisions of section 111A and section 112A of the Act surcharge rate shall be 15% where income exceeds ₹ 2 crores.

Non-corporate/Non-firm FPIs

Income	Surcharge rate for capital gains	Surcharge rate for other than capital gains	Cess
₹ 50 lacs to 1 crore	10%	10%	
Above ₹ 1 crs upto ₹ 2 crs	15%	15%	4% on tax plus surcharge, applicable in all cases
Above ₹ 2 crs upto ₹ 5 crs	15%	25%	
Above ₹ 5 crs	15%	37%	

Companies

Income	Resident companies*	Foreign Company/ Corporate FPIs	Cess
Above ₹ 1 crs upto ₹ 10 crs	7%	2%	4% on tax plus surcharge, applicable in all cases
Above ₹ 10 crs	12%	5%	

*Surcharge rate shall be 10% in case resident companies opting taxation under section 15BAA and section 115BAB on any income earned.

In case of firm with total income exceeding ₹ 1 crore, surcharge rate shall be 12%.

C. LEGAL INFORMATION

1. Nomination Facility

- Pursuant to Regulation 29A of the SEBI Regulations, the AMC provides an option to the Unit holder to nominate (in the manner prescribed under the SEBI Regulations), a person(s) in whom the Units held by him shall vest in the event of his death. 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.
- Nomination can be made only by individuals on their own behalf, either singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate.
- Only the following categories of Indian Residents can be nominated: (a) individuals (b) minors through parent/legal guardian (c) religious and charitable trusts and (d) Central Government, State Government, a local authority or any person designated by virtue of his office.
- 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 3 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 Unit holders not indicating the percentage of allocation / share for

each of the nominees, the Mutual Fund /the AMC, by invoking default option shall settle the claim equally amongst all the nominees.

- ix. Nomination in respect of the Units stands rescinded upon the Redemption of Units.
- x. 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).
- xi. 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/transfer 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.
- xii. The Fund, the AMC and the Trustee are entitled to be indemnified from the deceased Unit Holder's estate against any liabilities whatsoever that any of them may suffer or incur in connection with a nomination.
- xiii. Nomination will be mandatory for new folios/ accounts opened by individuals especially with sole/single holding.
- xiv. Investors who do not wish to nominate must sign separately confirming their non-intention to nominate.
- xv. In case of joint holdings in a folio, all joint holders will be required to sign the request for nomination/ cancellation of nomination, even if the mode of holding is not joint. The facility to nominate will not be available in a folio held on behalf of a minor. Nomination form cannot be signed by Power of Attorney (PoA) holders.
- xvi. The facility to nominate will not be available in a folio held on behalf of a minor.
- xvii. Nomination shall be maintained at the folio or account level and shall be applicable for investments in all schemes in the folio or account.
- xviii. Every new nomination in a folio will over write the existing nomination.

Investors may note that where the Units are transferred in favour of the nominee, the "Know Your Customer" norms, where applicable will have to be fulfilled by the nominee.

2. Prevention of Money Laundering - Know Your Customer (KYC) Compliance

- i. Prevention of Money Laundering Act, 2002 (hereinafter referred to as "Act") came into effect from July 1, 2005 vide Notification No. GSR

436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. Further, SEBI vide its circular reference number ISD/CIR/RR/AML/1/06 dated January 18, 2006 including amendments thereto mandated that all intermediaries including mutual funds should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures and also to adopt a Know Your Customer (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions Undertaken by clients. SEBI also issued another circular reference no. ISD/CIR/RR/AML/2/06 dated March 20, 2006 advising all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the Act inter-alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

- ii. All investors shall complete a one-time process of KYC, which is mandatory for any amount of investment for the New / Additional Purchases, Switch Transactions, New SIP Registration, New STP Registrations.
- iii. The investor(s) should ensure that the amount invested in the scheme is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, Prevention of Money Laundering Act, Prevention of Corruption Act and / or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued thereunder.
- iv. Investors should note that it is mandatory for all applications for subscription of any amount to quote the KYC Compliance Status of each applicant (guardian in case of minor) in the application for subscription and attach proof of KYC Compliance viz. KYC Acknowledgement Letter Printout of KYC Compliance Status downloaded from KRA website using the PAN Number.

*Valid only where investors who have already obtained the erstwhile Mutual Fund Identification Number (MIN) by submitting the PAN copy as the proof of identity.
- v. Applicants intending to apply for units through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC Compliance Status and attach proof of KYC Compliance at the time of investment. In the event of noncompliance of KYC requirements, the Trustee / AMC reserves the right to freeze the folio of the investor(s) folio.

- vi. To ensure appropriate identification of the investor(s) under its KYC policy and with a view to monitor transactions for the prevention of money laundering, the AMC / the Mutual Fund reserves the right to seek information, record investor's telephonic calls and / or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc.
 - vii. It may re-verify identity and obtain any incomplete or additional information for this purpose.
 - viii. The investor(s) and their attorney, if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/ passport/ driving license/PAN card, etc. and/ or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the investor(s) by the AMC/Mutual Fund.
 - ix. If the investor(s) or the person making payment on behalf of the investor(s), refuses / fails to provide the required documents/ information within the period specified in the communication(s) sent by the AMC to the investor(s) then the AMC, after applying appropriate due diligence measures, believes that the transaction is suspicious in nature within the purview of the Act and SEBI circulars issued from time to time and/or on account of deficiencies in the documentation, shall have absolute discretion to report suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units.
 - x. The KYC documentation shall also be mandatorily complied with by the holders entering the Register of Unitholders by virtue of operation of law e.g., transmission, etc. The Mutual Fund, AMC, Trustee and their Directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of freezing the folios / rejection of any application / allotment of units due to non-compliance with the provisions of the Act, SEBI circular(s) and KYC policy and / or where the AMC believes that transaction is suspicious in nature within the purview of the Act and SEBI circular(s) and reporting the same to FIU-IND.
- viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes, etc. New Investors are therefore requested to use the common KYC Application Form and carry out the KYC process including In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds.
- ii. The Mutual Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The Mutual Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). Registrar & Transfer Agent (RTA) of the Mutual Fund may also undertake the KYC of the investors on behalf of the Mutual Fund. KRA shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the Mutual Fund, confirming the details thereof.
 - iii. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Mutual Fund reserves the right to carry out fresh KYC/additional KYC of the investor.
 - iv. It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its new investors from January 1, 2012. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund. Samco Asset Management Private Limited and NISM / AMFI certified distributors who are KYD compliant are authorised to undertake the IPV for Mutual Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Mutual Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.
 - v. Existing KYC compliant investors of the Mutual Fund can continue to invest as per the current practice.

Please refer to the paragraph "How to apply" for the process to complete KYC formalities.

Know Your Customer (KYC) Procedure - KYC Registration Agency (KRA)

Investors may note that pursuant to SEBI Circular no. MIRSD/ Cir-26/ 2011 dated December 23, 2011, SEBI (KYC Registration Agency) Regulations, 2011 and SEBI Circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011, regarding uniformity in the Know Your Customer (KYC) process in the securities market and development of a mechanism for centralization of the KYC records to avoid duplication of KYC Process across the intermediaries in the securities market, with effect from January 1, 2012.

- i. SEBI has introduced a common KYC Application Form for all the SEBI registered intermediaries

Operationalisation of Central KYC Records Registry (CKYCR)

Central Registry of Securitisation and Asset Reconstruction and Security interest of India ("CERSAI") has been authorised by Government of India to act as Central KYC Records Registry under Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 ("PMLA Rules").

SEBI vide its circular no. CIR/MIRSD/66/2016 dated July 21, 2016 and circular no. CIR/MIRSD/120/2016 dated November 10, 2016 has prescribed that the Mutual Fund/ AMC should capture KYC information for sharing with CKYCR as per the KYC template prescribed by CERSAI.

In accordance with the aforesaid SEBI circulars and AMFI best practice guidelines for implementation of CKYC norms with effect from February 1, 2017:

- a) Individual investors who have never done KYC process under KRA regime i.e. a new investor who is new to KRA system and whose KYC is not registered or verified in the KRA system shall be required to provide KYC details in the CKYC Form to the Mutual Fund/ AMC. The said form is available on Samco Mutual Fund website www.samcomf.com.
- b) Individual investor who fills old KRA KYC Form, should provide additional / missing information using Supplementary KYC Form or fill CKYC Form.
- c) Details of investors shall be uploaded on the system of CKYCR and a 14 digit unique KYC identifier ("KIN") will be generated for such customer.
- d) New investors, who have completed CKYC process & have obtained KIN may quote their KIN in the application form instead of submitting CKYC Form/ Supplementary KYC Form.
- e) AMC/ Mutual Fund shall use the KIN of the investor to download the KYC information from CKYCR system and update its records.
- f) If the PAN of investor is not updated on CKYCR system, the investor should submit self-certified copy of PAN card to the Mutual Fund/ AMC.

The AMC reserves the right to reject transaction application in case the investor(s) fails to submit information and/or documentation as mentioned above. In the event of non-compliance of KYC requirements, the Trustee / AMC reserves the right to freeze the folio of the investor(s).

Implementation of the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 with respect to seeding of Aadhaar number:

Pursuant to requirement under Prevention of Money Laundering (Maintenance of Records) Rules, 2005, as amended from time to time, proof of possession of Aadhaar can be accepted as a valid document for proof of address or proof of identity of investors, provided the investor redact or blackout his Aadhaar number while submitting the applications for investments.

The aforesaid guidelines will be subject to change as per the directives issued by the concerned regulatory/ government authority from time to time.

3. Transfer and Transmission Facility

- i. The units of the Scheme held in the dematerialised form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations as may be amended from time to time. For units held in non - demat form / by way of an Account Statement, unit holders intending to transfer units

will have to get the units Certified by submitting designated form. On receipt of the said request, RTA will mark the underlying units as Certified Units and will issue a Certified SOA for those units. The AMC / RTA, on production of Designated Transfer Form together with relevant Certified SOA and requisite documents, register the transfer and provide the Certified SOA to the transferee within 10 business days from the date of such production. Investors may note that stamp duty and other statutory levies, if any, as applicable from time to time shall be borne by the transferee. If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Fund subject to production of satisfactory evidence.

- ii. In case units are held in a single name by a unit holder, units shall be transmitted in favour of the nominee, where the unit holder has appointed a nominee, upon production of death certificate and other document to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar.
- iii. If the unit holder has not appointed a nominee, the units shall be transmitted in favour of the unit holder's executor / administrator of estate / legal heir(s), as the case may be, on production of death certificate and other document to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar.
- iv. In case units are held by more than one registered unit holder, then upon death of first unit holder, units shall be transmitted in favour of the second named holder on production of a death certificate and other document to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar.
- v. The rights in the units will vest in the nominee upon the death of all joint unit holders upon the nominee producing a death certificate and other document to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar.

Transmission Process:

- i. In case of transmission of Units, the transferee will have to comply with the applicable "Know Your Customer" Norms.
- ii. In case of transmission of Units, the claimant(s) of Units will be required to submit the prescribed documents as may be applicable. Investors may refer to our website (www.samcomf.com) or contact any of our investor service centres for the various documents required under different transmission scenarios.
- iii. In case of transmission of Units to a claimant who is a minor, the prescribed documents like PAN, KYC, bank details, indemnity, etc. of the guardian will be required.

- iv. If the amount involved in transmission exceeds ₹ 2 lakh, the AMC/Mutual Fund may, on a case to case basis, seek additional documents from the claimant(s) of Units.
- v. Requests for redemption will not be accepted from a claimant pending completion of the transmission of units in his / her favour.

4. Duration of the Scheme and Winding Up

- i. Each closed-ended Scheme/ Plan will have a Maturity Date / Final Redemption Date and will be compulsorily and without any act by the unit holder(s) redeemed on Maturity Date / Final Redemption Date. On Maturity / Final Redemption Date of the Scheme/ Plan, the units will be redeemed at the Applicable NAV.
- ii. The Mutual Fund may convert the Scheme/ Plans under the Scheme after the Maturity Date / Final Redemption Date into an open-end Scheme/ Plan and this shall be in accordance with the SEBI Regulations.
- iii. The Units of close-ended Scheme/ Plan may be converted into open-ended scheme,
 - a) If the SID of such scheme discloses the option and the period of such conversion; or
 - b) The Unit holders are provided with an option to redeem their units in full.
- iv. A close-ended scheme shall be fully redeemed at the end of the maturity period.

Provided that a close ended scheme may be allowed to be rolled over if the purpose, period and other terms of the roll over and all other material details of the scheme including the likely composition of assets immediately before the roll over, the net assets and net asset value of the scheme, are disclosed to the Unit holders and a copy of the same has been filed with SEBI.

Provided further, that such roll over will be permitted only in case of those Unit holders who express their consent in writing and the Unit holders who do not opt for the roll over or have not given written consent shall be allowed to redeem their holdings in full at net asset value-based price.

- v. A closed-ended Scheme/ Plan shall be wound up on the expiry of duration fixed in the Scheme/ Plan on the redemption of the Units unless it is rolled-over for a further period under sub-regulation (4) of regulation 33.
- vi. An Open-ended / Interval Scheme has a perpetual life.
- vii. Where the Scheme is a Close - Ended Schemes with automatic conversion into Open-Ended Scheme upon Maturity, such schemes will remain close - ended for the period mentioned in the SID and subsequently the scheme will automatically be converted into an open-ended scheme without any further reference from the Mutual Fund/ Trustee/

AMC/ Unit holders. Thereafter, the duration of the Scheme is perpetual.

- viii. However, in terms of the Regulations, an open-ended scheme may be wound up anytime, and close-ended scheme may be wound up at any time prior to the maturity date, after repaying the amount due to the unit holders under the following circumstances:

1. On happening of any event, which in the opinion of the Trustee, requires the Scheme concerned to be wound up, OR
2. If 75% of the unit holders of the Scheme concerned pass a resolution that the Scheme be wound up, OR
3. If SEBI so directs in the interests of unit holders.
4. In addition to the above, an open- ended scheme may also be wound up if the scheme/ investment Plan fails to fulfill the condition of a minimum of 20 investors on an ongoing basis for each calendar quarter.

5. Procedure and Manner of Winding Up

- i. The Trustee shall call a meeting of the Unit holders of the Scheme to consider and pass necessary resolutions by simple majority of Unit holders present and voting at the meeting for authorising the AMC or any other person / agency to take the steps for winding up of the Scheme.
- ii. Provided that a meeting shall not be necessary if the Scheme is wound up at the end of the maturity period.
- iii. The Trustee or the person authorised as above, shall dispose the assets of the Scheme concerned in the best interests of the Unit holders of the Scheme.
- iv. The proceeds of the sale made in pursuance of the above, shall in the first instance be utilised towards discharge of such liabilities as are properly due under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unit holders in proportion to their respective interests in the assets of the Scheme as on the date when the decision for the winding up was taken.
- v. On the completion of the winding up, the Trustee shall forward to SEBI and the Unit holders, a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unit holders and a certificate from the Auditors of the Mutual Fund.
- vi. Notwithstanding anything contained herein, the application of the provisions of SEBI Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until

the winding up is completed or the Scheme ceases to exist.

- vii. After the receipt of report referred to the above under "Procedure and Manner of Winding up" if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.
- viii. The aforesaid provisions pertaining to "Procedure and Manner of Winding Up" shall apply in respect of each individual scheme and to the extent possible shall apply mutatis mutandis to each Investment Plan.

The units of schemes which are in the process of winding-up in terms of Regulation 39(2)(a) of the Regulations, shall be listed on recognized stock exchange, subject to compliance with listing formalities as stipulated by the stock exchange.

6. Consolidation of Folios

In case an investor has multiple folios, the AMC reserves the right to consolidate all the folios into one folio, based on such criteria as may be determined by the AMC from time to time. In case of additional purchases in same scheme / fresh purchase in new scheme, if the investor fails to provide the folio number, the AMC reserves the right to allot the units in the existing folio, based on such integrity checks as may be determined by the AMC from time to time.

7. Miscellaneous

Investors may note that in case of fresh/additional purchases, if the name of the Scheme on the application form/transaction slip differs with the name on the Cheque/Demand Draft/payment instrument/transfer letter, then the AMC will allot units under the Scheme mentioned on the application form. In case of fresh/additional purchases, if the Scheme name is not mentioned on the application form/transaction slip, then the units will be allotted under the Scheme mentioned on the Cheque/Demand Draft/payment instrument/transfer letter. The Plan/Option that will be considered in such cases if not specified by the customer will be the default option of the Scheme as per the SID. However, in case additional purchase is under the same scheme as fresh purchase, then the AMC reserves the right to allot units in the option under which units were allotted at the time of fresh purchase.

8. Investor Having Multiple Accounts

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 / IDCW 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 were permitted 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 ISCs/OPAs or on our website www.samcomf.com. For details, please refer to the 'Multiple Bank Account Registration Form'.

9. Change in Bank Mandate

The process for change in bank mandate/address to be followed by unitholders is as follows:

- i. Updation of Bank Account in Customer's Folio shall be either through "Multiple Bank Account Registration Form" or a standalone separate "Change of Bank Mandate Form";
- ii. In case of standalone change of bank details, documents as entailed below should be submitted as a proof of new bank account details. Based on Samco AMC's internal risk assessment, Samco AMC may also consider collecting proof of old bank account and proof of identity of the clients, while effecting the change of bank account;
- iii. Customers are advised to register multiple bank accounts and choose any of such registered bank accounts for receipt of redemption proceeds;
- iv. Any unregistered bank account or new bank account forming part of redemption request shall not be entertained or processed;
- v. Such Investors, who have not already provided bank mandate at the time of making investment, are required to submit proof of new bank account details as entailed here below. Such investors are also required to submit valid Proof of Identity as prescribed under KYC guidelines along with Proof of Investment; and
- vi. Any change of Bank Mandate request received/processed few days prior to submission of a redemption request or on the same day as a standalone change request, Samco AMC will continue to follow cooling period of 10 calendar days for validation of the same.

Investors are required to submit any one of the following documents in Original or produce originals for verification or copy attested by the Bank –

New Bank Account/Bank details Registration

- Cancelled original cheque of new bank mandate with first unit holder name and bank account number printed on the face of the cheque; OR
- Self - attested copy of bank statement; OR
- Bank Passbook with current entries not older than 3 months; OR
- Letter from the bank on its letterhead confirming the bank account holder with the account details, duly signed by the Branch Manager/authorised personnel.

AND Proof of Identity as prescribed under KYC guidelines along with Proof of Investment - only for such investors who have not registered their bank mandate at the time of making investment.

Change in Existing Bank Mandate

- Cancelled original cheque with first unitholder name and bank account number printed on the face of the cheque; OR
- Original bank account statement or pass book; OR
- Original letter issued by the Bank on the letterhead confirming the bank account holder with the account details, duly signed by the Branch Manager; OR
- In case such Bank account is already closed, a duly signed and stamped original letter from such bank on the letter head of bank, confirming the closure of said account.

10. Change in Address

Investors / unit holders are requested to note that self-attested copies of the below mentioned documents shall be submitted along with a duly filled in 'Change of Address Form'.

- a. KYC not complied folios
 - Proof of new Address
 - Proof of Identity (in case of PAN updated folios - only PAN card copy shall be accepted, and in other case
 - PAN/other valid proof of identity shall be accepted
 - Based on Samco AMC's internal risk assessment, Samco AMC may also consider collecting proof of old address, while effecting change of address
- b. KYC complied folios:
 - Proof of new Address
 - Any other document/form that the KYC Registration Agency (KRA) may specify from time to time or may be required under CKYCR process.

Copies of all documents submitted by the Investors should be self-attested and accompanied by originals for verification.

In case the original of any document is not produced for verification, then the copies should be properly attested/ verified by entities authorised for attesting / verification of the documents as per KYC guidelines.

11. Application with/without broker

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

- i. In case where the Broker code is already printed in Application form / Transaction form / Purchase request form by the AMC / Registrar / Distributor:

Where the Investor wishes to apply directly (i.e. not through existing broker / distributor), then the investor should strike off the broker code (printed

and should write "Direct Applications" or "Not Applicable (N.A.)" and countersign the same

- ii. In case where the Broker code is not printed in Application form / Transaction form / Purchase request form:

In case of direct applications, the Investor should write in the space provided for the broker code "Direct Application" or "Not Applicable (N.A.)".

- iii. 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 to the designated ISC's/ OPA (Official points of Acceptance).
- iv. The Registrar and the AMC shall effect the application for 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 ISC's / OPA. Decision of the Registrar/ AMC in this regard shall be final and acceptable to all.
- v. All Unitholders who have invested/may invest 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.
- vi. Investors applying for units of the Schemes in Direct Plans of MF using advise of their stock-brokers and their stockbroker code must place trades via the Stock Exchange infrastructure if the stock broker does not have SEBI RIA registration. Investors applying for units of the Schemes in Direct Plans of MF using advise of their stock-brokers and their stockbroker code can transact directly with MF or through any other platform if the stock broker has SEBI RIA registration.

D. GENERAL INFORMATION

1. Inter-Scheme Transfer of Investments

Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if:

- a) The securities so transferred are in conformity with the investment objective of the scheme to which such transfer has been made.
- b) In case of unquoted securities, the transfers will be as per the Valuation policy laid down by the Trustee from time to time.
- c) Pursuant to SEBI circular dated September 24, 2019 mutual funds shall not use their own trades for ISTs. Further, in accordance with the aforesaid circular prices for ISTs is now being provided by the valuation agencies and the average of the prices so received is used for IST pricing. If the prices are not received from any valuation agencies within the agreed TAT, the AMC may determine IST prices in accordance with clause 3(a) of Seventh Schedule of SEBI (MF) Regulation.

- d) Inter Scheme Transfers are also required to comply with the guidelines specified by SEBI circular dated October 08, 2020. The guidelines prescribe additional safeguards to be ensured for ISTs of securities between schemes.

2. Associate Transactions

The AMC may, from time to time, for the purpose of conducting its normal business, use the services of and /or enter into transactions with the Sponsor, its associates / subsidiaries, established or to be established at a later date in case such an associate company (including its employees or relatives) is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies (including its employees or relatives) on commercial terms and on arm's length basis to the extent permitted under the applicable laws / rules / regulations (including the SEBI Regulations), after an evaluation of the competitiveness of the pricing offered by the associate companies and the services to be provided by them.

Services of the group /associate companies may be used for broking, distribution, investment and other advice etc. (not an exhaustive list of activities).

3. Stock Lending by the Mutual Fund

Subject to the SEBI Regulations as applicable from time to time, the Mutual Fund may, engage in Stock Lending. Stock Lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on the expiry of the stipulated period.

The exposure limits with regard to stock lending for various Schemes, shall be as specified in the respective Scheme Information Documents from time to time. The Mutual Fund may not be able to sell such lent-out securities and this can lead to temporary illiquidity.

For details, investors are requested to refer to the Scheme Information Document of the respective schemes.

4. Borrowing by the Mutual Fund

The Mutual Fund is allowed to borrow to meet the temporary liquidity needs of the schemes for the purpose of repurchase, redemption of units or payment of interest or IDCW to the unit holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each scheme and the duration of such borrowing shall not exceed a period of six months. Schemes of Samco Mutual Fund had borrowed to fund redemptions from scheduled commercial banks and through Tri-party Repos from time within the limit as specified above.

5. Unclaimed Redemption and IDCW Amount

As per circular no. MFD/CIR/9/120/2000, dated November 24, 2000, issued by SEBI, unclaimed redemption and IDCW amounts shall be deployed by

the Mutual Fund in money market instruments and such other instruments/securities as maybe permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. Investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. After a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. The AMC shall make a continuous effort to remind investors through letters to take their unclaimed amounts.

Further, according to circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/608 dated July 30, 2021 the unclaimed Redemption and IDCW amounts may be deployed in separate plan of overnight scheme/Liquid scheme/Money market mutual fund scheme floated by Mutual Funds specifically for deployment of the unclaimed Redemption and IDCW amounts

6. Suspension/Restriction of the Subscription of Units of Scheme(s)

(i) Suspension of purchase of units

Subject to the approval of the Boards of the AMC and the Trustee and subject to necessary communication to SEBI, determination of NAV of the units under any scheme of the Mutual fund may be temporarily suspended, leading to consequent suspension of purchase of units, in any of the following events:

- When one or more stock exchanges or markets, which provide the basis for valuation for a substantial portion of the assets of the schemes, is/are closed, otherwise than for ordinary holidays.
- When, as a result of political, economic or monetary events or any circumstance outside the control of the Trustee and the AMC, disposal of the assets of the schemes is not reasonable, or would not reasonably be practicable without being detrimental to the interests of the unit holders.
- In the event of a breakdown in the means of communication used for the valuation of investments of the schemes, without which the value of the securities of the schemes cannot be accurately arrived at.
- During periods of extreme volatility of markets, which in the opinion of the AMC, are prejudicial to the interests of the unit holders.
- In the case of natural calamities, strikes, riots, bandhs etc.
- In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Registrar.
- If so directed by SEBI.

In the above eventualities, the time limits for processing of requests for redemption of units will not be applicable.

Additionally the AMC reserves the right in its sole discretion to withdraw the facility of sale and switching option of units into and out of the scheme(s) (including any one Plan / option of the scheme), temporarily or indefinitely, if AMC views that changing the size of the corpus may prove detrimental to the existing unit holders of the scheme(s).

(ii) Restriction on redemption of units

Pursuant to SEBI Circular no SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016, the restriction on redemption may be imposed under the following scenario that may lead to a systemic crisis or the efficient functioning of markets such as:-

- i. Liquidity issues – Market at large becomes illiquid affecting almost all securities rather than any issuer specific security.
- ii. Market failures, exchange closures - Markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.
- iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).

Subject to the approval of the Boards of the AMC and the Trustee and subject to necessary communication to SEBI, restriction on redemption would be imposed, the following procedure shall be applied:

- a. Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.
- b. No redemption requests upto INR 2 lakh shall be subject to such restriction.
- c. Where redemption requests are above INR 2 lakh, AMCs shall redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction.

Right to Limit Redemptions

Any Units, which by virtue of these limitations are not redeemed on a particular Business Day, will be carried forward for Redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing load) of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, Redemptions will be made on pro-rata basis, based on the size of

each Redemption request, the balance amount being carried forward for Redemption to the next Business Day(s).

Suspension or restriction of repurchase/ redemption facility under any scheme of the mutual fund shall be made applicable only after obtaining the approval from the Boards of Directors of the AMC and the Trustees. After obtaining the approval from the AMC Board and the Trustees, an intimation would be sent to SEBI in advance providing details of circumstances and justification for the proposed action shall also be informed.

7. Treatment of Financial Transactions Received Through Suspended Distributors

1. All Purchase / Switch requests (including under fresh registrations of Systematic Investment Plan ("SIP") / Systematic Transfer Plan ("STP") or under SIPs / STPs registered prior to the suspension period) received during the suspension period shall be processed under "Direct Plan" and continue to be processed under "Direct Plan" perpetually unless, after suspension of ARN is revoked, investor makes a written request to process the future instalments / investments under "Regular Plan".
2. Any Purchase / Switch or SIP / STP transaction requests received through the stock exchange platform, from any distributor whose ARN has been suspended, shall be rejected.
3. Additionally, where the ARN of a distributor has been terminated permanently, the AMC shall advise the concerned unitholder(s), who may at their option, either continue their existing investments under Regular Plan under any valid ARN holder of their choice or switch their existing investments from "Regular Plan" to "Direct Plan" subject to tax implications and exit load, if any.

8. Documents Available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund at 1003-A Naman Midtown, Senapati Bapat Marg, Prabhadevi W - Mumbai - 400 013. during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Deed of Trust and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Transfer Agents
- Consent of Auditors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.

- Indian Trusts Act, 1882.
- Underwriting by the Mutual Fund

Subject to SEBI Regulations, the Scheme may enter into underwriting agreements after the Mutual 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 respective Scheme/ Plans and the underwriting obligation of the respective Scheme/ Plans shall not at any time exceed the total net asset value of the respective Scheme/ Plans.

10. Investor Grievances Redressal Mechanism

Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, Valuation, IDCW, etc by calling the investor line of the AMC at 18008890812 (toll-free number) on Monday to Friday between 9.30 am to 6.00 or Additional Contact no. – 022 41708999 or email – mfassist@samcomf.com. The service representatives may require personal information of the investor for verification of his / her identity in order to protect confidentiality of information. The AMC will

at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly.

Any complaints should be addressed to Mr. Durga Prasad, who has been appointed as the Investor Relations Officer and can be contacted at:

Address: 1003-A Naman Midtown, Senapati Bapat Marg, Prabhadevi W - Mumbai - 400 013. Phone no.: 022 4179 8999

Investor Complaints history

Not Applicable

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

For and on behalf of the Board of Directors of
Samco Asset Management Private Limited

Sd/-

Umeshkumar Mehta
Chief Executive Officer

Place: Mumbai

Dated: September 14, 2021



Samco Mutual Fund

1003 - A, Naman Midtown, 10th Floor,
Senapati Bapat Marg, Prabhadevi (West),
Mumbai - 400 013, India.

Tel. No : 022-41708999
Email : mfassist@samcomf.com
Website : www.samcomf.com
SEBI Mutual Fund Registration no :
MF/077/21/03

Samco Asset Management Pvt. Ltd.

1003 - A, Naman Midtown, 10th Floor,
Senapati Bapat Marg, Prabhadevi (West),
Mumbai - 400 013, India.

Tel. No : 022-41708999
Email : mfassist@samcomf.com
Website : www.samcomf.com
CIN no : U65929MH2019PTC334121

Samco Trustee Pvt. Ltd.

1003 - A, Naman Midtown, 10th Floor,
Senapati Bapat Marg, Prabhadevi (West),
Mumbai - 400 013, India.

Tel. No : 022-41708999
Email : mfassist@samcomf.com
Website : www.samcomf.com
CIN: U65999MH2019PTC333053