

STATEMENT OF ADDITIONAL INFORMATION (SAI)

Name of Mutual Fund	Indiabulls Mutual Fund
Name of Asset Management Company	Indiabulls Asset Management Company Limited CIN: U65991DL2008PLC176627 Registered Office: M - 62 & 63, 1st Floor, Connaught Place, New Delhi - 110 001. Tel: (011) 3025 2900; Fax: (011) 3025 2901
Name of Trustee Company	Indiabulls Trustee Company Limited CIN: U65991DL2008PLC176626 Registered Office: M - 62 & 63, 1st Floor, Connaught Place, New Delhi - 110 001. Tel: (011) 3025 2900; Fax: (011) 3025 2901
Corporate Office	11 th Floor, Indiabulls Finance Centre Tower-1, Elphinston Mills Compound, Senapati Bapat Marg, Elphinston Road (West), Mumbai – 400 013. Tel: (022) 6189 1300; Fax: (022) 6189 1320
Website	www.indiabullsamc.com

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

This SAI is dated **June 30, 2017**.

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Abbreviations:

In the SAI the following abbreviations have been used.

AMC : Asset Management Company
AMFI : Association of Mutual Funds in India
AOP : Association of Persons
BOI : Body of Individuals
BSE : Bombay Stock Exchange Limited
CBLO : Collateralised Borrowing and Lending Obligation
CDSC : Contingent Deferred Sales Charge
CIN: Corporate Identification Number
ECS : Electronic Clearing System
EFT : Electronic Funds Transfer
FPI : Foreign Portfolio Investor
IBHFL : Indiabulls Housing Finance Limited, the Sponsor of Indiabulls Mutual Fund
FOF : Fund of Funds
HUF : Hindu Undivided Family
IBMF: Indiabulls Mutual Fund
IMA : Investment Management Agreement
ISC : Investor Service Centre
KYC: Know Your Customer
NAV : Net Asset Value
NRI : Non-Resident Indian
NSE : National Stock Exchange of India Limited
PIO : Persons of Indian Origin
POA : Power of Attorney
RBI : Reserve Bank of India
RTGS : Real Time Gross Settlement
SEBI : Securities and Exchange Board of India established under the SEBI Act, 1992
SEBI Act : Securities and Exchange Board of India Act, 1992
SEFT : Special Electronic Funds Transfer

Interpretation

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

- a) The terms defined in the SAI include the plural as well as the singular.
- b) Pronouns having a masculine or feminine gender shall be deemed to include the other.
- c) All references to "US\$" refer to United States Dollars and "Rs." refer to Indian Rupees. A "Crore" means "ten million" and a "Lakh" means a "hundred thousand"
- d) References to times of day (i.e. a.m. or p.m.) are to Mumbai (India) times and references to a day are to a calendar day including non Business Day.

Please note that words and expressions used in the SAI but not defined will have the same meaning as assigned to them in the Scheme Information Document ("SID").

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY

A. Constitution of the Mutual Fund

Indiabulls Mutual Fund (the "Mutual Fund") has been constituted as a trust in terms of the Trust Deed dated November 07, 2008 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Indiabulls Financial Services Ltd as Sponsor as the Sponsor and Indiabulls Trustee Company Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Sponsor has entrusted a sum of Rs.50,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund. During the FY 2012-13, Indiabulls Financial Services Ltd (IBFSL) amalgamated into its wholly-owned subsidiary Indiabulls Housing Finance Ltd (IHFL) through a scheme of arrangement under sections 391-394 of the Companies Act, 1956 pursuant to the approval of the Hon'ble High Court of Delhi vide order dated December 12, 2012. The aforesaid scheme of arrangement became effective on the date of filing of the certified copy of the High Court Order with the Registrar of Companies, NCT of Delhi & Haryana on March 08, 2013 and IBFSL, as a going concern, amalgamated with IHFL with effect from the Appointed Date, being April 01, 2012 in terms of the Scheme. As a result of the above, IHFL has become the Sponsor of Indiabulls Mutual Fund and IBFSL has ceased to be the Sponsor.

The Mutual Fund was registered with SEBI on March 24, 2011 under Registration Code as MF/ 068/ 11/ 03.

B. Sponsor

Indiabulls Mutual Fund is sponsored by Indiabulls Housing Finance Limited (IHFL), Indiabulls Housing Finance Limited is one of India's leading and fastest growing private sector financial services companies providing Consumer Finance, Housing Finance, Commercial Loans, Asset Management and Advisory services. The company is focused on providing multiple financial services through an extensive network of consumer touch-points. Indiabulls serves more than 600,000 customers across different financial products through its branch network, call centre & the internet. It also ranks among the top private sector financial services groups in terms of net worth.

Amongst its financial services and banking peers, Indiabulls Housing Finance ranks amongst the top few companies both in terms of net worth and capital adequacy. Indiabulls Housing Finance has been assigned 'AAA' credit rating by CARE and has presence in over 100 cities and towns with a total branch network of 205 branches."

The Sponsor is responsible for discharging its functions and responsibilities towards the Mutual Fund in accordance with SEBI (Mutual Funds) Regulations, 1996, and the various constitutive documents of the Mutual Fund.

Financial performance of the Sponsor (**Indiabulls Housing Finance Ltd**) (past three years) is as under:

PARTICULARS	F.Y. 2016-17	F.Y. 2015-16	F.Y. 2014-15
Net Worth*	118,693,167,939	105,038,275,232	64,922,155,405
Total Income	113,171,685,553	88,419,214,103	71,573,531,846
Profit After Tax	28,423,826,980	22,941,238,561	19,782,273,765
Asset Under Management (If Applicable)	878,654,007,788	672,984,726,045	502,075,322,480

*Net Worth & Market Cap as on 31st March each year.

C. The Trustee Company

Indiabulls Trustee Company Limited (the “Trustee”), through its board of directors, shall manage and supervise the functioning of Indiabulls Mutual Fund. The Trustee shall ensure that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC. The details of the Trustee Directors of Indiabulls Mutual Fund are as under:

1. Directors on the Board of Trustee Company:

Name	Age	Qualification	Brief Experience
1. Mr. Prabhat Kumar (IAS – Retired) (Independent Trustee)	76	<ul style="list-style-type: none">• M.Sc (Math.)• M.Sc (Physics)• M.Sc (Economics)	He has a vast experience in handling Constitutional and Governance responsibilities. He held the position of Cabinet Secretary in Govt. of India (1998-2000). He also held the position of Governor of Jharkhand (2000-2002).
2. Lt. Gen K. M. Seth (Independent Trustee)	78	<ul style="list-style-type: none">• M.Sc. (Madras Univ)• M.Sc. (JNU)• MBA (SIMS, Pune)	He served as Governor of Tripura (2000-2003) and Governor of Chhattisgarh (2003-2007). As the Chairman of Army Group of Insurance of Indian Army (1995-1997) he has exercised directional control over investment of approximately 700 crores with 200 crores deployment of monthly investable funds. He was a Member of UTI-AMC (1998-2000).
3. Mr. K. Vasudevan (Independent Trustee)	67	<ul style="list-style-type: none">• M.Sc. (Fiscal Studies)• B.A. Hons. (Eco)	He joined IRS in 1974. He has worked as Under Secretary, Department of Revenue, Ministry of Finance from 1982 – 1985 and later as Director in the same Ministry from 1989 to 1995. He has worked at different levels in the Income Tax Department at the apex level as Director of Income Tax (Investigation) for about 5 years and Commissioner of Income Tax (Central) for 2 years at Mumbai, Delhi, Uttar Pradesh (Kanpur & Lucknow) and Madhya Pradesh. He has a varied and wide experience in the areas of Finance, Legislation, Investigation, Audit and Administration.
4. Mr. Ajit Mittal (Associate Trustee)	58	<ul style="list-style-type: none">• MBA (University of Illinois, USA)	He has a vast experience in the Finance sector. He had served two decades with Reserve Bank of India and was awarded with the Golden Jubilee Scholarship to pursue higher studies at University of Illinois, USA. He had published several research papers, including on “Private Placement of Debt Market in India” and “Monetary Policy Transmission Mechanism”. He had also been involved with various committees and working groups, which led to far reaching policy improvement in financial sector. He is the Group Executive Director at Indiabulls Housing Finance Ltd since 2007. He has done MBA (with Academic Excellence) from University of Illinois, USA.

2. Rights of the Trustee Company

The Trustee Company, through the Asset Management Company registered with SEBI and appointed by the Trustee Company for managing the Mutual Fund, shall be, inter alia, empowered and entitled to:

- (a) frame one or more Schemes for the issue of Units to be subscribed by the public or class of public or specified person or persons whether singly or otherwise and shall frame such rules and regulations for the issue, repurchase and redemption thereof and for the distribution of income on Units, and modify or alter the said rules and regulations as the Trustee Company may in its absolute discretion deem fit, the duration of each Scheme being such as may be decided from time to time by the Trustee Company;
- (b) acquire, hold, manage, trade, lend and dispose of shares, debentures (convertible, partly convertible or non-convertible), bonds, instruments, obligations, warrants, notes, money market papers, instruments and other stocks and securities of all kinds (including, without limitation, listed or unlisted) issued by any company or body corporate, local authority, public body in India or Government of India or by the Government of, any local authority or any company, body corporate or public international body in any country outside India as may be approved by the Reserve Bank of India (“RBI”); to acquire or enter into or deal in any derivative, option, hedging (including currency hedging), swap or other contract of a similar nature, repurchase agreement transactions, whether in India or abroad and to enter into securities lending and borrowing transactions, underwriting and sub underwriting contracts and placings;
- (c) calculate the offer, repurchase and redemption prices of Units including *inter alia* the allowance to be made in computing these prices for contingent liabilities;
- (d) keep the capital and moneys of the Mutual Fund in call or repurchase options or deposit with banks or other financial institutions or companies or any other financial instruments as may be permitted under the Regulations;
- (e) enter into agency arrangements with one or more banks in and outside India for the following functions:
 - (i) to mobilise collections for various Schemes of the Mutual Fund and to render all services as are being rendered by the authorised agents of the Mutual Fund; and
 - (ii) to display the advertisements and other marketing materials. However, the arrangements outside India shall always be subject to necessary permissions from RBI and other authorities as may be required.
- (f) enter into agreements or arrangements (that may cover *inter alia* functions included in Clause (e) above) including agreements/arrangements by way of tie-ups, collaborations, joint ventures with mutual funds, asset management companies, financial institutions, investment companies, banks and other institutions in or outside India;
- (g) do any other kind of business connected with mobilisation of savings and Investments;
- (h) accept contributions, grants, and donations;
- (i) collect, get in and receive the profit, interest, dividend and income of the Trust Property from time to time as and when the same becomes due and receivable;
- (j) pay all costs, charges, expenses and outgoings of and incidental to the administration and execution of the Trust and the management and maintenance of the Trust Property and incurred for the same (including remuneration of the Trustee Company and the Asset Management Company) in accordance with and subject to the limits under the Regulations as may be stipulated from time to time and, without prejudice to the generality of the foregoing, the following expenses may be charged to the Mutual Fund:
 - (i) marketing and selling expenses including agents commission, if any;
 - (ii) brokerage and transaction costs;
 - (iii) charges for registrar services, inter-alia for the issue, transfer, repurchase and redemption of Units;
 - (iv) fees and expenses of the Trustee Company;
 - (v) audit fees;
 - (vi) custodian fees;
 - (vii) costs related to investor communication;
 - (viii) cost of transfer of funds from location to location;
 - (ix) cost of providing account statements and dividend/redemption cheques and warrants;
 - (x) insurance premium paid by the Mutual Fund;
 - (xi) winding up cost for terminating a Scheme or the Mutual Fund;
 - (xii) cost of statutory advertisements;
 - (xiii) costs, charges and expenses for instituting any suits or defending any claims;
 - (xiv) subject to the Regulations and applicable regulatory approvals, payment of a fee for the use of the Indiabulls name and brand; and
 - (xv) such other costs as may be permitted under the Regulations.
- (k) appoint brokers, sub-brokers, agents, custodial agents, registrars, share transfer agents for the purpose of purchase and sale of securities, investment under the Scheme and to pay their charges;
- (l) appoint and engage advocates, solicitors, valuers, chartered accountants, credit rating agencies, etc. and such experts for the purpose of the Schemes and to pay their remuneration and charges;

- (m) do all such acts, deeds and things and exercise such powers and sign and execute all such documents, Unit certificates, transfer forms, declarations, affidavits, indemnities as it may in its absolute discretion deem fit;
- (n) open one or more bank accounts, securities account/s with RBI and other banks (if permitted) and operate the same;
- (o) deal with all matters arising from the Mutual Fund/Asset Management Company, on the one hand and Unit Holders on the other, and to settle disputes, if any, with Unit Holders;
- (p) generally to exercise all such powers as it may be required to be exercised under the Regulations for the time being in force and do all such matters and things as may promote the Mutual Fund or as may be incidental to or consequential upon the discharge of its functions and the exercise and enforcement of all or any of the powers and rights under this Deed;
- (q) pay out of the income of the Trust Property after deducting all expenses the interest and dividend in accordance with the Scheme and the Scheme Information Document applicable to each Scheme; and
- (r) the Trustee Company shall, subject to the provisions of the Regulations and this Deed, have all powers and rights of a trustee under the Indian Trusts Act, 1882 to achieve the objects of this Trust and protect the interests of the Unit Holders.

3. Duties of the Trustee Company

- a. The Trustee Company shall be responsible for supervising the collection of all income due to be paid to the Schemes and for claiming any repayment of tax and holding any income received in trust for the Unit Holders in accordance with this Deed and the Regulations.
- b. The Trustee Company shall act at all times in the interest of Unit Holders and provide all such information to Unit Holders and SEBI as may be specified by SEBI. The Trustee Company shall provide or cause to provide information to the Unit Holders and SEBI as may be specified by SEBI from time to time.
- c. The Trustee Company shall at no time acquire any asset out of the Trust Property, which involves the assumption of any liability which is unlimited or results in the encumbrance of the Trust Property in any way, except to the extent permitted by the Regulations.
- d. Except with the prior approval of the Trustee Company and if so required, from SEBI in writing, the Mutual Fund shall not make or grant loans or guarantee loans nor shall they carry out at any time any activity in contravention of the Regulations.
- e. The Trustee Company shall generally do all such matters and things as may promote the Trust or as may be incidental to or consequential upon the discharge of its functions and the exercise and enforcement of all or any of the powers and rights under this Deed.
- f. The Trustee Company shall take reasonable care to ensure that the Schemes floated and managed by the Asset Management Company, are in accordance with this Deed, the Scheme Information Document(s) and the Regulations.
- g. The Trustee Company shall cause the Asset Management Company to ensure that the manner of calculating the offer, repurchase and redemption prices of Units including inter alia the allowance to be made in computing these prices for contingent liabilities would be in accordance with the Regulations and any guidelines issued by SEBI from time to time.
- h. The Trustee Company shall be bound to discharge all obligations, duties and responsibilities entrusted to them under the Regulations.
- i. The Trustee Company shall be discerning in the appointment of the key personnel of the Asset Management Company.
- j. The Trustee Company shall review the desirability or continuance of the Asset Management Company if substantial irregularities are observed in any of the Schemes and shall not allow the Asset Management Company to float new Schemes.
- k. The Trustee Company shall ensure that the Trust Property is properly protected, held and administered by proper persons and by a proper number of such persons.
- l. The Trustee Company shall ensure that all service providers hold appropriate registrations from SEBI or concerned regulatory authorities.
- m. The Trustee Company shall arrange for test checks of service contracts at such frequency and in such manner as it shall deem appropriate from time to time.
- n. The Trustee Company shall immediately report to SEBI of any special developments in the Mutual Fund.
- o. The Trustee Company shall:
 - (i) obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee Company;
 - (ii) obtain compliance certificates at regular intervals from the Asset Management Company
 - (iii) hold meetings of the Board of Directors of the Trustee Company regularly and frequently;

- (iv) consider the reports of the independent auditor and compliance reports of Asset Management Company at the meetings of the Board of Directors of the Trustee Company for appropriate action;
 - (v) maintain minutes of the meetings of the Board of Directors of the Trustee Company;
 - (vi) prescribe and adhere to a code of ethics by the Trustee Company, Asset Management Company and its personnel; and
 - (vii) communicate in writing to the Asset Management Company of the deficiencies and checking on the rectification of deficiencies.
- p. The Independent Directors of the Trustee Company or the independent Trustees (in cases where there is a Board of Trustees), as the case may be, shall pay specific attention to the following:
- (i) the IMA and the compensation paid under the said agreement;
 - (ii) service contracts with affiliates to examine whether the Asset Management Company has charged higher fees than outside contracts for the same services;
 - (iii) selection of the Asset Management Company's independent directors;
 - (iv) transactions in securities involving affiliates to the extent that such transactions are permitted under the Regulations;
 - (v) selection and nomination of individuals to fill vacancies in the positions of independent directors;
 - (vi) ensuring that the code of ethics is designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions;
 - (vii) examining the reasonableness of fees paid to sponsors, Asset Management Company and any others for services provided;
 - (viii) principal underwriting contracts and their renewals; and
 - (ix) any service contract with the Associates of the Asset Management Company.

Each member of the Board of Directors of the Trustee Company or, as the case may be, each member of the Board of Trustee shall furnish the details of his/her holdings in securities to the Trust at such intervals as may be specified in the Regulations from time to time.

- q. Notwithstanding anything contained in this Deed or the Regulations, the Trustee Company shall not be held liable for acts done in good faith if it has exercised adequate due diligence honestly.

4. Trustee – Supervisory role

The supervisory role of the Trustees will be discharged by reviewing the information and the operations of the Fund based on the reports submitted at the meetings of the trustees. Presently, the Board of Trustees are required to hold a meeting at least once in 2 calendar months and at least 6 such meetings are required to be held every year.

The Compliance Officer reports directly to the Board of Directors of the Trustee and carries out the supervisory role on behalf of the Trustee. In addition, the Trustee may seek any information from time to time from the AMC. The internal audit of the Fund will be carried out by the internal auditor M/s. Haribhakti & Co. LLP, to facilitate monitoring the activities of the AMC.

During the F.Y 2016-2017, 8 meetings of the Board of Directors of Trustee were held. The Audit Committee, comprising of 3 independent directors on the board of the Trustee with an independent director as its chairman, has been constituted pursuant to the SEBI circular MFD/ CIR / 010 / 024/ 2000 dated January 17, 2000 to, inter alia, review internal audit systems and reports from internal and statutory auditors.

5. Trustee – Fees and Expenses

Subject to the regulations, the Trustee Company shall during the term of the Mutual Fund, and whether or not the Mutual Fund shall be in course of administration by or under the order or direction of any competent court or regulatory authorities, be paid an annual fees out of the mutual fund as may be agreed between the Sponsor and the trustee company at the beginning of each year. The annual fees decided by the trustee company for the current year is 0.01% per annum of the average daily net assets of the Fund subject to a maximum of Rs. 10 lakhs. The aforesaid remuneration shall be in addition to reimbursement of all costs, charges and expenses incurred in or about the administration and execution of the Trust and to be reimbursed from and out of the trust funds. Payment of trusteeship fee as aforesaid shall be subject to the limits, if any, prescribed under the Regulations.

D. Asset Management Company

Indiabulls Asset Management Company Limited (IBAMC) was incorporated under the Companies Act, 1956 on April 10, 2008 having its registered office at M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001. The Corporate Office of IBAMC is located at 11th Floor, Tower-1, Indiabulls Finance Centre, Senapati Bapat Marg,

Elphinstone (West), Mumbai – 400013 and the operations of the AMC including investor servicing are handled and coordinated from the aforesaid Corporate Office. Indiabulls Asset Management Company Limited has been appointed as the Asset Management Company of Indiabulls Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated November 07, 2008, executed between the Trustee and the Asset Management Company.

1. Directors on the Board of AMC

Name	Age	Qualification	Brief Experience
<p>1. Mr. Ashok Kacker (Chairman) (Associate Director)</p>	66	<ul style="list-style-type: none"> • M. Sc. (Physics) 	<p>After his retirement from Government Services, Mr. Ashok Kacker is currently providing Consultancy and Advisory services in the field of Taxation, Administration and Financial Services including Capital Markets. He has been engaged by several corporate houses in the field of Securities & Financial Services, Real Estate and Infrastructure, Health Care and Education. Presently, he is working with Indiabulls Group as the Group President. He has been a seasoned and consummate Senior Government Executive of the Indian Revenue Service (Income Tax) with more than 32 years of experience in the field of Administration and Finance. He was as an Executive Director for 6 years (1995-2001) with Securities Exchange Board of India (SEBI), where he had direct responsibilities in various positions of Administration and Stock Exchange regulation apart from other regulatory responsibilities. His vast experience spans Administration, Investigation, Property, Valuation, and Assessments coupled with knowledge of Capital and Financial Markets including interaction with International Agencies like US AID (United States Aid for International Development) and Canadian AID.</p>
<p>2. Mr. Akshay Gupta (Associate Director)</p>	42	<ul style="list-style-type: none"> • B.E. • MBA 	<p>Mr. Akshay Gupta has more than 18+ years of experience in capital market with 13 years of exclusive experience in Mutual Fund Industry in India. Prior to joining Indiabulls Group, he was associated with Peerless Mutual Fund as a Managing Director and Chief Executive Officer for more than 6 years, wherein led the initiative to setup new fund house, developed the distribution network and made it one of the fastest growing new AMCs in India. He worked with ICICI Prudential Asset Management Company between 2002-2007 and was part of the Senior Management team that made it the largest AMC at that time. During his association with ABN AMRO Bank, HSBC, and ICICI Prudential AMC, Mr. Akshay Gupta spear headed Sales, Business Development, Marketing, Wealth Management, Fund Management and Product Portfolios. Mr. Akshay Gupta holds management degree in Finance & Marketing from FMS, Delhi and graduated as an engineer from Delhi. He is presently working with Indiabulls as the Group Executive Head-Asset Management and other fee income businesses.</p>

3. Mr. Jitendra Sanghavi (Independent Director)	64	<ul style="list-style-type: none"> • B.Com. • F.C.A. 	Mr. Sanghavi has practiced on Tax Law including International Taxation and Transfer Pricing since 1982. Prior to this, he also practiced in partnership with another firm of Chartered Accountants since 1976. He has also been a member of International Fiscal Association and acted as Panel Speaker for their Congress at Israel in October 1999 for a seminar on “Taxation of Congress Border Services”. He is also the co-author of the book “Search Seizure and Survey” published by Bombay Chartered Accountant Society and has contributed to various articles on International Taxation and Post IFA Congress Workshop. A sole practitioner in the name of Jitendra Sanghavi & Co. he specializes in International Taxation and is a member of International Taxation Committee of Bombay Chartered Accountants’ Society. He is a regular speaker on topics of International Taxation.
4. Mr. G.C. Srivastava (Independent Director)	70	<ul style="list-style-type: none"> • M.A. • L.L.B. 	Mr. Srivastava was an officer of Indian Revenue Service till September 2007 when he retired from the post of Director General (International Taxation), New Delhi. He has served the Income Tax department in various capacities in different parts of the country, handling issues of large corporate/high income individuals. He has handled several cases of Financial Institutions, brokers of stock exchanges, entities related with Mutual Funds and a host of other areas in Finance and Financial Services. As Commissioner of Income Tax, he was assigned the judicial functions of adjudicating complex legal issues arising in cases of large corporate. He held the post of Joint Secretary in the Tax Policy Division of the Ministry of Finance from 1998-2001 looking after policy matters and more particularly changes in Direct Tax Laws during the period. He was responsible for the drafting and introduction of Transfer Pricing laws and regulations in India. He also worked as Joint Secretary in the Foreign tax Division of the Finance Ministry and worked as the chief treaty negotiator for India for the avoidance of double taxation. He has completed the course on Tax Analysis and Revenue Forecasting from Harvard (USA) in the year 1999. After his retirement, he is working as an Advocate and tax consultant and has actively been providing consultancy in tax matters more particularly in cross border transactions and in the cases of Financial Sector and Real Estate.

2. Duties and Responsibilities of the AMC

- a. The AMC shall be responsible for floating and issuing Schemes for the Trust after approval of the same by the Trustee Company Board and SEBI, as well as investing and managing the Funds mobilized under various Schemes, in accordance with the provisions of the Trust Deed and the Regulations.
- b. The AMC shall ensure that no Scheme Information Document of a Scheme, key information memorandum, abridged half yearly results and annual results are issued or published without the prior approval of the Trustee Company Board or the Authorised Director in writing, and also ensure that such documents do not contain any statements or matter extraneous to the Trust Deed or particulars stated in the Scheme Information Document for the Scheme approved by the Trustee Company Board and SEBI.
- c. The AMC shall disclose the basis of calculating the repurchase price and NAV of the various Schemes of the Trust to the investors, at such intervals as may be specified by the Trustee Company Board and in accordance with the Regulations issued from time to time.
- d. The AMC shall maintain books and records about the operation of various Schemes of the Fund to ensure compliance with the Regulations and shall submit a Scheme wise quarterly report on functioning of the various Schemes of the Fund to the Trustee Company or at such intervals and in such manner as may be required or called for by the Trustee Company or by SEBI.

- e. It shall be the duty of the AMC to send periodical reports, as required under the Regulations, in addition to any other reports called for by the Trustee Company or SEBI from time to time.
- f. The AMC shall instruct the auditor to examine the Trust's annual Statement of Accounts and to report on their correctness and shall authorise the auditors to communicate directly with the Trustee Company at any time.
- g. The AMC shall publish by public advertisement in newspapers and in its discretion, in any other manner, the un-audited half-yearly accounts and audited annual accounts of the various Schemes as required under the Regulations.
- h. The AMC shall exercise all due diligence and vigilance in carrying out its duties and in protecting the rights and interests of the Unit Holders.
- i. The AMC shall at all times ensure that the Trust Fund is segregated from assets of the AMC and assets of any other funds for which the AMC is responsible;
- j. The AMC shall, as required under the Regulations, provide compliance certificates to the Trustee Company at regular intervals.
- k. The AMC shall provide to the Unit Holder an option of nomination in the event of the death of the unit holder or an option to cancel the nomination in terms of the Regulations, in the form prescribed in the Schedule to this Agreement.
- l. As required under the Regulations, in the case of a shortfall in returns/ redemption value in case of Schemes where the returns/ redemption value have been assured / guaranteed by the AMC in the Scheme Information Document of the Scheme(s) or in terms of the Regulations as amended from time to time, the AMC shall be liable to make good any such shortfall in the returns / redemption value to the Mutual Fund. Provided that no such assurance/guarantee shall be provided by the AMC, either directly or indirectly, without the prior approval of a majority of the shareholders of the AMC (either at a general meeting or through written approval).

3. Information on Key Personnel

The day-to-day operations of the AMC for Mutual Fund are looked after by experienced and qualified professionals. All the key personnel are based at the registered office of the AMC.

Name	Age (yrs)	Qualification	Brief Experience
1. Ms. Nishima Avasthi (Investor Relation Officer)	38	<ul style="list-style-type: none"> • MBA (Finance) • B.Sc 	She has over 14 years of rich experience in the field of Registrar & Transfer Agency, Investor Servicing, Banking & Operations. Prior to joining Indiabulls, Nishima worked with ICICI Prudential Mutual Fund wherein she handled various functions Reconciliation of Bank Accounts, Streamlining Channel/SIP/Brokerage Payout activities, Redemption payout and other Banking Processes, investor servicing & operations and was also associated with Sahara Mutual Fund & India Infoline Ltd. She is a Science graduate and MBA in Finance from DAVV University, Indore.
2. Mr. Uday Diwale (Head – Compliance & Risk Management)	47	<ul style="list-style-type: none"> • B.E. (Machine-Tool Eng.) • MMS (Finance) 	He has more than 18 years of professional experience in the area of capital markets spread across wide spectrum of operations, compliance and information technology. During his association with Indiabulls Securities Ltd., he handled audit and regulatory compliance for retail and institutional broking segment. He also managed the communication channel with the exchanges and the regulators of the capital market. He started his career with Securities and Exchange Board of India, wherein he participated in multiple investigations into market manipulation cases and Stock Exchange/ Broker inspection. He also worked with global investment banks like Credit Suisse, UBS, Wachovia Securities and Wells Fargo through Perot Systems and Cognizant Technology Solutions in the area of investment banking domain consultancy and business transition at onsite locations.

3. Mr. Malay Shah (Head – Fixed Income)	39	<ul style="list-style-type: none"> • MMS (Finance) • B. Com 	Mr. Malay Shah has around 15 years of experience in the field of finance. He has exposure to Debt – Dealing and Fund Management. Prior to joining Indiabulls Asset Management Company Limited, he was working in the capacity of Head – Fixed Income with Peerless Funds Management Co. Ltd, managing all the debt schemes namely Liquid, Ultra Short Term, Short Term, Income Plan, Child Plan, Dynamic Bond and FMPs. He is a Commerce graduate and has done his MMS in Finance from NMIMS.
4. Mr. Sumit Bhatnagar (Fund Manager - Equity)	40	<ul style="list-style-type: none"> • MBA (Univ. of Toronto) • CFA (USA) 	He has close to 15 years of experience in Banking & Capital Markets. Prior to joining Indiabulls AMC, he has worked with SEBI for close to 4.5 years in Investment Management Department. He has also worked in Banking Industry in retail and corporate assets. He has been with Indiabulls AMC since February 2009.
5. Mr. Milind Bhangale (Senior Manager – Research)	40	<ul style="list-style-type: none"> • MMS (Marketing) • Bachelor of Pharmacy 	He has 11 years of experience in equity research. In his position as a Senior Manager - Research, he will be responsible for tracking industries and companies. In his previous assignment, he was a senior research analyst at Dolat Capital. Before this, he worked with Enam Securities & Fortune Financial. He has completed his Masters in Management Studies (MMS) and is a graduate in Pharmacy.
6. Mr. Rajeev Desai (Manager – Research)	40	<ul style="list-style-type: none"> • PGDBM (Finance) • B.E. (Mech) 	He has 11 years of experience in equity research. In his position as Manager - Research, he will be responsible for fundamental analysis. In his previous assignment, he was AVP Research at Systematix Shares & Stocks (I) Ltd. He has completed his Masters in Management Studies (Finance) and is a graduate in Mechanical Engineering.
7. Mr. Sourabh Sharma (Dealer – Fixed Income)	25	<ul style="list-style-type: none"> • B.Com 	He has worked at D.R. Mehta & Associates prior to joining Indiabulls AMC. He has been with Indiabulls AMC since December 2012.
8. Mr. Vishal Ashar (Dealer – Equity)	34	<ul style="list-style-type: none"> • MMS (Finance) 	He has worked with Motilal Oswal Financial Services Ltd and Sharekhan Ltd. prior to joining Indiabulls AMC. He has been with Indiabulls AMC since February 2015. He has completed his Masters in Management Studies (MMS).
9. Mr. Sudhakar Poojary (Vice President- Sales) (Ceased to be Key personnel w.e.f March 18, 2017)	48	<ul style="list-style-type: none"> • M.Com • P. G. (Computer Science) • MMM 	He has worked with L & T Asset Management Company Ltd, DBS Chola Asset Management Company Ltd. BOB Asset Management Company Ltd, prior to joining Indiabulls AMC. He has been with Indiabulls AMC since November 2011. He has completed his MMM.
10. Mr. Ankit Shah (Dealer – Fixed Income)	31	<ul style="list-style-type: none"> • B.Com • Master in Financial Services Management 	He has worked with TCPL Packaging Ltd, GEPL Capital Pvt Ltd, Nomura India Services Pvt Ltd, Kotak Securities Ltd, J P Morgan India Services Pvt Ltd. prior to joining Indiabulls AMC. He has been with Indiabulls AMC since June 2016. He has completed his Master in Financial Services Management.
11. Mr. Kunal Jain (Co- Fund Manager- Fixed Income)	33	<ul style="list-style-type: none"> • B.Com • MBA (Marketing) 	Mr. Kunal Jain has around 9.5 years of experience in the field of finance. He has exposure to Debt – Dealing and Fund Management. Prior to joining Indiabulls Asset Management Company Limited, he was working in the capacity of Fund Manager – Fixed Income with LIC Nomura Mutual Fund & Dealer with Kotak Mutual Fund respectively, managing funds in debt Schemes. He is a Commerce graduate and has done his MBA in Marketing & Finance.

12. Mr. Siddharth Malhotra (Head-Operations)	33	• BBA	He has worked with Peerless Funds Management Company Limited, Fidelity International Limited prior to joining Indiabulls AMC. He has been with Indiabulls AMC since December 2015. He has completed his Bachelors in Business Administration
13. Ms. Shalini Sekhri (Head- Sales)	44	• B. Com • MBA	Ms. Shalini Sekhri, Head- Sales for Indiabulls Asset Management Company, has over 20 years of work experience primarily in Asset Management and Banking . Over 20 years of work experience primarily in Banking and Asset Management. She has been responsible for Offshore and Onshore Business Strategy, Business Development and Relationship Management for clients and distribution channels. Over the past many years Shalini has driven new business across geographies while maintaining key distribution and client relationships and leading teams across the country. Her earlier roles included heading business development at Alchemy Capital Management, National Head Sales for Portfolio Management Services at ICICI Prudential AMC and key sales and relationship management roles in Kotak AMC and Standard Chartered Bank. Shalini is a commerce graduate and holds an MBA from Osmania University.

4. Shareholding Pattern of the AMC

The shareholding pattern of the AMC as on date is as follows:

S No.	Name	Total No of Shares	% Holding
1	Indiabulls Housing Finance Ltd	69,999,994 Equity Shares of Rs.10 each	100 %
2	Mr. Pankaj Sharma	1* Equity Share of Rs.10 each	0 %
3	Mr. Sanjeev Kashyap	1* Equity Share of Rs.10 each	0 %
4	Mr. Anil Malhan	1* Equity Share of Rs.10 each	0 %
5	Mr. Satish Chand	1* Equity Share of Rs.10 each	0 %
6	Mr. Ravinder	1* Equity Share of Rs.10 each	0 %
7	Mr. Matbeer Singh	1* Equity Share of Rs.10 each	0 %
	Total	70,000,000 Equity Shares of Rs. 10 each	100 %

* Held as Nominee of Indiabulls Housing Finance Limited

5. Procedure for Recording of Investment Decisions

All investment decisions, relating to the Schemes, will be undertaken by the AMC in accordance with the Regulations, the investment objectives specified in the SID and the Investment Manual of the AMC. All investment decisions taken by the AMC in relation to the corpus of the Schemes will be recorded.

A detailed report will be made before taking any decision to invest in a company/issuer for the first time. Individual scrip wise reasons will be recorded by the fund manager at the time of placing individual orders. Performance of the Schemes will be periodically tabled before the boards of the AMC and the Trustee respectively. Performance of the Schemes vis-à-vis their respective benchmark indices will be periodically monitored by the boards of the Trustee and the AMC. Further, the boards of the Trustee and the AMC will also review the performance of the Schemes in the light of performance of the mutual fund industry.

The AMC has appointed an Investment Committee consisting of CEO, Head – Investments/Fund Managers and Head – Compliance of the AMC. The Committee would lay down the broad investment policy for the Schemes, review the policy and to review the portfolio and performance of the Schemes periodically. However, the day to day investment management decision will solely be of the fund manager of the respective Scheme.

Sr. No		Indiabulls Liquid Fund	Indiabulls Ultra Short Term Fund	Indiabulls Blue Chip Fund	Indiabulls Gilt Fund	Indiabulls Income Fund
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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.

E. Service Providers

1. Fund Accountant & Custodian

HDFC Bank Ltd.
HDFC Bank House,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400013

HDFC Bank Ltd. has been appointed as Fund Accountant and Custodian of the Fund vide agreement dated May 20, 2015. The Custodian is registered with SEBI under the SEBI (Custodians of Securities) Regulations, 1996. The Trustee has the right to change the Custodian & Fund accountant in certain circumstances.

2. Registrar and Transfer Agent

Karvy Computershare Private Limited,
Karvy Selenium, Tower B, Plot number 31 & 32,
Financial District, Gachibowli, Hyderabad- 500 032

It has been appointed to act as the registrar and transfer agent to the schemes of the Fund in accordance with the Registrar and Transfer Agent Agreement dated June 09, 2011.

The Registrar is registered with SEBI under the SEBI (Registrar and Transfer Agents) Regulations, 1993 vide registration no. INR000000221 dated September 11, 2006.

The Boards of the Trustee and the AMC have ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to Unit holders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints. The AMC has the right to change the Registrar in certain circumstances.

In accordance with the SEBI Circular No. CIR/MIRSD/24/2011 dated December 15, 2011, the AMC shall render at all times high standards of service and exercise due diligence and ensure proper care in their operations.

3. Statutory Auditor

M/s. Kumar Singhal & Co., having office at Chartered Accountants, O - 24 B, LGF, Jangpura Extension, New Delhi - 110014, have been appointed as the Statutory Auditor for the Fund.

4. Collecting Bankers

Collection banks may be appointed by the AMC from time to time. Applications for the NFO will also be accepted at Designated Collection Centers. For details of Collecting banks, please refer to the SID of the scheme.

F. Condensed Financial Information

For the F.Y. 2013-2014:

SR. NO.	SCHEME NAME	PLAN/ OPTION	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
	Date of Allotment		25-Oct-11	06-Jan-12	10-Feb-12	15-Mar-12	28-Mar-12
	Financial Year		2013-14	2013-14	2013-14	2013-14	2013-14
	Plans		NA	NA	NA	NA	NA
1	NAV at the beginning of the year (Rs.) @	Growth Option	1,141.0192	1,124.6433	10.1500	11.0936	11.0271
		Dividend Option	-	-	10.1500	-	-
		Daily Dividend Option	1,000.7784	1,001.1260	-	-	-
		Weekly Dividend Option	1,001.6196	1,002.5407	-	-	-
		Fortnightly Dividend Option	-	-	-	-	-
		Monthly Dividend Option	1,007.3364	1,002.4849	-	-	-
		Quarterly Dividend Option	-	-	-	-	-
		Half Yearly Dividend Option	-	-	-	-	-
		Bonus Option	-	-	-	-	-
		Direct Growth Option	1141.1885^^	1125.0563^^	10.17^^	-	-
		Direct Dividend Option	-	-	10.17^^	-	-
		Direct Daily Dividend Option	1000.7833^^	1001.1420^^	-	-	-
		Direct Weekly Dividend Option	-	1002.5652^^	-	-	-
		Direct Fortnightly Dividend Option	-	-	-	-	-
		Direct Monthly Dividend Option	-	-	-	-	-
		Direct Quarterly Dividend Option	-	-	-	-	-
		Direct Half Yearly Dividend Option	-	-	-	-	-
		Direct Bonus Option	-	-	-	-	-

2	Total Dividend per unit distributed during the period (plan wise) #	Daily Dividend Option	88.6647	82.7752	-	-	-
		Weekly Dividend Option	87.9155	82.6375	-	-	-
		Monthly Dividend Option	28.4910	82.9067	-	-	-
		Fortnightly Dividend Option	-	-	-	-	-
		Quarterly Dividend Option	-	-	-	-	-
		Half Yearly Dividend Option	-	-	-	-	-
		Direct Daily Dividend Option	89.7338	86.0089	-	-	-
		Direct Weekly Dividend Option	-	87.8618	-	-	-
		Direct Monthly Dividend Option	81.0050	39.1001	-	-	-
		Direct Fortnightly Dividend Option	-	-	-	-	-
		Direct Quarterly Dividend Option	-	-	-	-	-
		Direct Half Yearly Dividend Option	-	-	-	-	-
3	NAV at the end of the year (as on March 31) (Rs.)	Growth Option	1,246.4550	1223.5972*	11.57	-	-
		Dividend Option	-	-	11.57	-	-
		Daily Dividend Option	1,000.5175	1002.8154*	-	-	-
		Weekly Dividend Option	1,002.1484	1004.4022*	-	-	-
		Fortnightly Dividend Option	-	-	-	-	-
		Monthly Dividend Option	^^	1004.2945*	-	-	-
		Quarterly Dividend Option	-	-	-	-	-
		Half Yearly Dividend Option	-	-	-	-	-
		Bonus Option	-	-	-	-	-
		Direct Growth Option	1,247.8610	1230.6530*	11.72	-	-
		Direct Dividend Option	-	-	11.72	-	-
		Direct Daily Dividend Option	1,000.4324	1005.1178*	-	-	-
		Direct Weekly Dividend Option	^^	1004.6058*	-	-	-
		Direct Fortnightly Dividend Option	-	-	-	-	-
		Direct Monthly Dividend Option	1,007.8141	1003.5981*	-	-	-
		Direct Quarterly Dividend Option	-	-	-	-	-

		Direct Half Yearly Dividend Option	-	-	-	-	-
		Direct Bonus Option	-	-	-	-	-
4	Annualised Return \$	Growth Option	9.47%	9.45%	7.05%	20.63%	10.11%
		Direct Growth Option	9.28%	9.41%	7.51%	NA	NA
5	Absolute Return (Growth Option)	Growth Option	23.04%	21.10%	15.07%	42.16%	20.30%
		Direct Growth Option	11.57%	11.70%	9.34%	NA	NA
6	Benchmark Returns	Growth Option	8.88%	8.90%	10.52%	9.37%	9.24%
		Direct Growth Option	9.22%	9.22%	10.06%	NA	NA
7	Name of Benchmark adopted		CRISIL Liquid Fund Index	CRISIL Liquid Fund Index	S&P CNX Nifty Index	CRISIL Short Term Bond Fund Index	CRISIL Short Term Bond Fund Index
8	Net Assets at end of Period (Rs. Crs)		1,037.26	213.60	6.26	-	-
9	Total Expense as % of AAUM (excluding unrealised depreciation)	Regular Plans	0.30%	0.64%	2.85%	0.22%	0.18%
		Direct Plans	0.21%	0.34%	1.85%	NA	NA

For the F.Y. 2013-2014 (contd...):

SR. NO.	SCHEME NAME	PLAN/ OPTION	INDIABULLS FMP 370 DAYS - SERIES 1	INDIABULLS GILT FUND	INDIABULLS INCOME FUND	INDIABULLS FMP SERIES III - 370 DAYS JULY 2013 (3)	INDIABULLS SHORT TERM FUND
	Date of Allotment		20-Jul-12	10-Jan-13	04-Mar-13	02-Aug-13	13-Sep-13
	Financial Year		2013-14	2013-14	2013-14	2013-14	2013-14
	Plans		NA	NA	NA	NA	NA
1	NAV at the beginning of the year (Rs.) @	Growth Option	10.6359	1,010.9349	10.0324	-	-
		Dividend Option	-	-	-	-	-
		Daily Dividend Option	-	-	-	-	-

		Weekly Dividend Option	-	1,001.8418	-	-	-
		Fortnightly Dividend Option	-	1,001.8362	-	-	-
		Monthly Dividend Option	-	1,001.9380	10.0118	-	-
		Quarterly Dividend Option	-	-	10.0116	-	-
		Half Yearly Dividend Option	-	-	10.0116	-	-
		Bonus Option	-	-	-	-	-
		Direct Growth Option	-	1013.7445^^	10.0401^^	-	-
		Direct Dividend Option	-	-	-	-	-
		Direct Daily Dividend Option	-	-	-	-	-
		Direct Weekly Dividend Option	-	1002.3394^^	-	-	-
		Direct Fortnightly Dividend Option	-	^^	-	-	-
		Direct Monthly Dividend Option	-	^^	10.0133^^	-	-
		Direct Quarterly Dividend Option	-	-	10.0132^^	-	-
		Direct Half Yearly Dividend Option	-	-	10.0133^^	-	-
		Direct Bonus Option	-	1013.7260^^	-	-	-
2	Total Dividend per unit distributed during the period (plan wise) #	Daily Dividend Option	-	-	-	-	-
		Weekly Dividend Option	-	55.3168	-	-	37.5185
		Monthly Dividend Option	-	57.6623	0.1663	-	37.6045
		Fortnightly Dividend Option	-	56.9737	-	-	-
		Quarterly Dividend Option	-	-	0.0149	-	-
		Half Yearly Dividend Option	-	-	0.1539	-	-
		Direct Daily Dividend Option	-	-	-	-	-
		Direct Weekly Dividend Option	-	57.8425	-	-	45.8304
		Direct Monthly Dividend Option	-	-	0.1070	-	44.8004
		Direct Fortnightly Dividend Option	-	-	-	-	-
		Direct Quarterly Dividend Option	-	-	0.3419	-	-
		Direct Half Yearly Dividend Option	-	-	0.2846	-	-
3	NAV at the end of the year (as on March 31) (Rs.)	Growth Option	-				
		Dividend Option	-	1053.0772*	10.1866*	10.6581*	1050.6221*
		Daily Dividend Option	-	-	-	-	-
		Weekly Dividend	-	988.8608*	-	-	1012.2990*

		Option					
		Fortnightly Dividend Option	-	987.3433*	-	-	-
		Monthly Dividend Option	-	987.4199*	10.0010*	-	1012.3268*
		Quarterly Dividend Option	-	-	10.1508*	-	-
		Half Yearly Dividend Option	-	-	10.0114*	-	-
		Bonus Option	-	^^	-	-	-
		Direct Growth Option	-	1070.6328*	10.3261*	10.6652*	1058.1258*
		Direct Dividend Option	-	-	-	-	-
		Direct Daily Dividend Option	-	-	-	-	-
		Direct Weekly Dividend Option	-	^^	-	-	-
		Direct Fortnightly Dividend Option	-	^^	-	-	-
		Direct Monthly Dividend Option	-	^^	10.1903*	-	1012.3652*
		Direct Quarterly Dividend Option	-	-	9.9582*	-	-
		Direct Half Yearly Dividend Option	-	-	10.0135*	-	-
		Direct Bonus Option	-	1070.6140*	-	-	-
4	Annualised Return \$	Growth Option	9.31%	4.32%	1.69%	\$	\$
		Direct Growth Option	NA	5.74%	2.97%	\$	\$
5	Absolute Return (Growth Option)	Growth Option	15.79%	5.27%	1.82%	6.50%**	5.00%**
		Direct Growth Option	NA	7.02%	3.22%	6.58%**	5.74%**
6	Benchmark Returns	Growth Option	7.36%	1.95%	4.56%	7.00%**	5.83%**
		Direct Growth Option	NA	1.95%	4.56%	7.00%**	5.83%**
7	Name of Benchmark adopted		CRISIL Short Term Bond Fund Index	CRISIL Gilt Index	CRISIL Composite Bond Fund Index	CRISIL Short Term Bond Fund Index	CRISIL Short Term Bond Fund Index
8	Net Assets at end of Period (Rs. Crs)		-	14.42	49.66	24.05	107.75
9	Total Expense as % of AAUM (excluding unrealised depreciation)	Regular Plans	0.11%	1.86%	1.89%	0.25%	1.56%
		Direct Plans	NA	0.50%	0.60%	0.15%	0.26%

@ Nav as on March 31st 2013.

* Computed Nav as on March 31st 2014.

Gross dividend declared during the year

^^ New Direct Plans introduced in Jan 2013.

** Absolute returns updated for schemes not completed 1 year.

'\$ Since Indiabulls FMP 370 Days Series III & Indiabulls Short Term Fund have not completed 1 year, annualized returns are not given.

For the F.Y. 2014-2015:

SR. NO.	SCHEME NAME	PLAN	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS GILT FUND
	Date of Allotment		25-Oct-11	06-Jan-12	10-Feb-12	10-Jan-13
	Financial Year		2014-15	2014-15	2014-15	2014-15
	Plans		NA	NA	NA	NA
1	NAV at the beginning of the year (Rs.) @	Growth Option	1,246.4550	1223.5972*	11.57	1053.0772*
		Dividend Option	-	-	11.57	-
		Daily Dividend Option	1,000.5175	1002.8154*	-	-
		Weekly Dividend Option	1,002.1484	1004.4022*	-	988.8608*
		Fortnightly Dividend Option	-	-	-	987.3433*
		Monthly Dividend Option	^^	1004.2945*	-	987.4199*
		Quarterly Dividend Option	-	-	-	-
		Half Yearly Dividend Option	-	-	-	-
		Bonus Option	-	-	-	^^
		Direct Growth Option	1,247.8610	1230.6530*	11.72	1070.6328*
		Direct Dividend Option	-	-	11.72	-
		Direct Daily Dividend Option	1,000.4324	1005.1178*	-	-
		Direct Weekly Dividend Option	^^	1004.6058*	-	^^
		Direct Fortnightly Dividend Option	-	-	-	^^
		Direct Monthly Dividend Option	1,007.8141	1003.5981*	-	^^

		Direct Quarterly Dividend Option	-	-	-	-
		Direct Half Yearly Dividend Option	-	-	-	-
		Direct Bonus Option	-	-	-	1070.6140*
2	Total Dividend per unit distributed during the period (plan wise) #	Daily Dividend Option	86.3027	90.9745	-	-
		Weekly Dividend Option	44.2270	92.4711	-	96.6892
		Monthly Dividend Option	-	91.5371	-	96.0020
		Fortnightly Dividend Option	-	-	-	96.6670
		Quarterly Dividend Option	-	-	-	-
		Half Yearly Dividend Option	-	-	-	-
		Direct Daily Dividend Option	87.1433	94.6642	-	-
		Direct Weekly Dividend Option	19.9205	95.8014	-	1.0649
		Direct Monthly Dividend Option	8.2501	94.2967	-	-
		Direct Fortnightly Dividend Option	-	27.2435	-	-
		Direct Quarterly Dividend Option	-	-	-	-
		Direct Half Yearly Dividend Option	-	-	-	-

3	NAV at the end of the year	Growth Option	1,358.7353	1,338.9140	14.96	1,222.9702
	(as on March 31) (Rs.)	Dividend Option	-	-	14.96	-
		Daily Dividend Option	1,000.5175	1,002.1120	-	-
		Weekly Dividend Option	1,007.7546	1,002.1447	-	1,045.9267
		Fortnightly Dividend Option	-	-	-	1,044.7821
		Monthly Dividend Option	-	1,003.3956	-	1,045.3189
		Quarterly Dividend Option	-	-	-	-
		Half Yearly Dividend Option	-	-	-	-
		Bonus Option	-	-	-	-
		Direct Growth Option	1,361.4178	1,350.8839	15.32	1,255.8802
		Direct Dividend Option	-	-	15.32	-
		Direct Daily Dividend Option	1,000.4324	1,004.3508	-	-
		Direct Weekly Dividend Option	1,009.0225	1,002.2179	-	-
		Direct Fortnightly Dividend Option	-	1,002.9778	-	-
		Direct Monthly Dividend Option	-	1,002.9378	-	-
		Direct Quarterly Dividend Option	-	-	-	-
		Direct Half Yearly Dividend Option	-	-	-	-
		Direct Bonus Option	-	-	-	1,255.8583
4	Annualised Return \$	Growth Option	9.33%	9.43%	13.68%	9.47%

		Direct Growth Option	9.19%	9.56%	17.27%	10.78%
5	Absolute Return (Growth Option)	Growth Option	NA	NA	NA	NA
		Direct Growth Option	NA	NA	NA	NA
6	Benchmark Returns	Growth Option	8.90%	8.91%	15.41%	9.37%
		Direct Growth Option	9.10%	9.10%	17.14%	9.37%
7	Name of Benchmark adopted		CRISIL Liquid Fund Index	CRISIL Liquid Fund Index	S&P CNX Nifty Index	I-Sec Composite Index
8	Net Assets at end of Period (Rs. Crs)		1,523.31	275.88	21.12	20.02
9	Total Expense as % of AAUM (excluding unrealised depreciation)	Regular Plans	0.25%	0.71%	2.84%	1.59%
		Direct Plans	0.19%	0.39%	1.69%	0.58%

For the F.Y. 2014-2015 (contd...):

SR. NO.	SCHEME NAME	PLAN	INDIABULLS INCOME FUND	INDIABULLS FMP SERIES III- 370 DAYS JULY 2013 (3)	INDIABULLS SHORT TERM FUND	INDIABULLS ARBITRAGE FUND
	Date of Allotment		04-Mar-13	02-Aug-13	13-Sep-13	19-Dec-14
	Financial Year		2014-15	2014-15	2014-15	2014-15
	Plans		NA	NA	NA	NA
1	NAV at the beginning of the year (Rs.) @	Growth Option	10.1866*	10.6581*	1050.6221*	-
		Dividend Option	-	-	-	-

		Daily Dividend Option	-	-	-	-
		Weekly Dividend Option	-	-	1012.2990*	-
		Fortnightly Dividend Option	-	-	-	-
		Monthly Dividend Option	10.0010*	-	1012.3268*	-
		Quarterly Dividend Option	10.1508*	-	-	-
		Half Yearly Dividend Option	10.0114*	-	-	-
		Bonus Option	-	-	-	-
		Direct Growth Option	10.3261*	10.6652*	1058.1258*	-
		Direct Dividend Option	-	-	-	-
		Direct Daily Dividend Option	-	-	-	-
		Direct Weekly Dividend Option	-	-	-	-
		Direct Fortnightly Dividend Option	-	-	-	-
		Direct Monthly Dividend Option	10.1903*	-	1012.3652*	-
		Direct Quarterly Dividend Option	9.9582*	-	-	-
		Direct Half Yearly Dividend Option	10.0135*	-	-	-
		Direct Bonus Option	-	-	-	-
2	Total Dividend per unit distributed during the period (plan wise) #	Daily Dividend Option	-	-	-	-
		Weekly Dividend Option	-	-	84.8384	-
		Monthly Dividend Option	0.9830	-	83.9521	-
		Fortnightly Dividend Option	-	-	-	-

		Quarterly Dividend Option	1.0583	-	-	-
		Half Yearly Dividend Option	1.2048	-	-	-
		Direct Daily Dividend Option	-	-	-	-
		Direct Weekly Dividend Option	-	-	17.8798	-
		Direct Monthly Dividend Option	1.0351	-	94.9591	-
		Direct Fortnightly Dividend Option	-	-	-	-
		Direct Quarterly Dividend Option	1.1985	-	-	-
		Direct Half Yearly Dividend Option	1.2986	-	-	-
3	NAV at the end of the year	Growth Option				
			11.5920	-	1,141.5584	10.2712
	(as on March 31) (Rs.)	Dividend Option	-	-	-	10.2712
		Daily Dividend Option	-	-	-	-
		Weekly Dividend Option	-	-	1,011.3746	-
		Fortnightly Dividend Option	-	-	-	-
		Monthly Dividend Option	10.3542	-	1,012.5131	-
		Quarterly Dividend Option	10.4464	-	-	-
		Half Yearly Dividend Option	10.1432	-	-	-
		Bonus Option	-	-	-	-
		Direct Growth Option	11.8651	-	1,162.2438	10.2857
		Direct Dividend Option	-	-	-	10.2857
		Direct Daily Dividend Option	-	-	-	-
		Direct Weekly Dividend Option	-	-	-	-

		Direct Fortnightly Dividend Option	-	-	-	-
		Direct Monthly Dividend Option	10.6061	-	1,012.4752	-
		Direct Quarterly Dividend Option	10.1783	-	-	-
		Direct Half Yearly Dividend Option	10.1540	-	-	-
		Direct Bonus Option	-	-	-	-
4	Annualised Return \$	Growth Option	7.34%	9.75%	8.91%	\$
		Direct Growth Option	8.55%	9.86%	10.18%	\$
5	Absolute Return (Growth Option)	Growth Option	NA	NA	NA	2.71%**
		Direct Growth Option	NA	NA	NA	2.86%**
6	Benchmark Returns	Growth Option	9.26%	10.35%	10.56%	2.43%**
		Direct Growth Option	9.26%	10.35%	10.56%	2.43%**
7	Name of Benchmark adopted		CRISIL Composite Bond Fund Index	CRISIL Short Term Bond Fund Index	CRISIL Short Term Bond Fund Index	CRISIL Liquid Fund Index
8	Net Assets at end of Period (Rs. Crs)		32.90	0	72.1	25.17
9	Total Expense as % of AAuM (excluding unrealised depreciation)	Regular Plans	1.65%	0.25%	1.45%	1.00%
		Direct Plans	0.60%	0.15%	0.36%	0.50%
@ Nav as on March 31st 2014.						
* Computed Nav as on March 31st 2014.						
# Gross dividend declared during the year						
^^ New Direct Plans introduced in Jan 2013.						
** Absolute returns updated for schemes not completed 1 year.						
\$ Since Indiabulls Arbitrage Fund have not completed 1 year, annualized returns are not given.						

For the F.Y. 2015-2016 :

	Plan	Regular	Direct	Regular	Direct	Regul ar	Dire ct	Regular	Direct	Direct	Regul ar
	Date of Allotment	25-Oct-11		06-Jan-12		10-Feb-12		10-Jan-13		04-Mar-13	
	Financial year	2015-16		2015-16		2015-16		2015-16		2015-16	
1	NAV at the beginning of the year (Rs.) @										
	Growth Option	1,358.7353	1,361.4178	1,338.9140	1,350.8839	14.96	15.32	1,222.9702	1,255.8802	11.8651	10.1866*
	Dividend Option	-	-	-	-	14.96	15.32	-	-	-	-
	Daily Dividend Option	1,000.5175	1,000.4324	1,002.1120	1,004.3508	-	-	-	-	-	-
	Weekly Dividend Option	1,007.7546	1,009.0225	1,002.1447	1,002.2179	-	-	1,045.9267	-	-	-
	Fortnightly Dividend Option	-	-	-	1,002.9778	-	-	1,044.7821	-	-	-
	Monthly Dividend Option	^^	^^	1,003.3956	1,002.9378	-	-	1,045.3189	-	10.6061	10.0010*
	Quarterly Dividend Option	-	-	-	-	-	-	-	-	10.1783	10.1508*
	Half Yearly Dividend Option	-	-	-	-	-	-	-	-	10.1540	10.0114*
	Bonus Option	-	-	-	-	-	-	-	1,255.8583	-	-
2	Total Dividend per unit distributed during the period (plan wise) #										
	High										
	Growth Option	1,472.5653	1,477.0680	-	-	15.87	16.41	1,306.4424	1,351.6985	12.8302	11.5920
	Dividend Option	-	-	-	-	15.87	16.41	-	-	-	-
	Daily Dividend Option	1,001.1451	1,001.0600	1,002.6238	1,004.3508	-	-	-	-	-	-
	Weekly Dividend Option	1,024.0461	1,036.9363	-	-	-	-	1,091.5130	-	-	-

	Fortnightly Dividend Option	-	-	-	1,007.9434	-	-	1,116.4516	1,047.5922	-	-
	Monthly Dividend Option	-	1,027.7470	-	-	-	-	1,086.9594	1,048.1174	10.6954	10.5387
	Quarterly Dividend Option	-	-	-	-	-	-	-	-	11.0062	10.8860
	Half Yearly Dividend Option	-	-	-	-	-	-	-	-	10.9798	10.8250
	Bonus Option	-	-	-	-	-	-	-	1,259.9463	-	-
	Low										
	Growth Option	1,359.0927	1,361.7778	-	-	12.58	13.15	1,206.0337	1,240.3422	11.8477	10.0926
	Dividend Option	-	-	-	-	11.83	12.12	-	-	-	-
	Daily Dividend Option	1,000.5175	1,000.4324	1,002.0651	1,004.3202	-	-	-	-	-	-
	Weekly Dividend Option	1,000.0352	999.8758	-	-	-	-	1,027.4838	-	-	-
	Fortnightly Dividend Option	-	-	-	1,000.8332	-	-	1,030.3528	999.6000	-	-
	Monthly Dividend Option	-	999.4732	-	-	-	-	1,030.8367	999.6880	10.5153	9.9088
	Quarterly Dividend Option	-	-	-	-	-	-	-	-	10.1634	10.0534
	Half Yearly Dividend Option	-	-	-	-	-	-	-	-	10.1391	9.9190
	Bonus Option	-	-	-	-	-	-	-	1,000.0000	-	-
3	NAV at the end of the year										
	Growth Option	1,472.5653	1,477.0680	1,454.3383	1,477.7521	14.06	14.72	1,306.4424	1,351.6985	12.8302	11.5920
	Dividend Option	-	-	-	-	12.12	12.41	-	-	-	-
	Daily Dividend Option	1,001.1451	1,001.0600	1,002.6238	1,004.3508	-	-	-	-	-	-
	Weekly Dividend Option	1,003.0973	1,001.5179	1,004.4812	1,004.5906	-	-	1,053.9660	1,000.0000	-	-
	Fortnightly Dividend	1,000.0000	1,000.0000	1,000.0000	1,004.05	-	-	1,116.451	1,014.	-	-

	Option		0		85			6	5525		
	Monthly Dividend Option	1,012.2326	1,027.7470	1,004.1222	1,003.7902	-	-	1,043.9644	1,025.7060	10.5889	10.3542
	Quarterly Dividend Option	-	-	-	-	-	-	-	-	11.0062	10.4464
	Half Yearly Dividend Option	-	-	-	-	-	-	-	-	10.9798	10.1432
	Bonus Option	-	-	-	-	-	-	-	-	-	-
4	Annualised Return										4
		9.12%	8.97%	9.25%	9.51%	8.58%	10.57%	8.65%	9.80%	7.13%	8.44%
5	Benchmark return	8.71%	8.78%	8.71%	8.78%	9.17%	8.43%	8.97%	8.97%	8.94%	8.94%
6	Name of Benchmark adopted	CRISIL Liquid Fund Index		CRISIL Liquid Fund Index		Nifty 50 Index		I-Sec Composite Index		CRISIL Composite Bond Fund Index	
7	Net Assets at end of Period (Rs. Crs)	2300.06		632.61		182.91		21.87		407.27	
8	Total Expense as % of AAUM (excluding unrealised depreciation)	0.29%	0.19%	1.17%	0.33%	2.54%	0.58%	1.16%	0.37%	1.86%	0.50%

Sr. No.	Plan	Indiabulls Short Term Fund		Indiabulls Arbitrage Fund		Indiabulls Monthly Income Fund		Indiabulls Value Discovery Fund		Indiabulls Fmp Series V (Plan 1) - 1175 Days	
		Regular	Direct	Regular	Direct	Regular	Direct	Regular	Direct	Regular	Direct
	Date of Allotment	13-Sep-13		19-Dec-14		2 - Dec 2015		8 - Sep 2015		02-Aug-13	
	Financial Year	2015-16		2015-16		2015-16		2015-16		2015-16	
1	NAV at the beginning of the year (Rs.) @										
	Open										
	Growth Option	1,141.5584	1,162.2438	10.2712	10.2857						
	Dividend Option	-	-	10.2712	10.2857						
	Daily Dividend Option	-	-	-	-	-	-	-	-	-	-
	Weekly Dividend Option	1,011.3746	^^	-	-	-	-	-	-	-	-
	Fortnightly Dividend Option	-	-	-	-	-	-	-	-	-	-
	Monthly Dividend Option	1,012.5131	1,012.4752	-	-	-	-	-	-	-	-
	Quarterly Dividend Option	-	-	-	-	-	-	-	-	-	-
	Half Yearly Dividend Option	-	-	-	-	-	-	-	-	-	-
	Bonus Option	-	-	-	-	-	-	-	-	-	-
2	Total Dividend per unit distributed during the period (plan wise) #										
	High										
	Growth Option	1,250.8728	1,293.5393	11.0142	11.1096	10.1513	10.2001	-	-	10.0346	10.0349
	Dividend Option	-	-	10.4643	10.5180	10.1513	10.2001	-	-	-	-
	Daily Dividend Option	-	-	-	-	-	-	-	-	-	-
	Weekly Dividend Option	1,019.7235	1,015.1821	-	-	-	-	-	-	-	-
	Fortnightly Dividend Option	-	1,006.2159	-	-	-	-	-	-	-	-

	Monthly Dividend Option	1,025.3512	1,051.8464	-	-	-	-	-	-	-	-
	Quarterly Dividend Option	-	-	-	-	-	-	-	-	-	-
	Half Yearly Dividend Option	-	-	-	-	-	-	-	-	-	-
	Bonus Option Low	-	-	-	-	-	-	-	-	-	-
	Growth Option	1,143.2967	1,164.1855	11.0142	11.1096	10.0011	10.0015	-	-	10.0000	10.0000
	Dividend Option	-	-	10.3454	10.4384	10.0011	10.0015	-	-	-	-
	Daily Dividend Option	-	-	-	-	-	-	-	-	-	-
	Weekly Dividend Option	1,010.0538	1,000.0000	-	-	-	-	-	-	-	-
	Fortnightly Dividend Option	-	1,000.0000	-	-	-	-	-	-	-	-
	Monthly Dividend Option	1,010.0370	1,009.8674	-	-	-	-	-	-	-	-
	Quarterly Dividend Option	-	-	-	-	-	-	-	-	-	-
	Half Yearly Dividend Option	-	-	-	-	-	-	-	-	-	-
	Bonus Option	-	-	-	-	-	-	-	-	-	-
3	NAV at the end of the year										
	End										
	Growth Option	1,250.8728	1,293.5393	11.0142	11.1096	10.1513	10.2001	9.3635	9.4838	10.0346	10.0349
	Dividend Option	-	-	10.3454	10.4384	10.1513	10.2001	9.3635	9.4838	-	-
	Daily Dividend Option	-	-	-	-	-	-	-	-	-	-
	Weekly Dividend Option	1,013.3713	1,004.5515	-	-	-	-	-	-	-	-
	Fortnightly Dividend Option	1,000.0000	1,002.5731	-	-	-	-	-	-	-	-
	Monthly Dividend Option	1,012.3537	1,012.2389	-	-	-	-	-	-	-	-

	Quarterly Dividend Option	-	-	-	-	-	-	-	-	-	-
	Half Yearly Dividend Option	-	-	-	-	-	-	-	-	-	-
	Bonus Option	-	-	-	-	-	-	-	-	-	-
4	Annualised Return	9.18%	10.63%	7.83%	8.55%	@@ (6.37%)	@@ (5.16%)	@@ 1.51%	@@ 2.00%	@@ 0.35%	@ 0.35%
5	Benchmark Returns	9.74%	9.74%	8.24%	8.24%	@@ 0.58%	@@ 0.58%	@@ 2.08%	@@ 2.08%	@@ 0.30%	@ 0.30%
6	Name of Benchmark adopted	CRISIL Short-Term Bond Fund Index		CRISIL Liquid Fund Index		CRISIL MIP Blended Index		S&P BSE 500		CRISIL Short Term Bond Fund Index	
7	Net Assets at end of Period (Rs. Crs)	243.76		154.60		21.58		23.46		36.84	
8	Total Expense as % of AAuM (excluding unrealised depreciation)	1.70%	0.43%	1.26%	0.50%	2.26%	0.81%	2.26%	0.21%	1.07%	0.66%

Notes:

^^ There were no investors in the plan

@@ Since the scheme has not completed one year since inception the returns are calculated in absolute terms

@ Nav as on March 31st 2015.

* Computed Nav as on March 31st 2016.

II. HOW TO APPLY?

Applications should be made for atleast a minimum amount as mentioned in Scheme Information Document (SID) of the respective Schemes. Application Forms / Transaction Slips for purchase of Units of the Scheme will be available at the ISCs / distributors / designated branches of the AMC. Applications filled up and duly signed by all joint investors should be submitted along with the cheque /draft / other payment instrument to a Designated Collection Centre. Please refer to the paragraph "How to pay" below for details for making payment.

In order to protect investors from fraudulent encashment of cheques, the 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 applications for Purchase of Units must provide a bank name, bank account number, branch address, and account type in the Application Form. Application Form without these details will be treated as incomplete, and rejected. The Investor is required to provide a blank cancelled cheque or its photocopy for the purpose of enabling verification of his bank mandate particulars where the Investor pays application money through cheque drawn on bank account different than bank mandate specified in the Application Form or through demand draft.

Submission of PAN Card: With effect from January 1, 2008 it is mandatory for investors to provide a certified copy of their PAN number card (PAN Card) which should be attached alongwith their application. In case of application in name of minors, PAN Card of parent / guardian signing on behalf of the minor shall be furnished.

The PAN number of the investor will be duly verified by the AMC as required by Regulations. In the event of certified copy of PAN Card not attached to the application, or in case of un-successful verification of PAN number, the application is liable to be rejected.

This clause does not apply to investors residing in the state of Sikkim, investors in a Micro SIP (as mentioned below), officials of Central Government, State Government and those appointed by the Courts e.g. Official Liquidator, Court Receiver, etc. (under the category of Government). Alternatively, the investor may provide the KYC acknowledgement letter in lieu of the copy of the PAN card.

In accordance with the guidelines issued by AMFI on July 14, 2009 and in terms of SEBI letter dated June 19, 2009, investors investing under a SIP up to Rs. 50,000 per year i.e. the aggregate of installments in a rolling 12 month period ("Micro SIP"), are exempt from the requirement of providing PAN as a proof of identification and a copy of the KYC Compliance letter. However, as per AMFI Circular dated December 23, 2010 such investors are required to furnish an attested copy (self attested / attested by an AMFI registered distributor bearing its AMFI Registration Number) of any of the photo identification documents and proof of address as specified in the respective scheme information documents / key information memorandum / application forms. It is clarified that where photo identification documents contains the address of the investor, a separate proof of address is not required.

The aforesaid exemption is applicable to (i) investments only by individuals (including Non Resident Indians, but not Persons of Indian Origin), minors and sole proprietary firms; and (ii) joint holders.

As per AMFI Guidelines with effect from January 01, 2011, 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 all investors (including Power of Attorney holder and guardian in case of a minor) intending to invest any amount in units of mutual funds. However, investors investing through Micro SIP and investors residing in the State of Sikkim shall not be subject to the KYC formalities as stated herein and as per the respective scheme information documents. Please refer to section on 'Requirements of Prevention of Money Laundering Act and KYC Requirements' for further details

A. How to Pay

All subscription cheques / drafts / payment instruments must be drawn favouring the name of the Scheme or in such name as mentioned in the SID of the respective Scheme. They should be crossed "Account Payee only". A separate cheque or bank draft must accompany each application. Multiple cheques with single application are not permitted.

Payment can be made by any of the following modes:

- Cheque;
- Demand draft;
- a payment instrument (such as pay order, bankers' cheque etc.); or
- Electronic transfer of funds over the internet or by way of direct credit / RTGS / NEFT to designated Scheme collection account.

The payment instrument should be payable at a bank's branch, which is situated at and is a member of the Banker's Clearing House / Zone in the city where the application is submitted to a Designated Collection Centre.

An investor may invest through a distributor with whom the AMC has made an arrangement, whereby payment may be made through NEFT / RTGS / Wire Transfer or in any manner acceptable to the AMC, and is evidenced by receipt of credit in the bank account of the Fund.

The following modes of payment are not valid, and applications accompanied by such payments are liable to be rejected.

- Outstation cheques;
- Cash, money orders or postal orders;
- Post dated cheques excluding SIP;
- Multiple cheques with a single application; and
- Payments received from any person other than the applicant investor or a person holding a bank account jointly with the applicant investor, except that guardians / parents / authorized persons can make payments

in respect of their minor children/ wards/ persons of whom they have lawful custody or in any other specific circumstances as AMC may agree.

In case of subscription through pre-funded instruments like Pay Order/ Demand Draft/ Banker's cheque, such pre-funded instruments should be procured by the investors only against a registered Pay-in account. Along with the payment instrument, the investor is also required to submit a Certificate from the Banker issuing the pre-funded payment instruments stating the account holder's name and the account number from which the amount has been debited for the issue of the instrument. The said Certificate should be duly certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number.

Subscription through pre-funded instruments procured against cash shall only be accepted for investment below Rs. 50,000. Investor is required to provide a certificate from Banker issuing the pre-funded payment instrument stating the name, address and PAN (if available) of the person who has requested for such pre-funded instruments. The said Certificate should be duly certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number. The AMC/Mutual Fund/ RTA will check that the name mentioned in the certificate matches with the first named investor.

Applications accompanied by cheques/ drafts not fulfilling the above criteria are liable to be rejected. Returned cheques will not be re-presented for collection and the accompanying application will be rejected.

The Trustee, at its discretion, may choose from time to time to alter or add other modes of payment.

B. Payment by NRIs, PIOs, FIIs

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

However, NRI investors, if they so desire, also have the option of investing on a non-repatriable basis.

(i) Repatriable basis

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

In case Indian Rupee drafts are purchased abroad or from FCNR/ NRE accounts, an account debit certificate from the bank issuing the draft confirming the debit shall also be enclosed. NRIs shall also be required to furnish such other documents as may be necessary and as desired by the Fund in connection with the investment in the Scheme.

FIIs may pay their subscriptions either by inward remittance through normal banking channels or out of funds held in a Non- Resident Rupee Account maintained with the designated branch of an authorised dealer.

In case Indian rupee drafts are purchased by the FII from 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. Payments shall be made by cheques/demand drafts crossed "Account Payee Only".

(ii) Non-repatriable basis

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

C. ASBA Facility

In accordance with SEBI circulars dated March 15, 2010 and July 28, 2010, the investors can additionally make payments through Applications Supported by Blocked Amount facility (“ASBA facility”) for investments in a Scheme / Plan / Option. The ASBA facility will be available only during the NFO of a Scheme.

Under the ASBA facility, the investor gives an authorization to the bank concerned to block the amounts towards subscription of the Units in the mandated bank account till the allotment of Units. On allotment, in respect of investors who have made applications through the ASBA facility, the amounts towards subscription of Units blocked in the respective bank accounts as mandated by the investors will be unblocked to the extent of Units allotted and the amounts so unblocked will be transferred to the bank account of a scheme.

The procedure to be followed for ASBA facility:

1. An investor intending to subscribe to the Units of a scheme during the NFO through ASBA, is required to submit a duly completed ASBA Application Form (“ASBA Form”) to a Self Certified Syndicate Bank (“SCSB”), with whom the investor has a bank account.

2. The ASBA Form can be submitted through anyone of the following modes :

- Physical mode: Under this mode the ASBA Form can be submitted to the Designated Branches (“DBs”) of the SCSB (“Physical ASBA”);
- Electronic mode: Under this mode the ASBA Form can be submitted electronically through the internet banking facility offered by the SCSB (“Electronic ASBA”).

3. On submission of the ASBA form, an acknowledgement will be given by the SCSB. Such acknowledgement does not guarantee, in any manner that the investors will be allotted the Units applied for.

Note: If the bank account specified in the ASBA Form does not have sufficient amount mentioned towards the subscription of Units, the bank shall reject the ASBA Form.

4. On acceptance of ASBA Form, the SCSB shall block funds available in the bank account specified to the extent of amount towards subscription of units.

5. The amounts as specified above shall be blocked in the specified bank account until; (i) Allotment of Units or (ii) Rejection of the ASBA Form, as the case may be.

6. The amounts so blocked shall be unblocked by the SCSBs; (i) on allotment of units and the SCSB shall transfer the amount to the bank account of the scheme, or (ii) in case the ASBA form is rejected.

7. The list of SCSBs and the DBs where ASBA Form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in).

Note: The investors will not be allowed to withdraw the ASBA Form submitted during the NFO, post closure of NFO period.

D. Registration of Multiple Bank Accounts

In accordance with the AMFI Circular on Risk Mitigation process against Third – Party Cheques in Mutual Fund Subscriptions, the Fund has set up a verification process for identifying the Third Party Payments. With reference to the same, for investors to have a hassle free transactions the Indiabulls Mutual Fund provides a facility to register more than one bank account for the purpose of subscription, receiving redemption and dividend proceeds.

Individuals, HUF and Sole Proprietary firms are permitted to register upto 5 bank accounts and non individuals are permitted to register upto 10 bank accounts.

Investors are advised to visit AMC’s website www.indiabullsamc.com/Downloads/Forms or any of the AMC branches / ISCs of Karvy for the list of following documents or clarifications for the above.

- a) Cancelled cheque leaf,
- b) Bank Statement / Pass Book Page with account number, name and address, or
- c) Bank letter / certificate with the account holders' name, account number, MICR, IFSC and branch address.

If a copy of the above mentioned documents is submitted, investors should bring the original of the referred documents to the ISCs /Official Point of Acceptance of Fund the office for verification. Investors shall ensure that the first-named unit holder in the folio is one of the bank account holders.

- Investors are requested to note the following process shall be adopted for Change of Bank Mandate in the folio:
- a) Investors shall submit duly filled in “Non Financial Transaction Form & Multiple Bank Accounts Registration Form” alongwith the prescribed documents at any of the AMC branches / ISCs of Karvy.
 - b) Any unregistered bank account or a new bank account forming part of redemption request shall not be processed.
 - c) There shall be a cooling period of 10 calendar days for validation and registration of new bank account. Further, in case of receipt of redemption request during this cooling period, the validation of bank mandate and dispatch of redemption proceeds shall be completed within a period of 10 working days from the date of receipt of redemption request.
 - d) In the interim, redemptions / dividend payments, if any, will be processed as per specified service standards and the last registered bank account information will be used for such payments to Unit holders.
 - e) In case, the request for change in bank account information being invalid / incomplete / dissatisfactory in respect of signature mismatch/ document insufficiency/ not complying with any requirements as stated above, the request for such change will not be processed.

E. Application via Electronic mode

Subject to the investor fulfilling certain terms and conditions stipulated by the AMC as under, Indiabulls AMC, Indiabulls Mutual Fund or any other agent or representative of the AMC, Mutual Fund, the Registrar may accept transactions through any electronic mode ["fax/ email /web/electronic transactions"] as permitted by SEBI or other regulatory authorities:

1. The acceptance of the fax/ email/ web/ electronic transactions will be solely at the risk of the transmitter of the fax/ email / web/ electronic transactions and the recipient shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such transactions.
2. The recipient will also not be liable in the case where the transaction sent or purported to be sent is not processed on account of the fact that it was not received by the recipient.
3. The transmitter's request to the recipient to act on any fax/ email/ web/ electronic transmission is for the transmitter's convenience and the recipient is not obliged or bound to act on the same.
4. The transmitter acknowledges that fax/ email / web / electronic transactions is not a secure means of giving instructions/ transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission.
5. The transmitter authorizes the recipient to accept and act on any fax / email / web / electronic transmission which the recipient believes in good faith to be given by the transmitter and the recipient shall be entitled to treat any such fax/ email/ web/ electronic transaction as if the same was given to the recipient under the transmitter's original signature.
6. The transmitter agrees that security procedures adopted by the recipient may include signature verification, telephone call backs which may be recorded by tape recording device and the transmitter consents to such recording and agrees to cooperate with the recipient to enable confirmation of such fax/ email/ web/ electronic transaction requests.
7. The transmitter accepts that the fax/ email / web / electronic transactions shall not be considered until time stamped as a valid transaction request in the Scheme in line with SEBI regulations.
8. In consideration of the recipient from time to time accepting and at its sole discretion acting on any fax/ email / web / electronic transaction request received / purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Indiabulls Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature [whether actual or contingent] directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax / web / electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the transmitter even though it may not come from the transmitter.

G. Additional Facilities for Transaction of Units

- (a) **Transactions through Channel Distributors:** Investors may enter into an agreement with certain distributors (with whom AMC also has a tie up) referred to as “Channel Distributors” who provide the facility to investors to transact in units of mutual funds through various modes such as their website /other electronic means or through Power of Attorney in favour of the Channel Distributor, as the case may be. Under such arrangement, the Channel Distributors will aggregate the details of transactions (viz. subscriptions/ redemptions/switches) of their various investors and forward the same electronically to the AMC / R&TA for processing on daily basis as per the cut-off timings applicable to the relevant schemes.

(b) **Transactions through Online Portal:** Indiabulls Mutual Fund provides facility to investors to transact online through 'TRANSACT ONLINE' section on its website www.indiabullssamc.com. Through TRANSACT ONLINE, investors can execute transactions online for purchase, redemption, switch and also register for Systematic Transfer Plan (STP)/Systematic Withdrawal Plan (SWP) of units of schemes of the Fund as may be introduced by Indiabulls Mutual Fund from time to time. Investors can also view account details and portfolio valuation online, download account statements and request for documents via email, besides other options. Investors may also avail such other facilities for transactions in units of schemes of the Fund as may be introduced by Indiabulls Mutual Fund from time to time. The purchase facility is available with select banks and subject to submission of Permanent Account Number (PAN) and Know Your Customer (KYC) compliance.

(c) **Transactions Through MF Utility ("MFU"):** 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 formed by the Asset Management Companies of SEBI registered Mutual Funds under the aegis of Association of Mutual Funds in India (AMFI). MFU acts as a transaction aggregation portal for enabling transaction in multiple Schemes of various Mutual Funds with a single form and a single payment instrument. Both financial and non-financial transactions pertaining to Scheme(s) of Indiabulls Mutual Fund ('the Fund') can be done through MFU at the authorized Points of Service ("POS") of MFUI. The details of POS with effect from the respective dates published on MFU website at www.mfuindia.com will be considered as Official Point of Acceptance (OPA) for transactions in the Scheme(s) of the Fund.

Additionally, such transactions can also be carried out electronically on the online transaction portal of MFU at www.mfuonline.com as and when such a facility is made available by MFUI and that the same will be considered OPA for transactions in the Scheme(s) of the Fund.

(d) **Facilitating transactions in Schemes of Indiabulls Mutual Fund through the Stock Exchange Infrastructure**

SEBI, vide its Circulars No. CIR/MRD/DSA/32/2013 dated October 4, 2013 and CIR/MRD/DSA/33/2014 dated December 9, 2014, has permitted Mutual Fund Distributors (MF Distributors) to use recognized Stock Exchange infrastructure to purchase/redeem units directly from Mutual Fund/AMC on behalf of their clients. Accordingly, it has been decided to modify and incorporate the following details in Scheme Information Document (SID) of all open-ended schemes of Indiabulls Mutual Fund, under the paragraph titled "Transactions through Stock Exchange Platform for Mutual Funds" under the section Facilities available.

Following guidelines shall be applicable for transactions executed through Mutual Fund Distributors through the Stock Exchange Mechanism:

- Mutual Fund Distributor registered with Association of Mutual Funds in India (AMFI) and who has been permitted by the concerned recognised stock exchange will be eligible to use NMF-II platform of National Stock Exchange of India Ltd. ('NSE') and/or of BSE Star MF platform of Bombay Stock Exchange ('BSE') to purchase and redeem units of schemes of the Fund directly from Indiabulls Mutual Fund in physical (non-demat) mode and/or demat (electronic) mode.
- MF distributors shall not handle pay out/pay in of funds as well as units on behalf of investor. Pay in will be directly received by recognized clearing corporation and payout will be directly made to investor's account. In the same manner, units shall be credited and debited directly from the demat account of investors.
- Non-demat transactions are also permitted through stock exchange platform.
- The facility of transacting in mutual fund schemes through stock exchange infrastructure is available subject to such operating guidelines, terms and conditions as may be prescribed by the respective Stock Exchanges from time to time.

(e) **Introduction of additional facility 'K-TRACK' for transaction in the units of Indiabulls Mutual Fund towards additional purchase, redemption or switch:**

- Investor may take note of additional facility for transaction in Indiabulls Mutual Fund through K-TRACK; mobile application provided by Karvy Computershare Pvt. Ltd. Investors may execute additional purchase, redemption or switch transaction through K-TRACK mobile application.
- Investors can avail the K-TRACK service w.e.f. January 09, 2017.
- The AMC reserves the right to alter/ discontinue all / any of the abovementioned special facility (ies) at any point of time. Further, the AMC reserves the right to introduce more special facility (ies) at a later date subject to prevailing SEBI Guidelines and Regulations.

The AMC reserves the right to discontinue the facility at any point of time.

G. Applications under Power of Attorney

An applicant applying through his power of attorney holder must lodge a copy of the Power of attorney (POA) attested by a notary public or the original POA (which will be returned after verification) alongwith the Application Form / Transaction Slip at an ISC. The enclosure of original POA should be duly indicated in the Application Form.

H. Application by 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 a document providing evidence of the authority to the organisation to invest in units of mutual fund(s), along with the updated specimen signature list of authorised signatories must be submitted along with the Application Form / Transaction Slip. Further, a certified copy of the incorporation deeds / constitutive documents (e.g. memorandum of association and articles of association) should be submitted, where the AMC so requires. Any request may not be processed if the necessary documents are not submitted.

I. 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 investors, they have an option to specify the mode of holding as either ‘Joint’ or ‘Anyone or Survivor’.

If the mode of holding is specified as ‘Joint’, all instructions to the Fund would have to be signed jointly by all the Unit Holders. 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.

In case if nothing is mentioned by the investor in the application form the default option shall be ‘Joint’ or as mentioned in the SID of the Scheme.

In all cases, all communication to Unit Holders (including account statements, statutory notices and communication, etc.) will be addressed to the Unit Holder whose name appears first in terms of priority in the Register. All payments, whether for Redemptions, dividends, etc will be made favouring the first-named Unit Holder. Service of a notice on or delivery of a document to any one of several joint Unit Holders shall be deemed effective service on or delivery to the other joint Unit Holders.

Any notice or document so sent by post to or left at the address of a Unit Holder appearing in the Register shall notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Investment Manager has notice of such death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under the Unit Holder) in the Units concerned.

J. Where to Submit Application Forms

Duly completed application forms for purchase of Units under a Scheme during the New Fund Offer period along with full payment may be submitted to any of the Designated Collection Centres or ISCs notified by the AMC. (Details in respect of this shall be provided in the Combined Scheme Information Document (SID) of the respective Schemes).

K. Eligibility for Investment:

(i) Who can invest?

Prospective investors are advised to satisfy themselves that they are not prohibited or restricted under any law from investing in the Scheme and are authorised to subscribe to or purchase units in the Scheme as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions.

The following is an indicative list of persons who are generally eligible and may apply for subscription to the Units of the Scheme:

- Resident Indian adult individuals, either singly or jointly (not exceeding three);
- Minor through parent / lawful guardian; (refer note below);
- Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;
- Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorised to invest in Mutual Fund Schemes under their trust deeds;
- Partnership Firms constituted under the Indian Partnership law;
- A Hindu Undivided Family (HUF) through its Karta;
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;
- Non-Resident Indians (NRIs) / Persons of Indian Origin (PIO,) on full repatriation basis or on non-repatriation basis;
- Foreign Institutional Investors (FIIs) registered with SEBI , on full repatriation basis;
- Army, Air Force, Navy and other para-military funds and eligible institutions;
- Scientific and Industrial Research Organisations;
- Provident / Pension / Gratuity and such other Funds as and when permitted to invest;
- International Multilateral Agencies approved by the Government of India / RBI;
- The Trustee, AMC, their Shareholders, Sponsor or their affiliate, associate or group entities (as per prevailing laws); and
- The Fund or any other mutual fund through its Schemes, including fund of funds Schemes, subject to Regulations.
- Qualified Institutional Investor (QFI)
- Such other category of investors that the AMC may permit.

Note: A minor Unit Holder, on attaining majority, may inform the Scheme Registrar about attaining majority and provide his/her specimen signature duly authenticated by his/her banker as well as details of his/her bank account and PAN number to enable the Registrar to update records and allow him/her to operate the Account in his/her own right.

The above list is only indicative and exact eligibility for investment may be referred to the SID of the respective Scheme.

Any application for Units may be accepted or rejected in the sole and absolute discretion of the AMC / Trustee and further in accordance with the provisions of the SID. For example, the Trustee may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the Scheme's Unit capital is not in the general interest of the Unit Holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unit Holders to accept such an application.

(ii) Who cannot invest?

It should be noted that the following persons / entities cannot invest in a Scheme:

- Any individual who is a Foreign National or any other entity that is not an Indian resident (other than PIO) under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FII or FII sub account.
- Overseas Corporate Bodies, as defined under the Foreign Exchange Management Act, 1999.
- NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.
- Persons residing in countries which require licensing or registration of Indian Mutual Fund products before selling the same in its jurisdiction.

The Fund reserves the right to include/ exclude new / existing categories of investors to who can invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.

The AMC/ Trustee may need to obtain from the investor verification of identity or such other details relating to a subscription for Units as may be required under any applicable law, which may result in delay in processing the application.

Subject to the Regulations and other applicable laws, the AMC / Trustee may reject any application received in case the application is found invalid / incomplete or for any other reason in the Trustee's sole discretion.

III. RIGHTS OF THE UNITHOLDERS OF A SCHEME

1. Unit holders of a scheme have a proportionate right in the beneficial ownership of the assets of that scheme.
2. When the Mutual Fund declares a dividend under a scheme, the dividend warrants shall be despatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be despatched to the Unit holder within 5 business days from the date of acceptance of such requests. Provided if a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non- transferable) within 5 working days of the receipt of request for the certificate.
3. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of accepting the Redemption request.
4. 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.
5. 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 respective scheme.
6. 75% of the Unit holders of a scheme can pass a resolution to wind- up that scheme.
7. 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 that scheme.
 - when the Trustee decides to wind up the scheme or prematurely redeem the Units.
 - 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 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

- the Unit holders of that scheme are given an option to exit at the prevailing Net Asset Value without any Exit Load.
8. In specific circumstances, where the approval of Unit holders 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.
 9. No amendments to the Trust Deed shall be carried out without prior approval of SEBI, and Unitholders approval would be obtained if it affects their interests.

IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

A. Background

SEBI has amended Regulation 47 and the Eighth Schedule relating to valuation of investments on February 21, 2012 to introduce overriding principles in the form of “Principles of Fair Valuation”. Prior to this amendment, Eighth schedule and various circulars issued from time to time provided detailed guidelines on valuation of traded securities, non-traded securities, thinly traded securities, etc. The amended regulations require that mutual funds shall value their investments in accordance with principles of fair valuation so as to ensure fair treatment to all investors i.e. existing investors as well as investors seeking to subscribe or redeem units.

It further prescribes that the valuation shall be reflective of the realizable value of securities and shall be done in good faith and in a true and fair manner through appropriate valuation policies and procedures approved by the Board of the asset management company (AMC).

The amendment also states that in case of any conflict between the principles of fair valuation and valuation guidelines as per Eighth Schedule and circulars issued by SEBI, the Principles of Fair Valuation shall prevail.

Further, in accordance with AMFI Best Practice Guidelines Circular No. 47/ 2014-15 – Guidelines on Valuation of BRDS dated May 26, 2014 seek clarification regarding valuation of Bills Rediscounting (BRDS) instruments & follow mark to market methodology for valuation of these instruments for maturities above 60 days.

BRDS is issued in physical form in the form of usance promissory note. Sec 45U of the Reserve Bank of India (Amendment) Act, 2006 defines BRDS as a money market instrument. SEBI Regulations also defines BRDS as money market instrument. As BRDS is termed as a money market instrument and is a negotiable instrument, it has been recommended by AMFI Valuation Committee that BRDS should be valued similar to other money market instruments as per the extant Valuation policies.

B. Policy Coverage

This policy shall cover the following:

1. Valuation methodologies for particular types of securities
2. Inter-scheme transfers
3. Composition and role of the Valuation Committee
4. Periodic review
5. Conflict of interest
6. Exceptional events
7. Record keeping
8. Provisioning for Non -Performing Asset (NPA)

1. Valuation methodologies

1. Annexure I describe the methodologies for valuing each and every type of security held by the schemes.
2. Investment in any new type of security shall be made only after establishment of the valuation methodology for such security with the approval of the board of the AMC.

2. Inter-scheme transfers

1. Inter-scheme transfers shall be done as per regulations and internal policy at prevailing market price (essentially fair valuation price).
2. Annexure I describe the methodology to determine the fair valuation of securities which are intended to be transferred from one scheme to another.

3. Valuation Committee

In accordance with the SEBI circular MFD/CIR No. 010/024/2000 dated January 17, 2000 every Asset Management Company should formulate Valuation Committee to review investment valuation practices. Valuation Committee comprising of the CEO, Heads of Investment, Head of Compliance and the Head of Operations of the AMC will review and recommend matters pertaining to the valuation of securities in which the various schemes of Indiabulls Mutual Fund has invested or may invest.

4. Periodic Review

The valuation committee shall be responsible for ongoing review of the valuation methodologies in terms of its appropriateness and accuracy in determining the fair value of each and every security. As per the provision of Eighth Schedule of SEBI(Mutual Funds) Regulations, 1996, Valuation Policy and procedures shall be reviewed at least once in a financial year by an independent auditor to ensure its continued appropriateness.

5. Conflict of Interest

The valuation committee shall be responsible for ongoing review of areas of conflict (including potential areas, if any) and should recommend to the AMC Board the procedures to mitigate it.

6. Exceptional Events

1. Following types of events could be classified as Exceptional events where current market information may not be available / sufficient for valuation of securities:
 - a. Major policy announcements by the Central Bank, the Government or the Regulator.
 - b. Natural disasters or public disturbances that force the markets to close unexpectedly.
 - c. Absence of trading in a specific security or similar securities.
 - d. Significant volatility in the capital markets.
2. **Escalation Procedure:**
 - a. Valuation Committee shall be responsible for monitoring Exceptional events and recommending appropriate valuation methods under the circumstances with due guidance from the AMC Board.
 - b. Under such circumstances, Valuation committee shall seek the guidance of the AMC Board in deciding the appropriate methodology for valuation of affected securities.
 - c. Deviations from the valuation policy and principles, if any, will be communicated to the unit holders' wide suitable disclosures on the fund website.

7. Record keeping

Policy document should be updated in SID / SAI, website and other documents as prescribed by the SEBI regulations and guidelines. All the documents which form the basis of valuation including inter-scheme transfers (the approval notes & supporting documents) should be maintained in electronic form or physical papers. Above records will be preserved in accordance with the norms prescribed by the SEBI regulations and guidelines.

8. Provisioning for Non -Performing Asset (NPA)

Classification of an asset as an NPA for debt securities, provisioning and valuation of same would be done as per SEBI circular MFD/ CIR/ 8 / 92/ 2000, dated September 18, 2000.

An asset will be classified as an NPA after a quarter past due date of interest. E.g. if the due date for interest is 31.03.2015, it will be classified as NPA from 01.07.2015. After the expiry of the first quarter from the date the income has fallen due, there will be no further interest accrual on the asset. E.g. if the due date for interest falls on 31.03.2015 and if the interest is not received, accrual will continue till 30.06.2000 after which there will be no further accrual of income. Full provision will also be made for interest accrued and outstanding as on 31.03.2015

Once an investment has been recognized as NPA, provisioning would be made in a manner to ensure full provisioning prior to the closure of the scheme or the scheduled phasing whichever is earlier. The provisioning should be made at the following rates:

- 10% of the book value of the asset should be provided for after 6 months past due date of interest i.e. 3 months from the date of classification of the asset as NPA.
- 20% of the book value of the asset should be provided for after 9 months past due date of interest i.e. 6 months from the date of classification of the asset as NPA.
- Another 20% of the book value of the assets should be provided for after 12 months past due date of interest i.e 9 months from the date of classification of the asset as NPA.
- Another 25% of the book value of the assets should be provided for after 15 months past due date of interest i.e. 12 months from the date of classification of the asset as NPA.
- The balance 25% of the book value of the asset should be provided for after 18 months past due date of the interest i.e. 15 months from the date of classification of the assets as NPA.

Thus, in one and half years past the due date of income, the 'asset' will be fully provided for.

Valuation Policy: Annexure I

The revised policy is to be implemented from July 11, 2016 and will stand modified to the extent it is inconsistent with any regulatory pronouncements thereafter:

A. Equity and related securities

Asset Class	Traded / Non-traded	Basis of Valuation
Equity Shares, Preference Shares, Equity Warrants	Traded	On the valuation day, at the last quoted closing price on the National Stock Exchange (NSE)/ Bombay Stock Exchange (BSE) or other stock exchange, where such security is listed. If not traded on the primary stock exchange, the closing price on the other stock exchange will be considered. NSE will be the primary stock exchange.
	Non Traded	<p>1. When a security is not traded on any stock exchange, on the date of valuation, then the previous closing price on NSE / any other Stock Exchange will be used, provided such closing price is not exceeding a period of 30 calendar days.</p> <p>2. In all other cases</p> <p>a. Equity Shares: Valuation price will be in accordance with the norms prescribed as per SEBI Circular no. MFD/CIR/8/92/2000 dated September 18, 2000 as detailed below</p> <p>Based on the latest available Balance Sheet, Net Worth shall be calculated as follows:</p> <ul style="list-style-type: none">i) Net Worth per share = [Share Capital+ Reserves (excluding Revaluation Reserves) – Miscellaneous expenditure and Debit Balance in Profit and Loss Account] / Number of Paid up Shares.ii) Average Capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75 per cent i.e. only 25 per cent. Of the industry average P/E shall be taken as Capitalization rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts shall be considered for this purpose.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 per cent. for illiquidity so as to arrive at the fair value per share.iv) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.v) In case 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.vi) In case an individual security accounts for more than 5 per cent. of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5 per cent. Of the total assets of the scheme, it shall be valued by the

		<p>procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs will be compared on the date of valuation²⁰⁶.</p> <p>vii) In case trading in an equity security is suspended up to thirty days, then the last traded price shall be considered for valuation of that security. If an equity security is suspended for more than thirty days, then the AMC(s) or Trustees shall decide the valuation norms to be followed and such norms shall be documented and recorded.</p> <p>b. Preference Shares: Preference shares can be convertible or non-convertible. The non-convertible preference share will be valued at the present value of all the future expected dividend payments and the maturity value, discounted at the expected return on preference share.</p> <p>The value of convertible preference share can be arrived as follows,</p> <p>Value of Convertible Preference share = (Preference shares dividend/expected return on preference share) x (Face Value)</p> <p>c. Equity Warrants / Rights entitlement / Partly Paid up rights shares: Valuation price will be arrived, after applying appropriate discount (valuation committee delegated the power to decide the discount factor), after reducing the exercise price / issuance price from the closing price of the underlying cash equity security. The ratio of rights i.e. (no of rights offered / 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>d. Demerger: Where at least one resultant company is not immediately listed, valuation price will be worked out by using cum-price, before demerger reduced for quoted price of the listed resultant company (ies). OR In case of a demerger pending listing, the resultant company/ies shall be valued at the intrinsic value arrived at on the date of corporate action.</p> <p>e. Amalgamation/Merger /Spin off/ Differential voting rights: Valuation for the same shall be arrived at in good faith by the Valuation Committee of the AMC.</p>
	Thinly Traded	<p>Valuation will be computed on the basis of average of book value and the price computed on the basis of the PE ratio (after appropriate discount to industry PE), further discounted for illiquidity.</p> <p>Definition of thinly traded equity/ equity related security: When trading in an equity/equity related security in a calendar month is both less than INR 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security. The valuation shall be as per guidelines specified vide SEBI Circular no. MFD/CIR/8/92/2000 dated September 18, 2000 as listed under 'Non-traded' section above.</p>

Futures & Options	Traded Non Traded	On the valuation day, at the closing price provided by the respective stock exchanges. When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange.
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B. Fixed Income and related securities

Asset Category	Valuation Policy w.e.f. July 11, 2016	
Debt Securities having maturity above 60 days	In cases, where Security Level pricing is provided by the Agency/Agencies appointed by the AMC, simple average of the prices provided by the agencies proposed by AMFI (Currently CRISIL & ICRA) to be used on each valuation day. <u>In cases, where Security Level pricing is not available from the agencies, if the security is traded in the market, market price should be considered. If the market price is not available, purchase price will be considered.</u> Valuation Methodology	
	In case of T+0 trade, where the Agency/Agencies do not provide the price	
	Money Market Instruments (CP/CD/ZCB/ BRDS)	Price arrived with linear amortization (Monday to Sunday Amortisation Income)
	Coupon bearing securities(Bond)	Market Price or Purchase Price
	In case of T+N trade, where the Agency/Agencies do not provide the prices on trade date	
	Money Market Instruments (CP/CD/ZCB/ BRDS)	Market Price or Purchase Price till settlement
		E.g. New security bought on Friday with settlement on Monday Friday to Sunday Valuation @ Market Price
		Monday Valuation @ SLP
	Coupon bearing securities(Bond)	Market Price or Purchase Price till settlement
		E.g. New security bought on Friday with settlement on Monday Friday to Sunday Valuation @ Market Price
Monday Valuation @ SLP		
The Fund will not be investing in Securitized Debt. Valuation norms in this respect are thus not covered in the policy.		
Debt Securities having maturity below or equal to 60 days	Instruments will be valued by amortisation on a straight line basis to maturity from cost or last valuation price whichever is more recent as long as it is within $\pm 0.10\%$ of the reference price. Benchmark yields for calculating reference price to be provided by CRISIL/ICRA.	
	Illiquidity Changes: At the time of first purchase and additional transaction the spread between the purchase yield (or transaction yield as the case may be) and the benchmark yield should be fixed. The spread would be kept constant through the life of the instrument and will be changed only if there is justification for the change and the same will be recorded. In case the variance exceeds $\pm 0.10\%$, the valuation shall be adjusted to bring it within the $\pm 0.10\%$ band.	
	Qualification criteria for considering the trades on the public platform: at least five trades aggregating to Rs. 250 crores or more. If market trades satisfying the above criteria are not available on the public platforms, AMC's own trade to be considered. Qualification criteria for considering AMC's own trades: trade of market lot or more i.e. Rs. 5 crore or more. In case of AMC's own trades of less than Rs 5 Cr, then the previous day's	

	valuation price will be used. Pricing of all the scrips would be uniform across all the Schemes.
Inter - scheme Transfers	The Interscheme trades in debt and money market instrument (inclusive of G-sec & T-Bills) will be valued at the weighted average traded price/yield available on public platform. Qualification criteria for considering the trades on the public platform: trade of market lot or more i.e. Rs. 5 crore or more. If same security on a public platform is not available at the time of inter-scheme, then the previous day's valuation price will be used. Note: Outlier trades, if any, should be ignored after suitable justification by the Fund Managers.

Notes:

1. Public Platform refers to:

- a) FIMMDA:
- b) NSE WDM
- c) BSE WDM
- d) NDS-OM/CCIL: For Government securities & Treasury bills

2. Government Securities and Treasury bills (> 60 days of residual maturity) will be valued at simple average of prices provided by the agencies proposed by AMFI (Currently CRISIL & ICRA) on each valuation day.

3. Government Securities and Treasury bill (<= 60 days of residual maturity) will be valued at the amortized price based on straight line basis to maturity from cost or last valuation price whichever is more recent as long as it is within $\pm 0.10\%$ of the reference price. Benchmark yields for calculating reference price to be provided by the agencies proposed by AMFI (Currently CRISIL & ICRA). In case the variance exceeds $\pm 0.10\%$, the valuation shall be adjusted to bring it within the $\pm 0.10\%$ band.

4. Following assets will be valued at cost plus accruals / amortization:

- a) Bank Fixed Deposits
- b) CBLO / Reverse Repo

5. Units / shares of mutual funds will be valued at the last published NAV.

6. Weighted average YTM shall be rounded up to four digits after decimal point.

V. TAX AND LEGAL AND GENERAL INFORMATION

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A. Taxation on investing in Mutual Funds

The following outline of tax implications is provided for general information purposes only, based on the law prevailing as at the date of this document and also incorporating the amendments made by the Finance Act, 2017. These implications should be considered in light of the specific facts of each individual case. Furthermore, in the event of periodic amendments to the relevant legislation, the nature and / or quantum of these benefits / implications are subject to change.

Accordingly, it is recommended that each unit holder should appropriately consult its tax consultant with respect to the specific tax implications arising out of their participation in the scheme.

I. To the Mutual Fund:

Income in the hands of the Mutual Fund

The entire income of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 ('SEBI') or any regulations made thereunder is exempt from income tax in accordance with the provisions of section 10(23D) of the Income-tax Act, 1961 ('the Act').

Furthermore, as per section 10(35A) of the Act, any income by way of distributed income as referred to in section 115TA and received from a securitisation trust shall be exempt in the hands of the investor of the said securitisation trust, including a Mutual Fund. The securitisation trust shall not be liable to pay any additional income-tax under section 115TA of the Act where the investor of the securitisation trust is not chargeable to tax under the Act. However, these provisions with respect to securitisation trust are applicable only for income distributed by a securitisation trust to its investors before June 1, 2016.

The Finance Act, 2016, has substituted the existing taxation regime for securitisation trusts by a new taxation regime which would be applicable from June 1, 2016. The key features of the new taxation regime for securitisation trusts are as under:

- With effect from June 1, 2016, tax pass-through status is accorded to trusts set-up by ARCs and securitisation trusts.
- Exemption in respect of income of investor from securitisation trust should not be available, and hence the same should be taxable in the hands of the investors. However, the income received by a mutual fund from a securitisation trust should still continue to remain exempt, as section 10(23D) of the Act provides exemption to the entire income earned by a mutual fund.
- Tax should be deducted at source by the securitisation trust at the rate of 25% in case the payments are made to resident individuals/ HUFs and at the rate of 30% in case payments are made to other resident assesseees. However, income received by a mutual fund should not be liable to deduction of tax at source in accordance with the provisions of section 196(iv) of the Act. Even otherwise, no tax should be deducted at source by a securitisation trust while making payments to a mutual fund, as any income received by a mutual fund is entirely exempt from tax under section 10(23D) of the Act.

Income received by such a Mutual Fund is not liable for the deduction of income tax at source as per the provisions of section 196(iv) of the Act. Where the Mutual Fund receives any income from investments made in overseas jurisdictions, this income may be subject to withholding in the relevant jurisdiction. As the income of the Mutual Fund is exempt from tax in India, credits/ refunds in relation to these foreign taxes may not be available in India.

Mutual Funds may earn dividend income from its investments in shares of Indian companies. As per section 115BBDA of the Act, dividend income earned by specified assesseees in excess of INR 10 lakhs is chargeable to tax at the rate of 10%.

As per Explanation to section 115BBDA of the Act, “specified assesseees” means a person other than (i) a domestic company; or (ii) a fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or (iii) a trust or institution registered under section 12A or section 12AA.

Thus, mutual funds are not excluded from the definition of “specified assesseees”. However, any income received by mutual funds is exempt from tax under section 10(23D) of the Act. In view of the non-inclusion of mutual fund for the purpose of section 115BBDA of the Act, there could be litigation with the tax authorities with respect to exemption from dividend income.

Distribution of income by the Mutual Fund to the unit holders

Under section 115R of the Act, where the income is distributed to the unit holders, the Mutual Fund is required to pay tax on the income distributed by it, as under:

- **In the case of other than equity oriented fund, being a money market mutual fund or liquid fund**

@ 25% plus surcharge on such income tax @ 12% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to individuals and Hindu Undivided Family (‘HUFs’); and

@ 30% plus surcharge on such income tax @ 12% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to persons other than individuals and HUFs.

- **In case of other than equity oriented fund, not being a money market mutual fund or a liquid fund (including infrastructure debt funds)**

In the case of Infrastructure Debt Fund

@ 5% plus surcharge on such income tax @ 12% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to a non-resident by an Infrastructure Debt Fund (‘IDF’).

In the case of other than Infrastructure Debt Fund

@ 25% plus surcharge on such income tax @ 12% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to individuals and HUFs;

@ 30% plus surcharge on such income tax @ 12% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to persons other than individuals and HUFs; and

Proviso (b) to section 115R(2) of the Act specifically exempts equity oriented mutual funds from distribution tax on income distributed.

As per section 115R of the Act, additional income-tax on the income distributed to unit-holders should be levied on the amount of income to be distributed including such additional tax (i.e. grossing-up), as against levy on only the amount of income to be distributed. This may result in a higher effective tax rate.

The expression ‘money market mutual fund’ has been defined in Explanation (d) to section 115T of the Act which means a scheme of a Mutual Fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

The expression 'liquid fund' has been defined in Explanation (e) to section 115T of the Act which means a scheme or plan of a Mutual Fund which is classified by the SEBI as a liquid fund in accordance with the guidelines issued by it in this regard under the Securities and Exchange Board of India Act, 1992 or the regulations made thereunder.

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

Classification of the fund as an 'equity oriented fund' or 'other than equity oriented fund' for the purposes of the Act

The expression 'equity oriented fund' has been defined in Explanation (b) to section 115T of the Act to include a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of the fund. Furthermore, as per the proviso to Explanation (b) to section 115T, the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

II. To the unit holders:

Deduction from total income

Under section 80C of the Act, an assessee, being an individual or HUF, is eligible to claim a deduction up to an aggregate of INR 1.5 lakhs on account of sums paid as subscription to units of an Equity Linked Savings Scheme ('ELSS').

ELSS refers to a scheme formulated under Equity Linked Savings Scheme, 2005, as notified by the Central Board of Direct Taxes ('CBDT'), Ministry of Finance *vide* notification dated 3 November, 2005 as amended *vide* notification dated 13 December, 2005.

Under section 80CCG of the Act, an assessee who is a resident individual with a gross total income of upto INR 12 lakhs can invest in eligible securities (which includes units of certain listed mutual funds schemes) under Rajiv Gandhi Equity Savings Scheme ('RGESS') in accordance with the scheme as notified by the Central Government and claim a tax benefit on 50% of the amount invested to the extent the deduction does not exceed INR 25,000. Deduction with respect to investment in RGESS is available for three consecutive years beginning with the year in which such units were first acquired. Investors may note that, eligibility for deduction under section 80CCG of the Act shall be subject to compliance with various provisions of the scheme as notified by the Central Government and other applicable tax laws. Further, from the financial year 2017-18 and onwards, no deduction under section 80CCG shall be applicable to such individuals for any new investments. However, an assessee who has acquired listed equity shares or listed units of an equity oriented fund in accordance with the Scheme for any previous years on or before 1 April 2017, shall be allowed as a deduction till the assessment year commencing on the 1st day of April 2019.

Securities Transaction Tax

Under chapter VII of the Finance (No. 2) Act, 2004, the unit holder is liable to pay Securities Transaction Tax ('STT') on any 'taxable securities transaction' at the applicable rate. Taxable securities transactions include the purchase or sale of units of an equity oriented fund, entered into on the stock exchange or the sale of units of an equity oriented fund to the Mutual Fund.

The purchaser of the units of an equity oriented fund is not liable to pay STT where the purchase is entered into on a recognized stock exchange and the contract for the purchase of such units is settled by the actual delivery or transfer of such units.

The seller of the units of an equity oriented fund is liable to pay STT at 0.001% where the sale is entered into on a recognized stock exchange and the contract for sale of such units is settled by the actual delivery or transfer of such units.

At the time of the sale of units of an equity oriented fund to the Mutual Fund, the seller is required to pay STT @ 0.001%.

STT is not applicable on purchase/ sale/ redemption of units other than equity oriented units.

STT is not deductible for the computation of capital gains. However, if it is held that gains on the sale of securities are in the nature of business profits, then for the purpose of computing the business income, an amount equivalent to the STT paid on the transaction value will be allowed as a deduction from the gains earned, under section 36 of the Act.

Incomes from units

Under the provisions of section 10(35) of the Act, any income (other than income arising from the transfer of units) received by any person on the units of the Mutual Fund is exempt from income tax.

Gains on transfer / redemption of units

Gains arising on transfer / redemption of units, as well as from switching between schemes will be chargeable to tax under the Act. The characterisation of income from investments in securities as 'business income' or 'capital gains' should be examined on a case-by-case basis.

However, the CBDT has issued a circular¹ which states the following:

- Where the assessee opts to treat the listed shares/ securities as stock-in-trade, the income arising from the transfer of such listed shares/ securities would be treated as business income.
- If the assessee desires to treat the gains arising from transfer of listed shares/ securities held for a period of more than 12 months as capital gains, the same shall not be put to dispute by the Assessing Officer.

The aforementioned circular shall not apply in a case where the genuineness of the transaction itself is questionable.

As per section 2(14) of the Act, any investment in securities made by Foreign Institutional Investors ²('FIIs') in accordance with the regulations made under the Securities and Exchange Board of India would be treated as a capital asset. Consequently, any income arising from transfer of securities by FIIs are to be treated in the nature of capital gains.

○ ***Business Income***

Where the units of the Mutual Fund are regarded as business assets, then any gains arising from the transfer / redemption of units would be taxed under the head of "Profits and gains of business or profession" under section 28 of the Act. The gain / loss is to be computed under the head of "Profits and gains of business or profession" after allowing for normal business expenses (inclusive of the expenses incurred on the transfer).

Business income is chargeable to tax at the following rates:

Assessee	% of Income Tax
Individuals, HUFs, Association of Persons	Applicable Slab Rate
Partnership Firms, including Limited Liability	30%

¹ Circular no. 6/ 2016 dated February 29, 2016

² As per Notification No. 9/2014 dated 22 January 2014, the Central Government has specified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as 'Foreign Institutional Investor' for the purposes of clause (a) of the Explanation to section 115AD of the Act.

Partnerships ('LLPs') & Indian Corporates (other than below mentioned entities)	
Domestic Company (with turnover or gross receipts in the previous year 2015-16 does not exceed INR 50 crores)	25%
Foreign Companies	40%

Unless specifically stated, the income-tax rates specified above and elsewhere in this document are exclusive of the applicable surcharge, education cess and secondary and higher education cess. The rates of surcharge applicable for assessment year 2018-19 are given below:

Type of Investor	Surcharge* rate as a % of income-tax		
	If income is less than INR 50 lakhs	If income exceeds INR 50 lakhs but less than INR 1 crore	If income exceeds INR 1 crores
Individual, HUF, AOP, BoP (Resident & foreign)	Nil	10%	15%
	If the income is less than INR 1 crore	If the income exceeds INR 1 crore but less than 10 crores	If income exceeds INR 10 crore
Partnership firm (Domestic & foreign)	Nil	12%	12%
Domestic Company	Nil	7%	12%
Foreign Company	Nil	2%	5%

* Additionally, education cess and secondary and higher education cess is leviable @ 3% on the income tax and surcharge as computed above.

o Capital Gains

The mode of computation of capital gains would be as follows:

Sale Consideration	xxx
Less: Cost of Acquisition (Note 1)	(xxx)
Expenses on Transfer (Note 2)	(xxx)

Capital Gains **xxx**

Note 1: In case of the computation of long term capital gains, the option of indexation of cost is available.

Note 2: This would include only expenses relating to transfer of units.

In case of ELSS, the units are subject to a lock-in period of 3 years. Accordingly, any sale of units after this lock-in period will qualify as a long term capital gain.

• Long term capital gains

In the case of other than equity oriented fund, including a money market mutual fund or a liquid fund

Capital gains arising on transfer or redemption of 'other than equity oriented units' should be regarded as long-term capital gains, if such units are held for a period of more than 36 months immediately preceding the date of such transfer.

As per section 112 of the Act, tax on income on long-term capital gains arising from the transfer of units shall be taxable at the rate of 20% plus applicable surcharge and secondary and higher education cess on the amount of tax and surcharge, after substituting the indexed cost of acquisition for the cost of acquisition.

Furthermore, long-term capital gains in the case of non-residents would be taxable @ 10% on the transfer of capital assets, being unlisted securities, computed without giving effect to the first and second proviso of section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit.

The benefit of indexation will, however, not be available to specified offshore fund which is taxable @ 10% plus the applicable surcharge and secondary and higher education cess @ 3% on the total amount of tax and surcharge in terms of section 115AB of the Act.

The benefit of indexation will also not be available to FIIs³ who are taxed under section 115AD of the Act @ 10% plus applicable surcharge and education cess @ 3% on the total amount of tax and surcharge.

In cases where the taxable income, reduced by long term capital gains of a resident individual or HUF is below the taxable limit, the long term capital gain will be reduced to the extent of this shortfall and only the balance of the long term capital gain is chargeable to income tax.

The following deductions are available on long term capital gains arising on the transfer of Mutual Fund units, if the sale proceeds are invested in eligible avenues:

Particulars	Section 54 EC	Section 54EE	Section 54F
Eligible persons	All assesseees	All assesseees	Individuals and HUFs
Asset to be purchased to claim exemption	Specified Bonds of National Highways Authority of India and Rural Electrification Corporation Limited (cap of INR Fifty lakhs in a financial year)	Units of such fund as may be notified by the Central Government – At present, the units are not notified (cap of INR Fifty lakhs in a financial year)	One residential house in India
Time limit for purchase from date of sale of MF units	6 months	6 months	Purchase: 1 year backward / 2 years forward or Construction: 3 years forward
Amount Exempted	If the cost of the long-term specified asset is more than the capital gains arising, the whole of such capital gains shall not be taxable; however, if the cost of the long-term specified asset is less than the capital gain arising, so much of the capital gain as bears to the whole of the capital gain the	If the cost of the long-term specified asset is more than the capital gains arising, the whole of such capital gains shall not be taxable; however, if the cost of the long-term specified asset is less than the capital gain arising, so much of the capital gain as bears to the whole of the capital gain the	Capital gains proportionate to the investment made from the sale proceeds (subject to other conditions of owning / purchasing the residential house mentioned in the section) If the cost of new asset is more than the net consideration, the

³ As per Notification No. 9/2014 dated 22 January 2014, the Central Government has specified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as 'Foreign Institutional Investor' for the purposes of clause (a) of the Explanation to section 115AD of the Act.

	same proportion as the cost of acquisition of the long-term specified asset bears to the whole of the capital gain arisen, shall not be taxable	same proportion as the cost of acquisition of the long-term specified asset bears to the whole of the capital gain arisen, shall not be taxable	whole of such capital gains shall not be taxable; however, if the cost of the new asset is less than the net consideration, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of acquisition of new asset bears to the whole of the net consideration, shall not be taxable
Lock-in period for the new asset to be purchased	3 years	3 years	3 years

The investment under section 54EC on account of which the exemption has been claimed from long term capital gains will not be available for deduction under section 80C of the Act.

In the case of equity oriented fund

Capital gains arising on transfer or redemption of equity oriented units shall be regarded as long-term capital gains if such units are held for a period of more than 12 months, immediately preceding the date of transfer.

Long term capital gains arising from the transfer of such units are exempt under section 10(38) of the Act. Units of equity oriented funds are subject to STT. The Mutual Fund would recover the STT from the unit holder at the applicable rate.

- *Short term capital gains*

In the case of other than equity oriented fund, including a money market mutual fund or a liquid fund

Short term capital gains arising from the transfer of units of funds other than equity oriented scheme would be chargeable to tax as follow:

Assessee	% of Income Tax
Individuals, HUFs, Association of Persons	Applicable Slab Rate
Partnership Firms, including Limited Liability Partnerships ('LLPs') & Indian Corporates (other than below mentioned entities)	30%
Domestic Company (with turnover or gross receipts in the previous year 2015-16 does not exceed INR 50 crores)	25%
Foreign Companies	40%

Unless specifically stated, the income-tax rates specified above and elsewhere in this document are exclusive of the applicable surcharge, education cess and secondary and higher education cess. The rates of surcharge applicable for assessment year 2018-19 are stated above.

In the case of an equity oriented fund

Short term capital gains arising from the transfer of units of an 'equity oriented fund' (as defined under section 115T of the Act), being subject to STT would be charged to tax under section 111A of the Act @ 15% (plus the applicable surcharge, education cess and secondary and higher education cess). The Mutual Fund would recover the STT from the unit holder at the applicable rate when the units are re-purchased by the Mutual Fund/ redeemed by the investor.

- ***Capital losses***

Losses under the head capital gains cannot be set off against income under any other head. Furthermore, within the head capital gains, losses arising from the transfer of long term capital assets cannot be adjusted against gains arising from the transfer of a short term capital asset. However, losses arising from the transfer of short term capital assets can be adjusted against gains arising from the transfer of either a long term or a short term capital asset.

Under section 10(38) of the Act, long term capital gains on sale of units of an equity oriented fund are exempt from income tax subject to certain conditions. Hence, losses arising from such transactions would not be eligible for set off against taxable capital gains.

Unabsorbed long term capital losses (other than the losses relating to sale of units of equity oriented fund as stated above) can be carried forward and set off against the long term capital gains arising in any of the subsequent eight assessment years. Unabsorbed short term capital losses can be carried forward and set off against the income under the head capital gains in any of the subsequent eight assessment years.

- ***Consolidation / Merger of schemes***

In case of consolidation of mutual fund schemes, the investors generally receive units in the consolidated scheme in consideration of units held in the consolidating scheme. The following provisions are applicable in case of consolidation of mutual fund schemes:

- As per section 47(xviii) of the Act, any transfer of units held by the investor in the consolidating scheme of the mutual fund in consideration of allotment of units in the consolidated scheme, shall not be regarded as a taxable transfer, provided that the consolidation is of two or more schemes of an equity oriented fund or two or more schemes of a fund other than equity oriented fund.
- Further, as per section 49(2AD) of the Act, the cost of acquisition of units in the consolidated scheme shall be deemed to be the cost of acquisition of the units in the consolidating scheme. Also, as per section 2(42A) of the Act, the period of holding of the units in the consolidated scheme shall include the period of holding of the units in the consolidating scheme.
- 'Consolidating scheme' has been defined under section 47(xviii) of the Act as the scheme of a Mutual Fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulations, 1996. 'Consolidated scheme' has been defined as the scheme with which the consolidating scheme merges or which is formed as a result of such merger.

- ***Consolidation of plans within a scheme of a mutual fund***

In case of consolidation of mutual fund plans within a scheme, the investors generally receive units in the consolidated plan in consideration of units held in the consolidating plan. As per section 47(xix) of the Act, any transfer of units (held by the investor as a capital asset) on account of a consolidation of a plan with other plans of the same scheme shall not be regarded as a taxable transfer.

Further, as per section 49(2AF) of the Act, the cost of acquisition of units in the consolidated plan of a mutual fund scheme shall be deemed to be the cost of acquisition of the units in the consolidating plan of a mutual fund scheme. Also, as per section 2(42A) of the Act, the period of holding of the units in the consolidated plan of a mutual fund scheme shall include the period of holding of the units in the consolidating plan of a mutual fund scheme.

"consolidating plan" means the plan within a scheme of a mutual fund which merges under the process of consolidation of the plans within a scheme of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992)

Minimum Alternate Tax/Alternate Minimum Tax

The income on the transfer of Mutual Fund units by a company would be taken into account in computing the book profits and Minimum Alternate Tax, if any, under section 115JB of the Act (irrespective of whether or not it is exempt under section 10(38) of the Act).

The taxable income on transfer of Mutual Fund units would be taken into account in computing the Adjusted Total Income and Alternate Minimum Tax, if any, under section 115JC⁴ of the Act.

Tax deduction at source on capital gains

- **Resident unit holders**

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

- **In the case of other than equity oriented fund**

- A) Non-Resident Individual unit holders**

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

The rate of taxes as mentioned under the applicable tax rates paragraphs above (for long term and short term) shall be the rate for deduction of tax at source as per the Act.

A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions of the relevant Double Taxation Avoidance Agreement ('DTAA'), whichever is more beneficial to the assessee. However, the unit holder will be required to provide appropriate documents to the Fund in order to be entitled to a beneficial rate under such DTAA.

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

- B) Offshore fund unit holders**

Under section 196B of the Act, tax shall be deducted at source from long term capital gains @ 10% plus applicable surcharge, education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge.

A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA whichever is more beneficial to the assessee, subject to certain conditions. However, the unit holder will be required to provide appropriate documents (tax residency certificate/ Form 10F) to the Fund, in order to be entitled to a beneficial rate under the relevant DTAA. As per section 90(4) of the Act, a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a TRC of being a resident of his home country. Furthermore, as per section 90(5) of the Act, a non-resident is also required to provide such other documents and information, in Form 10F.

⁴ Section 115JC is applicable to all persons other than company

- **Foreign Institutional Investors/ Foreign Portfolio Investors**

As per the provisions of section 196D of the Act, no deduction of tax shall be made from any income from capital gains arising from the transfer of securities referred to in section 115AD, payable to FIIs⁵.

- **In the case of an equity oriented fund for non-resident unit holders (including offshore fund unit holders)**

Tax is required to be deducted at source under section 195 of the Act on payment to a non-resident on any sum which is chargeable under the provisions of the Act. The rate of taxes as mentioned under the applicable tax rates paragraphs above (for long term and short term) shall be the rate for deduction of tax at source as per the Act.

Tax is required to be deducted at source under section 195 of the Act, on payment to a non-resident of any sum chargeable under the provisions of the Act, at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial than the DTAA. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA, whichever is more beneficial to the assessee, subject to certain conditions. However, the unit holder will be required to provide appropriate documents (tax residency certificate/ Form 10F) to the Fund, in order to be entitled to a beneficial rate under the relevant DTAA.

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

Failure to provide Permanent Account Number ('PAN')

Section 206AA of the Act states that the deductee is required to furnish his PAN to the deductor failing which the deductor shall deduct tax at source at the higher of the following rates:

1. The rate prescribed in the Act;
2. The rate in force i.e., the rate mentioned in the relevant Finance Act; or
3. The rate of 20%.

As per Rule 37BC, provisions of section 206AA shall not apply in relation to transfer of any capital asset, if the deductee provides following details and the documents to the deductor:

1. Name, e-mail id, contact number of the deductee;
2. Address in the country or specified territory outside India of which the deductee is a resident;
3. Certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
4. Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Dividend stripping

As per section 94(7) of the Act, loss arising on sale of units which are bought within 3 months of the record date and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempted income received or receivable on such units.

Bonus stripping

⁵ As per Notification No. 9/2014 dated 22 January 2014, the Central Government has specified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as 'Foreign Institutional Investor' for the purposes of clause (a) of the Explanation to section 115AD of the Act.

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

The amount of loss ignored shall be deemed to be the cost of purchase / acquisition of the bonus units.

III. Religious and Charitable Trust

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

IV. New pension scheme

Any income, including gains from redemption of Mutual Fund units, received by any person for, or on behalf of, the New Pension System Trust (as established under the provisions of Indian Trust Act, 1882, on 27 February, 2008), is exempt in the hands of such person under section 10(44) of the Act.

STT is not leviable in respect of taxable securities transactions entered into by any person for, or on behalf of, the New Pension System Trust referred to in section 10(44) of the Act.

V. Other aspects

Gift of Mutual Fund units would be subject to income tax in the hands of the donee. As per section 56(x), receipts of securities, the fair market value of which exceeds fifty thousand rupees, without consideration or without adequate consideration is taxable as income in the hands of all assesseees.

Further the above provision of section 56(x) shall not apply to any units/shares received by the donee:

- I. From any relative; or
- II. On the occasion of the marriage of the individual; or
- III. Under a will or by way of inheritance; or
- IV. In contemplation of death of the payer or donor, as the case may be; or
- V. From any local authority as defined in the Explanation to clause (20) of section 10 of the Act; or
- VI. From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 of the Act; or
- VII. From any trust or institution registered under section 12AA of the Act; or
- VIII. by any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or
- IX. by way of transaction not regarded as transfer under clause (i) or clause (vi) or clause (via) or clause (viaa) or clause (vib) or clause (vic) or clause (vica) or clause (vicb) or clause (vid) or clause (vii) of section 47; or
- X. from an individual by a trust created or established solely for the benefit of relative of the individual.

The term 'relative' shall mean:

A] In the case of an Individual -

- A. The spouse of the individual
- B. (ii) The brother or sister of the individual
- C. (iii) The brother or sister of the spouse of the individual
- D. (iv) The brother or sister of either of the parents of the individual
- E. (v) Any lineal ascendant or descendant of the individual
- F. (vi) Any lineal ascendant or descendant of the spouse of the individual
- G. (vii) The spouse of the person referred to in clauses (ii) to (vi)

B] In case of a HUF, any member thereof.

B. Legal Information

i. Nomination Facility:

Unit holders, being individuals, have option to nominate (in the manner prescribed under the Regulations), beneficiary(s) / successor(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 in whom all the rights in the Units shall vest in the event of death of all the joint Unit holders. Unitholders can also nominate one or more nominee(s). In case of more than one nominee, the Unit Holder will have the option to specify share of each nominee, failing which the Fund will presume equal share of all registered nominees. The share will be reckoned at the time of receipt of intimation of death and when nomination is invoked. However, in the event of death of a minor unitholder, where nomination has been made in the prescribed manner, the rights in the Units will not be vested in the nominee but in the legal heirs of the minor.

Nomination does not confer any rights other than those granted by law to the Nominee. A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder and the Nominee does not acquire any title or beneficial interest in the property by virtue of this nomination. The Nominee will receive the Units only as an agent and trustee for the legal heirs or legatees of the deceased Unitholder as the case may be and the transmission of units would normally be governed as per succession certificate / probate of the will.

Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot avail nomination facility.

The Nominee cannot 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 foreign exchange regulations in force from time to time. A minor 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. Units which are pledged and offered as security in favour of any entity/body for any purpose can also have the nomination facility after obtaining "approval"/ "no objection" clearance from such entity/ body. Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such pledged units of the Scheme, where a nomination made in the prescribed manner purports to confer on any person(s) the right to vest the pledged units of the Scheme, on the death of the unitholders (single holder or all the joint holder(s)), the nominee(s) shall become entitled to all the rights in the pledged units of the Scheme to the exclusion of all other persons except the entity/body in whose favour the units are pledged by way of lien, unless the nomination is cancelled or varied.

Nomination in respect of the Units stands cancelled automatically upon the Redemption/Repurchase or Transfer of Units by the nominating unitholder in full. 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 Fund / AMC shall not be under any obligation to transfer the Units in favour of the Nominee. The nomination facility extended under the Scheme is subject to existing laws. The AMC shall, subject to production of such evidence which in their opinion is sufficient, proceed to effect the payment to the Nominee. Transfer of Units / payment of the sums to the Nominee shall discharge the Fund / AMC of all liability towards the estate of the deceased Unit holder and his/their successors/legal heirs.

If the Fund or the AMC or the Trustee were to incur or suffer any claim, demand, liabilities or proceedings or actions are filed, made or initiated against any of them in respect of or in connection with any nomination, they shall be entitled to be indemnified for all loss, expenses, costs, and charges that any of them may suffer or incur absolutely from the investor's estate.

To enable AMC to transfer the unitholdings in the name of the Nominee upon death of a Unitholder, the Nominee will be required to provide such documents as the AMC may require, which may include the following:

- a. Death Certificate
- b. Identity document proving identity of the nominee
- c. Indemnity
- d. Proof of guardianship, in case the nominee is a minor and or an unsound person.

The Nominee will also be required to complete 'Know Your Customer' requirements under applicable anti-money laundering law provisions.

ii. Requirements of Prevention of Money Laundering Act and KYC Requirements

In accordance with requirements under the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines and circulars on anti-Money Laundering, issued by SEBI, (collectively "AML Regulations"), mutual funds are required to formulate and implement Client Identification Programme to verify and maintain the record of identity and address(es) of investors. This is commonly referred to as 'Know Your Client' guidelines (KYC). **KYC is currently mandatory for each and every application irrespective of the amount.**

KYC is one time exercise while dealing in securities markets - once KYC is done through a SEBI registered intermediary (broker, DP, Mutual Fund etc), you need not undergo the same process again when you approach another intermediary.

In accordance with the SEBI Circular No. CIR/MIRSD/13/2013 dated December 26, 2013, the additional details viz. Occupation details, Gross Annual Income/ Networth and Politically Exposed Person (PEP)* status mentioned under section 2 & 3 which was forming part of uniform KYC form will now be captured in the application form of the Fund. Also, the detail of nature of services viz. Foreign Exchange/ Gaming/ Money Lending etc., (applicable for all applicant) is required to be provided as part of Client Due Diligence (CDD) Process of the Fund. The said details are mandatory for both Individual and Non Individual applicants.

*PEP are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/ judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

With a view to streamline implementation of KYC procedures and ensure compliance with the AML Regulations, the mutual fund industry has collectively put in place arrangement with an independent agency (currently CVL KRA) that will act as central record keeping agency ('Central Agency'), and as Central Agency will have responsibility for collection of documents relating to identity and address of investors.

The procedure to complete KYC is given below in brief:

(i) Investors are required to complete KYC Verification form called "Know Your Client Application Form" (KYC Form) KYC Forms are available (a) with your Distributor; (b) on AMC Website; (c) at Points of service (POS) designated by AMFI, list of which is given on the AMC Website; and (d) on website of AMFI.

(ii) POS are the designated centres appointed by the Central Agency for receiving application forms, processing data and providing customers with evidence of KYC Compliance

(iii) There are separate KYC Form for Individual and non-Individual investors, which should be chosen accordingly. Completed KYC Form, together with supporting documents for proof of identity and address, can be lodged with a POS. Originals of all supporting documents must be produced for verification, if the supporting documents attached to the KYC Form are not notarized. Alternatively, if the supporting documents are notarized, then originals need not be produced for verification. **It is not necessary to visit POS personally. The original documents submitted for verification will be returned immediately after verifying the same.**

(iv) Investors who have complied with KYC process before December 31, 2011 (KYC status with CVL-KRA as "MF - VERIFIED BY CVLMF") and not invested in the schemes of Indiabulls Mutual Fund i.e not opened a folio earlier, and wishes to invest on or after December 01, 2012, such investors will be required to submit 'missing/not available' KYC information and complete the IPV requirements.

Update of 'missing / not available' KYC information along with IPV is currently a one-time requirement and needs to be completed with any one of the mutual funds i.e. need not be done with all the mutual funds where investors have existing investments. Once the same is done then the KYC status at CVL-KRA will change to 'Verified by CVL KRA' after due verification.

In such a scenario, where the KYC status changes to 'Verified by CVL KRA', investors need not submit the 'missing/not available' KYC information to mutual funds again.

(v) Upon submission of KYC Form, the investor will be issued a KYC Acknowledgement in token of receipt of KYC Form. A copy of KYC Acknowledgement shall be attached by the investor / Unitholder to application for Purchase of Units.

The above procedure may change from time to time as may be deemed fit.

Important: Please note:

- (i) In case of joint-applicants, KYC should be completed by all joint applicants.
- (ii) In case of applications under Power of attorney, KYC has to be completed by both the investor and the power of attorney holder.
- (iii) In case of NRIs / PIOs, they are required to complete KYC.
- (iv) In case of minor, the KYC should be completed by the Parent/ Guardian signing on behalf of the Minor. However, in the event of such minor person becoming major, the KYC has to be completed on becoming major.
- (v) In case of transmission, KYC has to be completed by the person claiming under such transmission.
- (vi) In case of nomination, KYC has to be completed by the Nominee before invoking the nomination
- (vii) In case of lien/ pledge etc, KYC has to be completed by the lien/ pledge-holder

- Individual Investors are required to submit 'KYC Details Change Form' issued by CVL-KRA available on their website www.cvlkra.com.
- In case of Non Individual investors, complied with KYC process before December 31, 2011, KYC needs to be done afresh due to significant and major changes in KYC requirements.

Change of Address

For KYC complied folios will ONLY be done via KYC Registration Agency (KRA). Investors are requested to note of the following documents shall be submitted alongwith duly filled in "Non Financial Transaction Form" for Change of Address:

- Proof of new address (POA) and
- Any other document/ form that the KRA may specify from time to time.

The AMC reserves the right to collect proof of old address on a case to case basis while effecting the change of address. The self attested copies of above stated documents shall be submitted along with original for verification at any of the AMC branches/ Investor Service Centres (ISCs) of Karvy. The original document shall be returned to the investors over the counter upon verification. In case the original of any document is not produced for verification, then the copies should be properly attested/ verified by entities authorized for attesting/verification of the documents. List of admissible documents for POA & POI mentioned in SEBI Circular MIRSD/SE/Cir-21/2011 dated October 05, 2011 shall be considered.

Change of any particulars mentioned in KYC Form

Investors/ Unitholders should note that in case of any change in future in any particulars furnished in KYC Form, they should notify such changes in writing to the POS, and NOT to the Registrar.

After issuing KYC Acknowledgement, the Central Agency may cancel the evidence of KYC Compliance within prescribed time period in case of any deficiency in the document/information. Intimation of such cancellation of KYC Compliance will be sent by the Central Agency to the investor. No separate communication will be sent to the investor if the KYC Form and documents submitted are found to be in order.

The Fund will normally validate the copy of KYC Acknowledgement received from the investors / Unitholder with the records of the Central Agency before allotting units.

With a view to ensure compliance with AML Regulations, AMC has the right to scrutinize/verify the application/applicant and the source of the applicant's funds and also reserves the right to redeem/ reverse/ cancel, in its sole discretion, the investment or redeem the investment proceeds in favor of the source account from which the monies had been invested, reporting the transaction / account to anti-money laundering authorities and/or taking such other action, that may be necessary under AML Regulations.

The Fund, Trustee, AMC or Registrar shall not be liable for any failure to perform its obligations or for any delay therein so as to complete verification of KYC compliance status of any investor.

The above provisions relating to prevention of money laundering and 'Know Your Client' may change from time to time.

Ultimate Beneficial Owners(s) (UBO)

Pursuant to SEBI Master Circular No. CIR/ISD/AML/3/2010 dated December 31, 2010 on Anti Money Laundering Standards and Guidelines on identification of Beneficial Ownership issued by SEBI vide its Circular No. CIR/MIRSD/2/2013 dated January 24, 2013, investors (other than Individuals) are required to provide details of 'Ultimate Beneficial Owner(s) (UBO(s))'. In case the investor or owner of the controlling interest is a company listed on a stock exchange or is a majority owned subsidiary of such a company, the details of shareholders or beneficial owners are not required to be provided. Non-individual applicants/ investors are mandated to provide the details on 'Ultimate Beneficial Owner(s) (UBO(s))' by filling up the declaration form for 'Ultimate Beneficial Ownership'.

Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act is a United States (US) federal law, aimed at prevention of tax evasion by US Citizens and Residents ("US Persons") through use of offshore accounts. The FATCA provisions were included in the HIRE Act enacted by the US legislature. FATCA is designed to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments.

As per SEBI Circular no. CIR/MIRSD/2/2014 dated June 30, 2014, the Government of India and the US have reached an agreement in substance on the terms of an Inter-Governmental Agreement ("IGA") to implement the FATCA provisions, which have become globally applicable from July 1, 2014.

FATCA requires enhancement of due diligence processes by the Foreign Financial Institutions ("FFI") so as to enable identification of US reportable accounts.

Indiabulls Asset Management Limited ("the AMC") are likely to be classified as a FFI under the FATCA provisions, in which case the AMC would be required, from time to time, to

(i) undertake necessary due diligence process by collecting information/ documentary evidence of the US/ non US status of the investors;

(ii) disclose/report information as far as may be legally permitted about the holdings/ investment returns pertaining to reportable accounts to the US Internal Revenue Service and/or such Indian authorities as may be specified under FATCA or other applicable laws and

(iii) carry out such other activities as prescribed under the FATCA provisions, as amended from time to time.

FATCA due diligence will have to be directed at each investor/unit holder (including joint investors) and on being identified as a reportable person/ specified US person, all the folios will be reported. Further, in case of folio with joint investors, the entire account value of investment portfolio will be attributable under each such reportable person. Investors/ Unit holders would therefore be required to furnish such information to the AMC, from time to time, in order to comply with the reporting requirements stated in the IGA and or circulars/ guidelines issued by SEBI in this regard.

The impact of FATCA is relevant not only at the point of on-boarding of the investors but also throughout the life cycle of the investor account/ folio with the AMC. Hence investor(s) should immediately intimate the AMC, in case of any change in the FATCA related information provided by them at the time of initial subscription.

The AMC reserves the right to reject any application or compulsorily redeem the units held directly or beneficially in case the applicant/ investor fails to furnish the relevant information and/ or documentation or is found to be holding units in contravention of the FATCA provisions.

Investors are advised to consult their tax advisors to understand the FATCA requirements and its implications in relation to their investment.

iii. Transmission of Units

In case of death of the Unit Holder being an individual and in absence of any valid nomination, the Units shall be transmitted in favour of the second-named joint holder or nominee or legal heir/successor, as the case may be, on production of a death certificate or any other document to the satisfaction of the AMC/Registrar. This facility is subject to the succession laws applicable to the Unitholders.

iv. Pledge of Units

The Units of the Scheme may be offered as security by way of a pledge in favour of scheduled banks, financial institutions, NBFC, or any other body ("Lien Holder") approved by the AMC. For the purpose, the Unitholder should make a request in relevant form, which can be obtained from the Registrar or on the AMC Website. The AMC and/or its Registrar will, upon receiving such request and if found to be in order in all respects, note and record such Pledge of Units.

It may be noted AMC / Fund is not liable or responsible for application / approval / disbursement / repayment of loans / financial facilities in relation to which Pledge is proposed to be / has been created and assumes no responsibility thereof.

As long as the pledge / lien remains marked in the records of the AMC/Fund, the Unit Holder will not be able to redeem/ switch Units under lien, until the Lien Holder provides written authorisation to the Fund that the lien / charge can be vacated. As long as Units are under lien, the Lien Holder will have complete authority to exercise the lien, thereby redeeming such Units and receiving redemption proceeds. In such instance, the Unit Holder will be informed by the Registrar through an account statement. In no case will the Units be transferred from the Unit Holder to the Lien Holder. Dividends declared on Units under Lien will be paid / re-invested to the credit of the Unit Holder and not the Lien Holder unless specified otherwise in the lien letter.

v. Investor Protection

The Fund may refuse to accept applications for Purchase, especially where transactions are deemed disruptive, particularly from market timers or investors who, in their opinion, have a pattern of short term or excessive trading or whose trading has been or may be disruptive for the Scheme.

vi. Signature Mismatches

If the AMC / Registrar finds a signature mismatch, while processing the redemption / switch out request, then the AMC/ Registrar reserves the right to process the redemption only on the basis of additional supporting documents, if so desired by the AMC / Registrar, confirming the identity of the investors.

vii. Maturity of the Scheme

The tenure of the Scheme / Plan is mentioned in the Scheme Information Document of the respective Schemes. In case of close-ended Schemes on completion of their respective terms, the Units shall be compulsorily redeemed and the Scheme wound-up, unless the tenure is extended in line with regulatory requirements. In certain circumstances, being the following, the Scheme may be wound up at any time prior to the designated Maturity Date: (a) on the happening of any event which, in the opinion of the Trustee, requires that the Scheme concerned be wound up; (b) if seventy five per cent of the Unit Holders of the Scheme concerned pass a resolution that the Scheme be wound up; (c) if SEBI so directs in the interest of the Unit Holders.

viii. Lien / Set – off

The Fund will have a first and paramount right of lien/set-off with respect to every unit/dividend under any scheme of the fund for any money that may be owed by the unit holder, to the Fund.

ix. Duration of the Scheme / Winding up

The open-ended Schemes / plans do not have any fixed maturity / tenure. The close-ended Schemes / Plans has fixed maturity, unless rolled over and subject to roll-over provisions given below. Upon completion of respective maturity period, the Plans will stand terminated. The Scheme will stand wound-up upon maturity of the last of the Plans under the Scheme.

On termination of the Plans, the Unit Holders will be entitled to the redemption proceeds based on the Redemption Price and thereafter no further benefit of any kind, whether by way of increase in the repurchase value or by way of income for any subsequent period, shall accrue to them. Extension, if any, of the maturity period of the Plans beyond the Maturity Date and/or roll over shall be in accordance with the Regulations.

Further, in accordance with the Regulations, the Scheme may be wound up before maturity, after repaying the amount due to the Unit Holders:

- a) on the happening of any event which, in the opinion of the Trustee, requires the Scheme to be wound up;
- b) if 75% of the Unit Holders of the Scheme pass a resolution that the Scheme be wound up;
- c) if SEBI so directs in the interests of Unit Holders; or
- d) in case of non-fulfillment of two conditions prescribed in terms Statement of Additional Information (SAI) of minimum number of investors vide SEBI circular No. SEBI/ IMD/CIR No. 10/22701/03 dated December 12, 2003 (including amendments thereto from time to time).

When or if the Scheme is so wound up, the Trustee shall give notice of the circumstances leading to the winding up of the Scheme:

- a) to SEBI; and
- b) in two daily newspapers having a circulation all over India and in a vernacular newspaper with circulation in Mumbai.

On and from the date of the publication of notice of winding up, the Trustee or the AMC, as the case may be, shall:

- a) cease to carry on any business activities in respect of the Scheme so wound up;
- b) cease to create or cancel Units in the Scheme; and
- c) cease to issue or redeem Units in the Scheme.

In case of a close-ended Scheme at the time of maturity of a Scheme(s) / Plan (s), if the Fund is of the view that the market outlook for the similar securities/ instruments is positive and investment in the similar kind of instruments would likely to fetch better returns for the investors, then in the interest of the Investor/ Unitholders, the Trustee may decide to rollover the Plan for same duration, subject to Regulations. The Plan can be rolled-over multiple times. Trustee will take into account demand/ request of the Unitholders for the same. All other material details of the Scheme/ Plans including the likely composition of assets immediately before the roll over, the net assets and net asset value of the relevant under the Scheme will be disclosed to the Unitholders and a copy of the same filed with the SEBI. Such rollover will be made in respect of only those Unitholders who have provided their consent in writing, and for those not providing consent, it will be redeemed. On redemption of all the Units under the Plan either before or at maturity, including the roll-over maturity, the Plan will be wound up as per the details specified in this Scheme Information Document.

x. Listing and Transfer of Units

All close ended schemes (except Equity Linked Savings Schemes) to be launched shall be mandatorily listed. The provisions in the SEBI (Mutual Funds) Regulations, 1996 regarding repurchase, re-issue and exemption from listing of units of close ended scheme would be followed in due course. The Units of the Open ended schemes are not proposed to be listed on any stock exchange. However, for details please refer to the SID.

The Fund will offer and redeem the Units at Applicable NAV. If a person becomes a Unit Holder in a scheme consequent to operation of law, 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 or insolvency, the transferee's name will be recorded by the Fund subject to production of satisfactory evidence and if the transferee is otherwise eligible to hold the Units. In all such cases, if the transferee is not eligible to hold the Units, the Units will be redeemed and the proceeds will be disbursed to the transferee if such transferee is entitled to the same.

xi. Investor's personal information

The AMC may share investors' personal information with the following third parties:

- Registrar, Banks and/ or authorised external third parties who are involved in transaction processing, despatches, etc. of investors' investment in any scheme;
- Distributors through whom applications of investors are received for the Schemes;
- Any other organisations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering requirements.

Account statements or financial information pertaining to the investor, if it is to be sent over the internet to the Unit Holder, distributors or any other entity as indicated above, will be sent only through a secure means and / or through electronic mail.

xii. Folio Number

Unless otherwise requested by the Unit Holder, a single folio number may be assigned if an investor invests in different schemes of the Fund and a consolidated account statement will then be provided for investments in all the schemes.

xiii. Fractional Units

Since a request for Purchase or Redemption is generally made in rupee amounts and not in terms of a fixed number of Units of a scheme, an investor may be left with fractional Units. Fractional Units will be computed and accounted for up to three decimal places in case of Equity schemes and four decimal places in case of Debt schemes. However, fractional Units will in no way affect the investor's ability to redeem the Units, either in part or in full, standing to the Unit Holder's credit.

xiv. Consolidation of folios

In case an investor holds investments in multiple folios under the Fund, the AMC has the right to consolidate all the folios belonging to the same investor into one folio.

xv. Provisions applicable to redemption of Units

a) How to Redeem

A Transaction Slip can be used by the Unit Holder to request for Redemption. The requisite details should be entered in the Transaction Slip and submitted at an ISC. Transaction Slips can be obtained from any of the ISCs.

b) Payment of Proceeds

Resident Investors

Redemption proceeds will be paid by cheques, marked "A / c Payee only" and drawn in the name of the sole holder / first-named holder (as determined by the records of the Registrar).

The Mutual Fund will endeavour to despatch the Redemption proceeds within 3 Business Days from the acceptance of the Redemption request, but not beyond 10 Business Days from the date of Redemption. If the payment is not made within the period stipulated in the Regulations, the Unit Holder shall be paid interest as stipulated in the regulations/guidelines (currently 15% p.a.) for the delayed period and the interest shall be borne by the AMC.

The bank name and bank account number, as specified in the Registrar's records, will be mentioned in the cheque. The cheque will be payable at par at all the cities having ISCs. If the Unit Holder resides in any other city, he will be paid by a demand draft payable at the city of his residence and the demand draft charges shall be borne by the AMC. The proceeds may be paid by way of direct credit / EFT / SEFT / RTGS / Wired Transfer / any other manner through which the investor's bank account specified in the Registrar's records is credited with the Redemption proceeds.

Note: The Trustee, at its discretion at a later date, may choose to alter or add other modes of payment.

The redemption proceeds will be sent by courier or (if the addressee city is not serviced by the courier) by registered post. The despatch for the purpose of delivery through the courier / postal department, as the case may be, shall be treated as delivery to the investor. The AMC / Registrar are not responsible for any delayed delivery or non-delivery or any consequences thereof, if the despatch has been made correctly as stated in this paragraph.

Non-Resident Investors

For NRIs, Redemption proceeds will be remitted depending upon the source of investment as follows:

(i) Repatriation Basis

When Units have been purchased through remittance in foreign exchange from abroad or by cheque / draft issued from proceeds of the Unit Holder's FCNR deposit or from funds held in the Unit Holder's Non Resident (External) account kept in India, the proceeds can be remitted to the Unit Holder in foreign currency (any exchange rate fluctuation will be borne by the Unit Holder). The proceeds can also be sent to his Indian address for crediting to his NRE / FCNR / non-resident (Ordinary) account, if desired by the Unit Holder.

(ii) Non Repatriation Basis

When Units have been purchased from funds held in the Unit Holder's non-resident (Ordinary) account, the proceeds will be sent to the Unit Holder's Indian address for crediting to the Unit Holder's non-resident (Ordinary) account.

For FIIs, the designated branch of the authorised dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the Foreign Currency account or Non-resident Rupee account of the FII maintained in accordance with the approval granted to it by the RBI.

The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs / FIIs.

The Fund may make other arrangements for effecting payment of Redemption proceeds in future.

c) Effect of Redemptions

The number of Units held by the Unit Holder in his/her/its folio will stand reduced by the number of Units Redeemed.

Units once redeemed will be extinguished and will not be re-issued.

xvi. Unclaimed Redemptions and Dividends

As per the SEBI Circular no. MFD/ CIR / 9/ 120/ 2000, dated November 24, 2000, the unclaimed Redemption and dividend amounts shall be deployed by the Fund in call money market or money market instruments only. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, 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. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders.

xvii. Suspension of the Purchase and Redemption of Units

Subject to the approval of the Boards of the AMC and of the Trustee, and subject also to necessary communication of the same to SEBI, the determination of the NAV of the Units of a scheme, and consequently of the Purchase, Redemption and switching of Units, may be temporarily suspended in any of the conditions described below:

- a) When one or more stock exchanges or markets which provide the basis of valuation for a substantial portion of the assets of the scheme is closed otherwise than for ordinary holidays.
- b) When, as a result of political, economic or monetary events or any other circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the scheme is not considered to be reasonably practicable or might otherwise be detrimental to the interests of the Unit Holders.
- c) In the event of breakdown in the means of communication used for the valuation of investments of the scheme, so that the value of the securities of the scheme cannot be accurately or reliably arrived at.
- d) If, in the opinion of the AMC, extreme volatility of markets causes or might cause, prejudice to the interests of the Unit Holders of the scheme.
- e) In case of natural calamities, war, strikes, riots, and bandhs.
- f) In case of any other event of force majeure or disaster that in the opinion of the AMC affects the normal functioning of the AMC or the Registrar.
- g) If so directed by SEBI.

In any of the above eventualities, the time limits for processing requests for subscription and Redemption of Units will not be applicable. All types of subscription and Redemption of Units will be processed on the basis of the immediately next Applicable NAV after the resumption of dealings in Units.

xviii. Right to Limit Redemptions

The Fund at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan / Option) of the Scheme(s) of the Fund upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable to the Redemption / switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs).

The Trustee / AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Scheme(s) of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets. A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Scheme(s) of the Fund may be imposed are as follows:

1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or
2. Market failures / Exchange closures; or
3. Operational issues; or
4. If so directed by SEBI.

It is clarified that since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines (*i.e. within 3-4 Business Days for schemes other than liquid funds and within 1 Business Day for liquid funds*) mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable.

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

The AMC / Trustee reserves the right to change / modify the provisions of right to restrict Redemption and / or suspend Redemption of the Units in the Scheme(s) of the Fund.

xix. Voting rights of the Unit Holders

Subject to the provisions of the Regulations as amended from time to time, the consent of the Unit Holders shall be obtained, entirely at the option of the Trustee, either at a meeting of the Unit Holders or through postal ballot.

xx. Duration of the schemes

The duration of the open –ended schemes is perpetual while the closed-ended schemes will mature at the end of the maturity period as specified in the respective Scheme Information Document. However, in accordance with the Regulations, schemes may be wound up, after repaying the amount due to the Unit Holders:

- a) on the happening of any event which, in the opinion of the Trustee, requires the schemes to be wound up; or
- b) if 75% of the Unit Holders of the scheme pass a resolution that the scheme be wound up; or
- c) if SEBI so directs in the interests of Unit Holders.

If the scheme is so wound up, the Trustee shall give notice of the circumstances leading to the winding up of the schemes:

- a) to SEBI; and
- b) in two daily newspapers having a circulation all over India, and in a vernacular newspaper with circulation in Mumbai.

On and from the date of the publication of notice of winding up, the Trustee or the AMC, as the case may be, shall

- a) cease to carry on any business activities in respect of the schemes so wound up;
- b) cease to create or cancel Units in the schemes; and
- c) cease to issue or redeem Units in the schemes.

xxi. Procedure and Manner of Winding Up

The Trustee shall call a meeting of the Unit Holders to approve, by simple majority of the Unit Holders present and voting at the meeting, a resolution authorising the Trustee or any other person to take steps for winding up of the scheme.

The Trustee, or other person authorised as above, shall dispose of the assets of the scheme concerned in the best interest of Unit Holders of the scheme. The proceeds of sale shall be first utilised towards discharge of such liabilities as are due and payable under the scheme, and, after meeting the expenses connected with the 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 winding up was taken.

On completion of the winding up, the Trustee shall forward to SEBI and Unit Holders a report on the winding up, detailing, the circumstances leading to the winding up, the steps taken for disposal of the assets of the scheme before winding up, net assets available for distribution to the Unit Holders and a certificate from the Auditors of the Fund. Notwithstanding anything contained herein above, the provisions of the SEBI Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until winding up is completed or the scheme ceases to exist.

After the receipt of the Trustee's report referred to above, and if SEBI is satisfied that all measures for winding up of the scheme have been complied with, the scheme shall cease to exist.

C. General Information

i. Securities Lending

If permitted by SEBI under extant Regulations / guidelines, the Equity Schemes may also engage in scrip lending. The AMC shall comply with all reporting requirements and the Trustee shall carry out periodic review as required by SEBI guidelines. Scrip 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 expiry of the stipulated period.

ii. Underwriting

The schemes launched by the Mutual Fund may underwrite securities of other issuers in accordance with SEBI guidelines in that regard, as amended from time to time.

iii. Borrowing Powers

Under the Regulations, the Fund is allowed to borrow to meet the temporary liquidity needs of a scheme for the purpose of repurchase, Redemption of Units or payment of interest or dividend to the Unit Holders. Further, as per Regulations, the Fund shall not borrow more than 20% of the net assets of a scheme and the duration of such borrowing shall not exceed a period of 6 months. The Fund may enter into necessary arrangements with banks / financial institutions for borrowing purposes. The scheme may bear the interest charged on such borrowings.

iv. Inter scheme transfer of investments

Transfers of investments from one scheme to another scheme in the Fund shall be made only if, -

- a) such transfers are done at the prevailing market price for quoted instruments on spot basis.
Explanation - "spot basis" shall have the same meaning as specified by stock exchange for spot transactions.
- b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

v. Associate transactions

The AMC shall use the service of Indiabulls Housing Finance Limited (Sponsor) for the purposes of distribution of MF products.

The AMC, on behalf of the Fund, shall conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arms-length basis and at mutually agreed terms and conditions to the extent permitted under the SEBI Regulations.

A. Policy of Investing in Group Companies of the Sponsor

The AMC has adopted the policy for investment in group companies of the Sponsor in line with the restrictions given under SEBI (Mutual Funds) Regulations, 1996 i.e. no investment will be made in any unlisted security of an associate or Group Company of the sponsor and in any security issued by way of private placement by an associate or group company of the sponsor. Further, no investment will be made in listed securities of the group company of the sponsor, which is in excess of 25% of the net assets of the Scheme of the fund.

Investment in group companies will be done only in the interest of the Fund and as per the SEBI (Mutual Funds) Regulations, 1996.

B. Investments made by Schemes of IBMF more than 25% of its Net Asset in Group Companies: None of the Scheme has made investments in Group Companies.

C. Investments by Associates in the Schemes of IBMF for the last 3 Financial Years

Investments by Associates in the Schemes of IBMF for the F.Y. 2014-15

S.NO	INVESTOR NAME	INDIABULLS GILT FUND	INDIABULLS LIQUID FUND	INDIABULLS SHORT TERM FUND	INDIABULLS ULTRA SHORT TERM FUND
1	IBULLS SALES LIMITED	3,00,00,000.00	1,19,84,00,000.00	-	23,75,00,000.00
2	INDIABULLS ADVISORY SERVICES LIMITED	-	4,49,74,00,000.00	-	2,00,00,000.00
3	INDIABULLS ASSET MANAGEMENT CO LTD	-	14,03,86,86,203.14	10,00,00,000.00	68,00,00,000.00
4	INDIABULLS ASSET RECONSTRUCTION CO LIMITED	-	12,01,37,00,000.00	-	7,00,00,000.00
5	INDIABULLS CAPITAL SERVICES LTD	-	11,36,06,60,578.00	-	5,00,00,000.00
6	INDIABULLS COLLECTION AGENCY LTD	-	6,95,36,00,000.00	12,00,00,000.00	3,50,00,000.00
7	INDIABULLS FINANCE COMPANY PVT LTD	10,00,93,793.33	3,10,00,00,000.00	45,26,23,202.77	47,78,83,423.58
8	INDIABULLS HOUSING FINANCE LIMITED	2,00,00,000.00	3,27,18,00,00,000.00	-	2,30,00,00,000.00
9	INDIABULLS INFRASTRUCTURE CREDIT LTD	5,25,00,000.00	1,80,00,00,000.00	55,31,72,900.87	47,78,83,423.58
10	INDIABULLS INSURANCE ADVISORS LTD	-	5,86,80,00,000.00	-	2,00,00,000.00
11	NILGIRI FINANCIAL CONSULTANTS LTD	6,02,28,523.85	4,53,98,94,956.00	-	26,25,00,000.00

12	IFCI LIMITED	-	13,94,78,00,000.00	-	-
13	INDIABULLS REAL ESTATE LIMITED	-	58,81,10,00,000.00	-	-

Investments by Associates in the Schemes of IBMF for the F.Y. 2015-16

Sr. No.	Investor Name	Indiabulls Arbitrage Fund	Indiabulls Bluechip Fund	Indiabulls Gilt Fund	Indiabulls Income Fund	Indiabulls Liquid Fund
1	INDIABULLS ASSET MANAGEMENT CO LTD	74,424,557.91	642,147.65	83,717,662.86	66,342,142.75	5,379,236.46
2	INDIABULLS COMMERCIAL CREDIT LTD	-	-	35,668,424.02	-	-
3	INDIABULLS HOUSING FINANCE LIMITED	-	-	40,174,319.08	2,099,384,709.53	14,022,976,632.16
4	IBULLS SALES LIMITED	-	-	-	-	77,074,106.89
5	INDIABULLS ASSETMANAGEMENT CO LTD-PMSA/C	-	-	-	-	62,679,829.61
	Grand Total	74,424,557.91	642,147.65	159,560,405.96	2,165,726,852.28	14,168,109,805.12

Investments by Associates in the Schemes of IBMF for the F.Y. 2015-16 (Contd..)

Sr. No.	Investor Name	Indiabulls Monthly Income Plan	Indiabulls Short Term Fund	Indiabulls Ultra Short Term Fund	Indiabulls Value Discovery Fund
1	INDIABULLS ASSET MANAGEMENT CO LTD	51,000,500.00	5,509,337.81	192,370,830.61	1,915,890.64
2	INDIABULLS COMMERCIAL CREDIT LTD	-	-	-	-
3	INDIABULLS HOUSING FINANCE LIMITED	-	1,920,961,205.87	3,510,833,380.12	-
4	IBULLS SALES LIMITED	-	-	-	-
5	INDIABULLS ASSETMANAGEMENT CO LTD-PMSA/C	-	-	-	-
	Grand Total	51,000,500.00	1,926,470,543.68	3,703,204,210.73	1,915,890.64

Investments by Associates in the Schemes of IBMF for the F.Y. 2016-17

Sr. No.	Investor Name	Indiabulls Liquid Fund	Debt (other than assured return scheme)
1	IFCI LIMITED	22,49,66,00,000.00	-
2	IBULLS SALES LIMITED	3,76,24,00,000.00	-
3	INDIABULLS INSURANCE ADVISORS LTD	2,22,70,00,000.00	-
4	INDIABULLS HOUSING FINANCE LIMITED	88,64,00,00,000.00	-
5	INDIABULLS CAPITAL SERVICES LTD	1,71,22,000.00	-
6	INDIABULLS COLLECTION AGENCY LTD	11,41,94,00,000.00	-
7	INDIABULLS REAL ESTATE LIMITED	20,14,25,00,000.00	-
8	INDIABULLS COMMERCIAL CREDIT LTD	90,00,00,000.00	-
9	INDIABULLS ASSET RECONSTRUCTION CO LIMITED	1,50,34,00,000.00	-
10	INDIABULLS ASSET MANAGEMENT CO LTD	1,54,88,00,000.00	-
11	INDIABULLS ASSET MANAGEMENT CO LTD - PMS A/C	25,69,600.00	-
12	INDIABULLS ADVISORY SERVICES LIMITED	3,63,03,00,000.00	-
13	INDIABULLS HOUSING FINANCE LIMITED	-	2,50,00,00,000
	Grand Total	1,56,29,00,91,600	2,50,00,00,000

A. Investments made by AMC with Sponsor :

Indiabulls Mutual Fund has not invested in any securities of the Sponsor or any of its Associates from the date of registration until the date of the Statement of Additional Information.

Investment in securities issued by group companies shall be in accordance with the SEBI (Mutual Funds) Regulations, 1996 and guidelines issued by SEBI from time to time.

B. Brokerage and Commission paid to associates/ related parties/ group companies of Sponsor/ AMC

(1) Brokerage paid to associates/related parties/group companies of Sponsor/ AMC:

Name of associate related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)	Brokerage (Rs Cr & % of total brokerage paid by the fund)
NIL	Associate broker	2014-2015	NIL	NIL
NIL	Associate broker	2015-2016	NIL	NIL
NIL	Associate broker	2016-2017	NIL	NIL

(2) Commission paid to associates/ related parties/ group companies of Sponsor/ AMC:

Name of associate related	Nature of Association/	Period covered	Business given (Rs. Cr. &	Commission paid (Rs & % of total
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parties/ group companies of Sponsor/ AMC	Nature of relation		% of total business received by the fund)	commission paid by the fund)
NIL	Associate distributor	2014-2015	NIL	NIL
NIL	Associate distributor	2015-2016	NIL	NIL
NIL	Associate broker	2016-2017	NIL	NIL

vi. Accrual of Expenses and Income

All expenses and income accrued up to the Valuation Day shall be considered for calculation of NAV. For this purpose, while major expenses like management fees and other periodic expenses would be accrued on a day to day basis, the minor expenses and income may not be so accrued, provided the non-accrual does not affect the NAV calculations by more than 1%.

vii. Recording of changes

Any changes in securities and in the number of Units will be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible, given the frequency of NAV disclosure, the recording may be delayed up to a period of 7 days following the date of the transaction, provided as a result of such non-recording, the NAV calculations shall not be affected by more than 1%.

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

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

The valuation guidelines outlined above are within the parameters of the Regulations and are subject to changes from time to time by the AMC and / or the Trustee. However, such changes must be in conformity with the Regulations.

viii. Accounting Policies and Standards

In accordance with the Regulations, the AMC will follow the accounting policies and standards detailed below.

1. The AMC shall keep and maintain proper books of accounts, records and documents, for all the schemes so as to explain its transactions and to disclose at any point of time the financial position of any scheme and, in particular, to give a true and fair view of the state of affairs of the Fund.
2. For the purposes of the financial statements, the Fund shall mark all investments to market and carry investments in the balance sheet at market value. However, since the unrealised gain arising out of appreciation on investments cannot be distributed, provision shall be made for exclusion of this item when arriving at distributable income.
3. In respect of all interest-bearing investments, income shall be accrued on a day to day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase shall not be treated as a cost of purchase but shall be debited to interest recoverable account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to interest recoverable account.
4. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method shall be followed.
5. Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market (for example, acquisitions through private placement or purchases or sales through private treaty), the transaction shall be recorded, in the event of a purchase, as of the date on which any scheme obtains an enforceable obligation to pay the price, or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

6. Where income receivable on investments has accrued but has not been received for the period as specified in the SEBI guidelines for identification and provisioning for NPAs, provision shall be made by debiting to the revenue account the income so accrued in the manner specified in the SEBI guidelines for identification and provisioning for NPAs. Insofar as provision for the principal amount is concerned, the same shall be provided as specified in the aforesaid guidelines.
7. When Units are sold, the difference between the sale price and the face value of the Unit, if positive, shall be credited to reserves and if negative, shall be debited to reserves, the face value being credited to the capital account. Similarly, when Units are repurchased, the difference between the Purchase Price and face value of the Unit, if positive, shall be debited to reserves and, if negative, shall be credited to reserves, the face value being debited to the capital account.
8. When Units are sold, an appropriate part of the sale proceeds shall be credited to an equalisation account, and when Units are repurchased an appropriate amount shall be debited to equalisation account. The net balance on this account shall be credited or debited to the revenue account. The balance on the equalisation account debited or credited to the revenue account shall not decrease or increase the net income of any scheme but shall only be an adjustment to the distributable surplus. It shall therefore be reflected in the revenue account only after the net income of a scheme is determined.
9. The cost of investments acquired or purchased shall include securities transaction tax, brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments, any front-end discount offered shall be reduced from the cost of the investment.
10. Dividend income earned by the scheme shall be recognised on the date on which the investment is quoted on an ex-dividend basis, not on the date on which the dividend is declared. For investments, which are not quoted on the stock exchange, dividend income shall be recognised on the date of declaration.
11. Bonus shares to which the scheme becomes entitled shall be recognised only when the original shares to which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements shall be recognised only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-rights basis.

The accounting policies and standards outlined above are consistent with the current Regulations and are subject to changes made from time to time by the AMC and / or Trustee. However, such changes must be in conformity with the Regulations.

ix. Power to make rules

Subject to the Regulations, the Trustee may, from time to time, prescribe terms and make rules for the purpose of giving effect to the scheme and may authorise the AMC to add to, alter or amend all or any of such terms and rules.

x. Power to remove Difficulties

If any difficulties arise in giving effect to the provisions of the scheme, the Trustee may, subject to the Regulations, do anything not inconsistent with such provisions, which appears to it to be necessary, desirable or expedient, for the purpose of removing such difficulty.

xi. Scheme to be binding on the Unit Holders

Subject to the Regulations, the Trustee may, from time to time, add or otherwise vary or alter all or any of the features of investment options and terms of the schemes, if necessary, after obtaining the prior permission of SEBI and Unit Holders and the same shall be binding on all the Unit Holders of the schemes and any person or persons claiming through or under them as if each Unit Holder or such person expressly had agreed that such features and terms shall be so binding. Any additions / variations / alternations shall be done only in accordance with the Regulations.

xii. Omnibus Clause

Besides the AMC, the Trustee or the Sponsor may also absorb expenditures in addition to the limits laid down under Regulation 52 of the Regulations.

The AMC confirms that there are no deviations from the Regulations and no subjective interpretations have been applied to the provisions of the Regulations.

xiii. Documents available for inspection

I D	Interest on delayed Payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of statement of Account/ Units certificate	0	2	2	0	0	0	0	0	0	0	0
II B	Discrepancy in statement of Account	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in investor details	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized Switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong Or excess Charges / load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, Bank details nomination etc.	0	3	3	0	0	0	0	0	0	0	0
IV	Others**	0	3	3	0	0	0	0	0	0	0	0
TOTAL		0	8	8	0	0	0	0	0	0	0	0

including against its authorized persons/ distributors/ employees. etc.

*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

** If others include a type of complaint which is more than 10% of overall complaint, provide that reason separately

Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (V) along with all other parameters

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.
