

STATEMENT OF ADDITIONAL INFORMATION

(SAI)

Name of Mutual Fund : **ESCORTS MUTUAL FUND**
Address : 404 – 1A, World Trade Centre, Babar Road,
New Delhi – 110001.
Ph.No. – 011-43587500, 43587510
Fax – 011-43587515
Website: www.escortsmutual.com

Name of Asset Management Company : **ESCORTS ASSET MANAGEMENT LTD.**
CIN : **U74899DL1995PLC074265**
Address : Admn. Office 404 – 1A, World Trade
Centre, Babar Road, New Delhi – 110001.
Ph. No. – 011-43587500, 43587510
Regd. Office - Premises No. 2/90, Block-P,
Connaught Circus, New Delhi - 110001.

Name of Trustee Company : **ESCORTS INVESTMENT TRUST LTD.**
CIN : **U74899DL1995PLC074262**
Address : Regd. Office - Premises No. 2/90, Block-P,
Connaught Circus, New Delhi - 110001.
Tel: (011) 43587400

This Statement of Additional Information (SAI) contains details of Escorts 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 23, 2017**.

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES**A. Constitution of the Mutual Fund**

Escorts Mutual Fund (the "Mutual Fund") has been constituted as a trust on 15th April, 1996 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Escorts Finance Limited, as the Sponsor and Escorts Investment Trust Ltd. as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on 3rd July, 1996 under Registration Code MF/028/96/4.

B. Sponsor

Escorts Mutual Fund is sponsored by Escorts Finance Limited. The Sponsor is the Settler of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs.1,00,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

The Sponsor was incorporated in 1987 and is a Non-Banking Financial Company, as per the Non-Banking Financial Companies (Reserve Bank) Directions, 1998. The Sponsor is primarily engaged in the business, inter alia of hire purchase, lease financing, consumer finance, corporate finance advisory services and money market operations.

Financial Performance of Escorts Finance Ltd. (past three years):

Particulars	2014 - 15	2015 -16	2016 -17
Net Worth (Rs. Lakhs)	(17751.04)	(17714.62)	(17720.44)
Total Income (Rs. Lakhs)	43.21	76.47	30.47
Profit after tax (Rs. Lakhs)	(8.68)	36.42	(5.82)
Assets Under Management (if applicable)	N.A.	N.A.	N.A.

C. The Trustee

Escorts Investment Trust Ltd. the "Trustee", through its Board of Directors, shall discharge its obligations as trustee of Escorts Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

Details of Trustee Directors:

Name	Age/Qualification	Brief Experience
Mr. Rajan Nanda	73/ Senior Cambridge, Training in UK & Germany	He is an eminent Industrialist heading the Escorts Group and is the Chairman and Managing Director of Escorts Limited. He holds directorship in various companies.
Dr. Rakesh Khurana	67/ B.Sc (Engg.), PGDBA (IIM Ahmbd.), MS (Mgmt.), Ph D	He is an academician and has over 3 decades of experience in leading academic and training institutes in India and abroad. He was Chairman of committees, which launched admission tests for Management and other disciplines (CAT/MAT) in 70's-80's. He was the first Director of the school of management IGNOU, Set up All India Management Association's (AIMA), Centre for Management Services (CME) and was responsible for launching the experiment of education and training through satellite (TDCC of ISRO, SINET etc.) in 90's.

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Name	Age/Qualification	Brief Experience
Mr. Deba Prasad Roy	74/ M. Sc (Chem.)	He has over 40 years of experience in the area of Financial Services, Commercial & International Banking. His knowledge in financial sector is very detailed.
Mr. Bhaskar Sharma	63/ B.Sc, M.Com, MBA	He has over 40 years of rich experience in the area of Brand-building, Business Planning and Strategic Management. He has worked with top companies including ITC Ltd. and Modi International and worked his way through various cadres reaching the position of CEO in his last assignment.

Duties and Responsibilities of the Trustee Company

As per Regulation 18 of SEBI (Mutual Funds) Regulations, 1996:

- (1) The trustees and the asset management company shall with the prior approval of the Board enter into an investment management agreement.
- (2) The investment management agreement shall contain such clauses as are mentioned in the Fourth Schedule and such other clauses as are necessary for the purpose of making investments.
- (3) The trustees shall have a right to obtain from the asset management company such information as is considered necessary by the trustees.
- (4) The trustees shall ensure before the launch of any scheme that the asset management company has:-
 - (a) systems in place for its back office, dealing room and accounting;
 - (b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the trustees, within 15 days of their appointment;
 - (c) appointed auditors to audit its accounts;
 - (d) appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions etc. issued by the Board or the Central Government and for redressal of investors grievances;
 - (e) appointed registrars and laid down parameters for supervision;
 - (f) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - (g) specified norms for empanelment of brokers and marketing agents.
- (4A) The compliance officer appointed under clause (d) of sub-regulation (4) shall immediately and independently report to the Board any non-compliance observed by him.
- (5) The trustees shall ensure that an asset management company has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
- (6) The trustees shall ensure that the asset management company has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to interest of the unitholders.
- (7) The trustees shall ensure that the transactions entered into by the asset management company are in accordance with these regulations and the scheme.
- (8) The trustees shall ensure that the asset management company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company.
- (9) The trustees shall ensure that all the activities of the asset management company are in accordance with the provisions of these regulations.
- (10) Where the trustees have reason to believe that the conduct of business of the mutual fund is not in accordance with these regulations and the scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform the Board of the violation and the action taken by them.
- (11) Each trustee shall file the details of his transactions of dealing in securities with the Trust on a quarterly basis.
- (12) The trustees shall be accountable for, and be the custodian of, the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unit holders in accordance with these regulations and the provisions of trust deed.
- (13) The trustees shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.
- (14) The trustees shall be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with these regulations and the trust deed.

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- (15) The trustees shall obtain the consent of the unitholders -
- (a) whenever required to do so by the Board in the interest of the unitholders: or
 - (b) whenever required to do so on the requisition made by three-fourths of the unit holders of any scheme: or
 - (c) when the majority of the trustees decide to wind up or prematurely redeem the units: or
- (15A) The trustees 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 unitholders, shall be carried out unless:-
- (i) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
 - (ii) the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load."
- (16) The trustees on a quarterly basis shall call for the details of transactions in securities by the key personnel of the asset management company in his own name or on behalf of the asset management company and shall report to the Board, as and when required.
- (17) The trustees shall quarterly review all transactions carried out between the mutual funds, asset management company and its associates.
- (18) The trustees shall quarterly review the networth of the asset management company and in case of any shortfall, ensure that the asset management company make up for the shortfall as per clause (f) of sub-regulation (1) of regulation 21.
- (19) The trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unitholders.
- (20) The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unitholders.
- (21) The trustees shall periodically review the investor complaints received and the redressal of the same by the asset management company.
- (22) The trustees shall abide by the Code of Conduct as specified in the Fifth Schedule.
- (23) The trustees shall furnish to the Board on a half yearly basis:-
- (a) a report on the activities of the mutual fund covering the detail as prescribed by SEBI.
 - (b) a certificate stating that the trustees have satisfied themselves that there have been no instances of self dealing or front running by any of the trustees, directors and key personnel of the asset management company:
 - (c) a certificate to the effect that the asset management company has been managing the schemes independently of any other activities and incase any activities of the nature referred to in sub-regulation (2) of regulation 24 have been undertaken by the asset management company and has taken adequate steps to ensure that the interest of the unitholders are protected.
- (24) The independent trustees referred to in sub-regulation (5) of regulation 16 shall give their comments on the report received from the asset management company regarding the investments by the mutual fund in the securities of group companies of the sponsor.
- (25) Trustees shall exercise due diligence as under:

A. General Due Diligence

- (i) The Trustees shall be discerning in the appointment of the directors on the Board of the asset management company.
- (ii) Trustees shall review the desirability of 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.
- (iii) The trustees shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- (iv) The trustee shall ensure that all service providers are holding appropriate registrations from the Board or concerned regulatory authority.
- (v) The trustees shall arrange for test checks of service contracts.
- (vi) The trustees shall immediately report to the Board of any special developments in the mutual fund.

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B. Specific Due Diligence:

The Trustees shall:

- (i) Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees.
 - (i) Obtain compliance certificates at regular intervals from the asset management company
 - (iii) Hold meeting of trustees more frequently.
 - (iv) Consider the reports of the independent auditor and compliance reports of asset management company at the meetings of trustees for appropriate action.
 - (v) Maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings.
 - (vi) Prescribe and adhere to a code of ethics by the Trustees, asset management company and its personnel.
 - (vii) Communicate in writing to the asset management company of the deficiencies and checking on the rectification of deficiencies.
- (26) Notwithstanding anything contained in (1) to (25), the trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
- (27) The independent directors of the trustees or asset management company shall pay specific attention to the following, as may be applicable, namely:
- (i) the Investment Management Agreement and the compensation paid under the agreement.
 - (ii) Service contract with affiliates – whether the asset management company has charged higher fees than outside contractors for the same services.
 - (iii) Selection of the asset management company's independent directors.
 - (iv) Securities transactions involving affiliates to the extent such transactions are permitted.
 - (v) Selecting and nominating individuals to fill independent directors vacancies.
 - (vi) Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
 - (vii) The reasonableness of fees paid to sponsors, asset management company and any others for services provided.
 - (viii) Principal underwriting contracts and their renewals.
 - (ix) Any service contract with the associates of the asset management company.

Mr. Rajan Nanda is deemed to be an associate of the Asset Management Company during the last three financial years.

The Trustee Company monitors the activities of the AMC on an ongoing basis by having in place, a number of checks and balances and asking for various reports besides periodic review of the various activities of EAML. The Board of Directors of the Trustee (Company) met on 13 occasions during the year 2016-2017. It received the following Specific Reports from AMC :

1. Transactions with Associates.
2. Broker-wise transactions
3. Quarterly Net Worth of the AMC.
4. Performance of schemes.
5. Bi Monthly and Quarterly Reports
6. Balance sheet and Revenue & Expenditure Accounts

Besides, the compliance reports, which are submitted by EAML to SEBI, are also placed before the Board of Directors of the Trustee Company and discussed. In addition, it relies on Internal Audit Reports prepared by an independent firm of Chartered Accountants. Periodic declarations are taken from the staff and Directors of EAML and placed before the Board of Directors of the Trustee Company to peruse and to ascertain that there have been no instances of self dealing or front running. Meetings of the Board of Directors of the Trustee Company are held (atleast) once every two months and atleast six such meetings are held in every year.

The supervisory role of the Trustees is discharged by the Board of Trustees by having continuous feedback from the AMC on matters of importance and a review of the Mutual Fund's operations at the Board of Trustees meetings.

Dr. Rakesh Khurana, Mr. Deba Prasad Roy and Mr. Bhaskar Sharma are independent trustees. Thus, three out of four trustees are independent trustees.

No amendments to the trust deed shall be carried out without the prior approval of SEBI and unitholders approval would be obtained where it affects the interests of unitholders.

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D. Asset Management Company

Escorts Asset Management Ltd. is a public limited company incorporated under the Companies Act, 1956 on 01.12.1995, having its Registered Office at Premises No. - 2/90, Block – P, Connaught Circus, New Delhi – 110 011. Escorts Asset Management Ltd. has been appointed as the Asset Management Company of the Escorts Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 15th April 1996, and executed between Escorts Investment Trust Ltd. and Escorts Asset Management Ltd.

Shareholding pattern of the AMC (as on the date of last AGM i.e. 15.07.2016) specifying the percentage holding of various groups/ companies and their activities:

S. No.	Name	% of paid up equity share capital	Activities
1.	Escorts Finance Ltd.	49.00	Non-Banking Financial Company
2.	Escorts Ltd.	30.00	Manufacturing
3.	AAA Portfolios Pvt. Ltd.	12.00	Non-Banking Financial Company
4.	Others	9.00	Individual
	Total	100.00	

Details of AMC Directors:

Name	Age/Qualification	Brief Experience
Ms. Ritu Nanda	68/ B.A.	She has sharp business acumen and in-depth knowledge experience and was awarded for being No. 1 Agent in India for Life Insurance Corporation of India Ltd.
Ms. Nitasha Nanda	47/ B.Com (H)	She has varied experience in the field of finance ranging from Financial Planning, Budgeting, Forecasting, dealing with Financial Institutions & Banks to reviewing the operations and investment decisions of the Company and advising the research team.
Prof. Asish K. Bhattacharyya	67/ M. Com, C.A., ICWA	He worked for 18 years in accounting and finance functions in public sector and private sector enterprises and for 3 years as a consultant, for another 3 years as a Professor at S P Jain Institute of Management and Research, Mumbai. He then worked for 3 years as Director (Continuing Education) and 1 year as Technical Director at the Institute of chartered Accountants of India. He worked as Professor with Indian Institute of Management Calcutta from December 1999 till December 2010. Currently he is working as Director with ICWAI Management Accounting Research Foundation, Delhi.
Dr. Ashok K. Aggarwal	54/ M.A. Eco. MBA – Fellow – IIM (Ahmd.)	He has over 25 years of experience and has been associated with the Escorts Group since 1993 and has looked after various important functions ranging from Equity Research, Portfolio Management, Merchant Banking.
Mr. Amal Dhru	66/ F.C.A., MBA (IIMA)	He has over 30 years of experience in the areas of Finance & Accounts, Business Planning & Financial Advisor. He has also been Public Representative of SEBI (1994-1999).
Ms. Pushpa Rai	48/ M.Com, MFM (Narsee Monjee Institute of Management Studies)	She has over 20 years of experience in the areas of Research, Management of Funds under Fixed Income & Equity Markets.
Mr. Chakradhar Bharat Chayya	73/ B. Com., CAIIB, FCMA	He is a fellow member of ICWA and CAIIB. He held various positions in Bank of Baroda over a period of 4 decades and retired as MD of Bob Cards Ltd. in December 2003. He was also Principal Officer for Sultanate of Oman Territory for 5½ years and was in-charge of Compliance with Regulations of the Central Banking Authority of the

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		country.
Mr. Bhupendra Shah	66/ B. Com., C.A., ISA	He is a rank-holder Chartered Accountant and has been in professional practice since 1981-82. He was appointed as a special invitee to the PDC Committee by the President of ICAI. His areas of specialization include taxation and international arbitration.
Mr. G.B. Mathur	66/ B. Sc., LL.B, ACS	He is a Post-Graduate in Law and qualified Company Secretary. He has rich experience of around 35 years and has been working with Escorts Limited for the past 20 years as its Executive Vice President – Law & Company Secretary and was recently nominated as Director on the Board of Escorts Ltd. Presently he is heading Escorts Skill Development Pvt. Ltd.
Mr. Deep Shukla	45/ B. Com., LL.B, FCS	He is associated with a number of listed companies, foreign multinationals, private group companies and SIDBI controlled entities in professional capacity as Consultant and has been rendering professional services in matters related with corporate and SEBI laws.

Obligations of the Asset Management Company

As per Regulation 25 of SEBI (Mutual Funds) Regulations, 1996:

- (1) The asset management company shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.
- (2) The asset management company shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
- (3) The asset management company shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the asset management company.
- (4) The asset management company shall submit to the trustees quarterly reports of each year on its activities and the compliance with these regulations.
- (5) The trustees at the request of the asset management company may terminate the assignment of the asset management company at any time:
Provided that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.
- (B) Notwithstanding anything contained in any contract or agreement or termination, the asset management company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omissions, while holding such position or office.
- (6A) The Chief Executive Officer (whatever his designation may be) of the asset management company shall ensure the mutual fund complies with all the provisions of these regulations and the guidelines and circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.
- (6B) The fund managers (whatever the designation may be) shall ensure that the funds of the schemes are invested to achieve the objectives of the scheme and in the interest of the unitholders.
- (7) (a) An asset management company shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes.
Provided that for the purpose of this sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund.
Provided further that the aforesaid limit of 5% shall apply for a block of any three months.
- (b) An asset management company shall not purchase or sell securities through any broker other than a broker referred to in clause (a) of sub-regulation (7) which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the asset management company has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustees on a quarterly basis.
Provided that the aforesaid limit shall apply for a block of three months.
- (B) An asset management company shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities:

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- Provided that an asset management company may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.
- Provided further that the mutual funds shall disclose at the time of declaring half-yearly and yearly results;
- (B) any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities associate companies,
 - (ii) devolvement, if any,
 - (iii) subscription by the schemes in the issues lead managed by associate companies
 - (iv) subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.
- (9) The asset management company shall file with the trustees the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company and shall also report to the Board, as and when required by the Board.
- (10) In case the asset management company enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees at its next meeting.
- (11) In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the trustees by the asset management company and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.
- (12) The asset management company shall file with the trustees and the Board –
- (a) detailed bio-data of all its directors alongwith their interest in other companies within fifteen days of their appointment; and
 - (b) any change in the interests of directors every six months.
 - (c) a quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the asset management company as the case may be, by the mutual fund during the said quarter.
- (13) Each director of the asset management company shall file the details of his transactions of dealing in securities with the trustees on a quarterly basis in accordance with the guidelines issued by the Board.
- (14) The asset management company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
- (15) The asset management company shall appoint registrars and share transfer agents who are registered with the Board.
- (B) Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts⁶) The asset management company shall abide by the Code of Conduct as specified in the Fifth Schedule.

Procedure and Recording of Investment Decisions:

The Investment decisions are taken by the Fund Managers. Records are maintained in support of each investment decision indicating facts and opinion leading to that decision and the basis for taking individual scrip-wise investment decision in equity and debt securities. A research report of all the investment decisions taken for the first time and subsequent purchase and sale in the same scrip is also recorded. The Board of Directors have laid down parameters for Investment Committee to invest in unrated instruments. In terms of such parameters, the proposals for investments in unrated instruments are approved. In case any security does not fall under the parameters, prior approval of the Boards of asset management companies and the trustees are taken.

Further, details of the Investments are included in the Bi-monthly, Quarterly and Half-yearly Reports of the Asset Management Company to the Trustees and also in the Half-yearly Report of the Trustees to SEBI.

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Information on Key Personnel:

Name / Designation	Age / Qualification	Brief Experience
Dr. Ashok K. Aggarwal Chief Executive Officer	54/ M.A. (Econ.), MBA, Fellow – IIM Ahmdbd.	He has over 25 years of experience and has been associated with the Escorts Group since 1993 and has looked after various important functions ranging from Equity Research, Portfolio Management, Merchant Banking.
Ms. Pushpa Rai Fund Manager Debt	48/ M.Com, MFM (Narsee Monjee Institute of Management Studies)	She has over 20 years of experience in the financial sector on both, fixed income products as well as equity markets. Her previous assignments included Heading Debt funds and managing Pension funds, surplus funds with IDBI Capital Market Services (March 2007 – Feb. 2010); Heading Debt and Equity Research at Mata Securities (Sep 1995 – April 2006).
Mr. Sanjeev Sharma Fund Manager Equity	41/ MBA Finance, B.com (Kurukshetra University)	He has experience in Fixed Income dealing/ trading in G-sec, corporate bond and other money market instruments, Identifying and monitoring of investment opportunities in different asset classes
Ms. Beenal Dharod Compliance Officer	32/ B.Com, LL.B (Mumbai University)	She has experience into compliances of Mutual Fund industry. Prior to this, she has worked with Taurus Asset Management Co. Ltd, Indiabulls Asset Management Co. Ltd & BNP Paribas Asset Management India Pvt. Ltd.
Mr. Shivin Kumar Investor Services Officer	36/ B. Com, 1 Year diploma in Computer Application	He has over 12 years of experience in investor relations area in financial sector.

E. Service Providers

Custodian

Name: HDFC Bank Limited
Address: HDFC Bank Limited, Custodian and Depository Services,
Lodha - I Think Techno Campus, Building - Alpha, 8th Floor,
Near Kanjurmarg Railway Station, Kanjurmarg (E), Mumbai - 400 042
SEBI Registration Number: INBI00000063

Transfer agent

The Asset Management Company will perform and provide the services of Registrar and Transfer Agent on an on-going basis to the Unit holders of the Mutual Fund Scheme(s). The Trustee has satisfied itself, after undertaking appropriate due diligence measures that the Asset Management Company will be able to provide the requisite services and has adequate facilities, including computer facilities, and the capacity to discharge responsibilities with regard to processing of applications and dispatching Unit Certificates/ Statements of Account to Unit holders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints.

Fee is payable to the Asset Management Company, if any, for performing and providing the services of Registrar and Transfer Agent on an on-going basis to the Unit holders of the Mutual Fund Scheme(s) shall be charged at rates competitive with the market with the consent of the Trustees.

For Demat Units - M/s Skyline Financial Services Pvt. Ltd. performs and provides the services of Registrar and Transfer Agent on an on-going basis to the Unit holders of the Scheme for the demat units. The SEBI Registration No. of M/s Skyline Financial Services Pvt. Ltd. (SFSPL) is INR 000003241. The Trustee has satisfied itself, after undertaking appropriate due diligence measures that SFSPL will be able to provide the requisite services and has adequate facilities, including computer facilities, and the capacity to discharge responsibilities with regard to processing of applications and dispatching Unit

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Certificates/ Statements of Account to Unit holders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints. Fee is payable to SFSPL for performing and providing the services of Registrar and Transfer Agent on an on-going basis to the Unit holders shall be charged at rates competitive with the market with the consent of the Trustees.

Statutory Auditor

M/s S.N. Dhawan & Co., Chartered Accountants
Address: C-37, Connaught Place, New Delhi- 110001.

Legal Counsel

Escorts Asset Management Ltd.
Premises No. - 2/90, Block – P,
Connaught Circus, New Delhi – 110011.

Fund Accountant

Escorts Asset Management Ltd.
Premises No. - 2/90, Block – P,
Connaught Circus, New Delhi – 110011.

Bankers

HDFC Bank Ltd.
G 3/4, Surya Kiran Building,
19 K.G. Marg, New Delhi – 110001.
SEBI Registration Number: INBI00000063

F. Condensed financial information (CFI):

Escorts Fixed Maturity Plan - Series II was launched in 2011 and was fully redeemed in 2012.

III. HOW TO APPLY

1. The Application Form may be used by resident and non-resident investors.
2. The Application Form must be completed in English in BLOCK LETTERS. Please tick (✓) in the appropriate box, where boxes () have been provided.
3. Application under Power of Attorney: In case of an Application under a Power of Attorney or by a limited company or a body corporate or a registered society or a trust, the original Power of Attorney or a duly notarised copy thereof or the relevant resolution or authority to make the application, as the case may be or a duly certified copy thereof along with a duly certified copy of the memorandum and articles of association and/ or the bye-laws, if any must be submitted to the Asset Management Company at New Delhi, at the earliest but in any case no later than 7 days from the date of closure of the new fund Offer Period.
4. Applications must clearly indicate:
 - Residential Status (Resident / Non Resident), basis (repatriable / non-repatriable)
 - the Investment Option(s) may clearly be indicated. Otherwise, it will be presumed that the application is for Units under the Growth Option and will be dealt with accordingly.
 - The mode of holding i.e., 'single', 'either or survivor', 'anyone or survivor' or 'joint', in the space provided in the application.
 - The first-named/ sole investor may specify another person as his/her nominee to be entitled to receive payments due on the Units, in case of his/her death and provide details of the nominee in the space provided in the application.
 - The first-named/ sole investor should, to prevent fraudulent encashment of dividend / redemption warrants, fill in his/ her/ its bank account particulars, in their applications / requests for redemption. **This is a mandatory requirement.**
5. In terms of SEBI Circular No. MRD/DoP/Cir-05/2007 dated 27.04.2007, with effect from 02.07.2007 Permanent Account Number (PAN) is the sole identification number for all transactions in the securities market, irrespective of the amount of transaction. However, investments in mutual funds schemes of upto INR 50,000 per investor per financial year per mutual fund shall continue to be exempted from the requirement of PAN. Hence, all applications for investment in the scheme should be accompanied by PAN number of the investor and all the investors in case of joint investors. Further, as per SEBI Circular No. MRD/DoP/Cir- 08/2007 dated 25.06.2007, in light of the above-mentioned Circulars, it was decided to discontinue with the requirement of Unique Identification Number (UIN) under the SEBI (Central Database of market Participants Regulations), 2005 (MAPIN regulations)/circulars.

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6. Applicants are encouraged to provide their email addresses in the application form to enable the Fund to send them various investor communications more efficiently, on request basis.
7. Applications complete in all respects may be lodged on or before the date of closure of the New Fund Offer Period as follows:
 - Applications accompanied by subscription amount in cash or by cheque/ demand draft, to be deposited by Resident investors with the collecting branches of the bankers to the new fund Offer, mentioned in the application.
 - Applications accompanied by subscription amount by cheque/ demand draft, to be deposited by Non-Resident investors with the NRI collecting branches of the bankers to the new fund Offer, mentioned in the application.
 - Applications by mail, from investors located at places where there are no collecting branches of the bankers to the New fund Offer should be sent, preferably by Registered Post to the Asset Management Company accompanied by the subscription amount by cheque / demand draft.

Important

- No receipt will be issued for the application. However, the Acknowledgement Slip, at the bottom of the application, duly initialled/ stamped by collecting branches of the bankers to the New Fund Offer shall be issued to the investor for future reference. All communication in respect of the application should be sent to the Asset Management Company quoting the full name of the investor, application serial number, number of Units applied for, date on which and name of the collecting branch of the bankers to the New Fund Offer.
8. Pursuant to SEBI Circular CIR/IMD/DF/17/2010 dated November 9, 2010, that units of mutual funds schemes may be permitted to be transacted through clearing members of the registered Stock Exchanges and Depository participants of registered Depositories can process only redemption request of the units held in demat form.
 9. Escorts Mutual Fund shall not accept applications for subscriptions of units accompanied with Third Party Payments except in the following cases where third party payments will be accepted subject to submission of requisite documentation / declarations.
 - (a) Payment by Parents / Grand-Parents / Related Persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000 for each regular purchase or per SIP installment;
 - (b) Payment by employer on behalf of employee under Systematic Investment Plan (SIP) facility, or lump sum / one time subscription, through payroll deductions subject to submission of requisite & valid documentation / declarations;
 - (c) Custodian on behalf of an FII or a Client.

“Third Party Payment” means payment made through an instrument issued from a bank account other than that of the first named applicant / investor mentioned in the application form. In case of payment instruments issued from a joint bank account, the first named applicant / investor must be one of the joint holders of the bank account from which the payment instrument is issued. Investors submitting their applications through the above mentioned ‘exceptional cases’ are required to comply with the following, without which applications for subscriptions for units will be rejected / not processed / refunded.

- (a) Mandatory KYC for Investor and the person making the payment.
- (b) Declaration by the person making the payment giving details of the bank account from which the payment is being made and the relationship with the beneficiary.
- (c) Escorts Mutual Fund shall adopt the following procedures to ascertain whether payments are Third Party Payments and investors are therefore required to comply with the requirements specified hereinbelow.
 - (i) Source of funds - if payment made by Cheque - An investor at the time of his / her purchase of units must provide in the application form the details of his pay-in bank account (i.e. account from which a subscription payment is made) and his pay-out bank account (i.e. account into which redemption/ dividend proceeds are to be paid). Escorts Mutual Fund will process the application on the basis of either matching of pay-in bank account details with pay-out bank account details or by matching the bank account number / name / signature of the first named applicant / investor with the name / account number / signature available on the cheque or by any other process as may be appropriate. If the name is not pre-printed on the cheque or signature on the cheque does not match, then the first named applicant / investor should submit any one of the following documents:
 - (a) a copy of the bank passbook or a statement of bank account having the name and address of the account holder and account number;

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- (b) a letter (in original) from the bank on its letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).
- (ii) Source of funds - if payment made by pre-funded instruments such as Pay Order, Demand Draft, Banker's cheque etc. For the payments made through these instruments, the amount should be debited from the registered bank account with RCAM. The investor requires to submit any of the following documents along with such pre-funded instruments:
 - (i) a proof of debit to the investor's bank account in the form of a bank manager's certificate with details of account holder's Name, bank account number and PAN as per bank records, if available; or
 - (ii) a copy of the acknowledgement from the bank, wherein the instructions to debit carry the bank account details and name of the investor as an account holder are available; or
 - (iii) a copy of the passbook/bank statement evidencing the debit for issuance of a DD
- (iii) Source of funds - if payment made by a pre-funded instrument issued by the Bank against Cash Escorts Mutual Fund will not accept any purchase applications from investors if accompanied by a pre-funded instrument issued by a bank against cash for investments of Rs. 50,000/- or more. The investor should submit a Certificate (in original) obtained from the bank giving investor's bank account number, address and PAN (if available) of the person who has requested for the payment instrument. The said Certificate should be duly certified by the bank manager with his / her full signature, name, employee code, bank seal and contact number. We will check that the name mentioned in the Certificate matches with the first named investor. However, it must be ensured that payment through such pre-funded instrument shall only be made is through a registered bank account.
- (iv) Source of funds - if payment made by RTGS, Bank Account-to-Account Transfer, NEFT, ECS, Bank Transfer etc. Investors should attach to the application form, an acknowledged copy of the instruction to the bank also stating the account number debited. The account number mentioned on the transfer instruction copy should be a registered bank account or the first named applicant / investor should be one of the account holders to the bank account debited for such electronic transfer of funds.
- (v) Source of funds - if payment made by net banking In case of payments being made through net banking, Escorts Mutual Fund will endeavour to obtain the details of the bank account debited from the payment gateway service provider and match the same with the registered pay-in accounts. In case it is found that the payment is not made from a registered bank account or from an account not belonging to the first named unit holder, Escorts Mutual Fund shall reject the transaction with due intimation to the investor.

The list as mentioned above is only indicative in nature. Escorts Mutual Fund reserves the right to add / modify any other method of payment as may be introduced from time to time. In case the application for subscription does not comply with the above provisions, the Escorts Mutual Fund retains the sole and absolute discretion to reject / not process such application and refund the subscription money and shall not be liable for any such rejection.

10. Bank Mandate Registration as part of new folio creation - In accordance with the AMFI Best Practice Guideline Circular No. 17/2010-11 dated October 22, 2010 and Circular No. 39/ 2013-14 dated August 23, 2013 and to reduce operational risk, Investor(s) are requested to note that any one of the following documents shall be required to submit as a proof of Bank Account Details (for Redemption/Dividend), in case the cheque provided along with fresh subscription/new folio creation does not belong to the Bank Account Details specified in the application form for redemption / dividend payments w.e.f. March 1, 2014 :
- a) Cancelled original cheque of the Bank Account Details with first unit holder name and bank account number printed on the face of the cheque; (or)
 - b) Self attested copy of bank statement with current entries not older than 3 months; (or)
 - c) Self attested copy of bank passbook with current entries not older than 3 months; (or)
 - d) Bank Letter duly signed by branch manager/authorized personnel.

Where such additional documents are not provided for the verification of bank account, the EMF reserves the right to reject such applications.

11. Foreign Account Tax Compliance

In order to comply with the requirement of Foreign Account Tax Compliance Act provisions (commonly known as FATCA) as contained in the US Hire Act 2010, Escorts Asset Management Limited (EAML) is required to collect information about investor's tax residency. Under the FATCA

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regime, the EAML would be required to collect information/ certification from the investors as per the US indicia, report information on the holdings or investment returns of any investor to the US authorities and/or apply withholding tax on payments to investors who fail to provide the information and/or documents required under FATCA. Applications that do not provide the necessary information/certifications are liable to be rejected. Subject to the execution of appropriate Inter-Governmental Agreement (IGA) between Governments of India and United States of America, the FATCA requirements mentioned in this addendum may change.

Please Note: With a fresh investment into scheme(s) of Escorts Mutual Fund, a declaration form confirming the status against a list of US indicia's shall be required. The indicia's are to identify a United States Person as defined under the Laws of the United States of America. Investors may download the FATCA declaration form from our website or approach any of the official point of acceptance of transactions. Please note the contents of the declaration may undergo a change on receipt of any communication from AMFI/SEBI.

The absence of these completed documentations may prevent us from accepting the investment and may require us to redeem the existing investments in case the same is mandated by AMFI/SEBI. We may also be required to report information relating to the investors' folios to the authority established by the Government of India.

When will you be required to submit the above documents?

- At the time of making a fresh investment (opening a new folio) with EMF.
- In case of any change in the information provided by the investor.
- When EMF is required to refresh the documentation/information held for the investors folio(s) and possibly request further documentation as necessary.

Investors can get more details on FATCA requirements at <http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA>.

12. Investors will be provided ASBA facility for all NFO launched on or after July 1, 2010. ASBA means "Application Supported by Blocked Amount". ASBA is an application containing an authorization to block the application money in the bank account, for applying during the NFO. An ASBA investor shall submit an ASBA physically or electronically through the internet banking facility, to the SCSB with whom, the bank account to be blocked, is maintained. The SCSB shall then block the application money in the bank account specified in the ASBA, on the basis of an authorisation to this effect given by the account holder in the ASBA. The application money shall remain blocked in the bank account till the allotment of the issue or till withdrawal/ rejection of the application, as the case may be. ASBA facility will be available to all the category of investors mentioned under "Who can invest" Section of the respective SID. An investor, who is eligible for ASBA facility, has the option of making application through ASBA or through the existing facility of applying with cheque / demand draft as mentioned in the SID.
13. Change - Minor attaining Majority, Change of Guardian, Registration of Nominee and Transmission of Units with effect from April 1, 2011 the following procedures shall be adopted for such cases:
For Application "On Behalf of Minor" Accounts:
 1. The minor shall be the first and the sole holder in an account. There shall not be any joint accounts with minor as the first or joint holder.
 2. Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
 3. The relationship/status of the guardian as father, mother or legal guardian and Date of birth of the minor shall be specified in the application form and following documents shall be submitted alongwith the application form as evidence:
 - i. Birth certificate of the minor, or
 - ii. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
 - iii. Passport of the minor, or
 - iv. Any other suitable proof evidencing the date of birth of the minor.
 - v. In case of court appointed legal guardian, supporting documentary evidence shall be provided.
 - vi. In case of natural guardian a document evidencing the relationship if the same is not available as part of documents submitted as above.
14. The investor(s) may request for a physical account statement / any other communications by writing or calling Escorts Mutual Fund Investor Service Department/ Registrar & Transfer Agent. In case of specific request received from the investor(s), Escorts Mutual Fund shall endeavor to provide the account statement to the investor(s) within 5 working days from the receipt of such

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request. Escorts Mutual Fund shall comply with the SEBI Guidelines as specified from time to time for dispatch of the account statement.

15. With effect from October 1, 2011, in accordance with SEBI Circular No. IMD/DF/9/2011 dated May 19, 2011, an option to subscribe/ hold the units of the Scheme(s)/Plan(s) of EMF viz. open ended, close ended, Interval in dematerialized (demat) form is being provided to the investors in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) / Stock Exchanges (NSE / BSE) from time to time. In case, the Unit holder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice-versa should be submitted along with a Demat/Remat Request Form to their Depository Participants. The investors can have the option to hold the units in dematerialized mode (demat) for subscription made through Systematic Investment Plan ("SIP") (except for Micro SIP) in the eligible open ended schemes of Escorts Mutual Fund.

In case, the Unit holder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice-versa should be submitted along with a Demat/Remat Request Form to their Depository Participants.

16. In accordance with SEBI Circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011 (effective from October 1, 2011) and SEBI Circular no. CIR/MRD/DP/31/2014 dated November 12, 2014 the investor whose transaction has been accepted by receiving the following:

- On acceptance of the application, a confirmation by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request will be sent to the Unit holders registered e-mail address and/or mobile number.
- Thereafter, a CAS shall be issued for each calendar month on or before 10th of the immediately succeeding month to the Unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month by physical/e-mail mode. CAS shall contain details relating to all the transactions carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor. The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.
 - For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). In case of a specific request received from the Unit holders, Escorts Mutual Fund will provide the account statement to the investors within 5 Business Days from the receipt of such request. In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/account statement. CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. For Micro SIP and Sikkim based investors whose PAN details are not mandatorily required to be updated Account Statement will be dispatched by Escorts Mutual Fund for each calendar month on or before 10th of the immediately succeeding month. Further, CAS detailing holding of investment across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month as the case may be, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical.

The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.

17. The processing of Redemption/Switch/various transaction request (s) where realization status is not available, Escorts Mutual Fund shall keep the units allotted to investor on hold for redemption/switch/various transactions till the time the payment is realized towards such purchase transaction(s).
18. In case if the customer submits a redemption / switch / various other transaction request like SWP, STP when the units are on hold, Escorts Mutual Fund reserves the right to reject/ partially process the redemption/switch/ various transaction requests, as the case may be, based on the realization status of the units held by the investor. In all the above cases (i.e., rejection/partial processing), intimation will be sent to the investor accordingly. Whenever a redemption/switch/various transaction request is rejected then an investor needs to submit a fresh request for reprocessing the same.
19. Units which are not redeemed /switched on account of the request being rejected due to non realization of funds, will be processed only upon confirmation of realization status and submission of a fresh redemption/switch request for such transactions. Also the applicable NAV for the

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redemption /switch transaction would be for the day when the fresh redemption/switch request was received.

20. Switching will also be allowed into/from any eligible open-ended Schemes of the Fund either currently in existence or a Scheme(s) that may be launched / managed in future, as per the features of the respective Scheme and as per the applicable loads. Unit holders may switch part/full Unit holdings, which are not under any lien, from an option or a Plan under the Scheme to any other eligible Scheme/ Plan/ Option and vice-versa, subject to conditions as specified above and all such conditions as may be applicable from time to time. Units held in demat form cannot be switched over to any other scheme.
21. Inter-Scheme switch & Inter Plan switch will be applicable only in case of Open Ended Schemes. In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase / additional purchase / switch-in (inter scheme and inter plan) accepted by EMF with effect from August 01, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan (SIP) / Systematic Transfer Plans (STP) with effect from August 01, 2009.
22. As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. This is to safeguard the interest of unitholders from loss or theft of their redemption cheques. Investors are requested to provide their bank details in the Application Form failing which the application will be rejected in terms of the Regulations. Escorts Mutual Fund provides facility to the investors to register multiple bank accounts. By registering multiple bank accounts, the investors can use any of the registered bank accounts to receive redemption / dividend proceeds.
23. All individual investors (either singly/jointly) can update or change details of Bank Account, with effect from **December 01, 2009** on submission of following documents:
 - (a) Application letter from the investor requesting for the Change of Bank Mandate and
 - (b) "Cancelled" original cheque of new Bank mandate and
 - (c) Any one of the following documents in respect of the existing bank mandate currently registered with Escorts Mutual Fund:
 - (i) "Cancelled" original cheque (bearing account number and first unit holder name on the face of the cheque); or
 - (ii) Original bank account statement.
 - (iii) True copy of the Bank passbook. Original Bank passbook should also be brought to DISC for verification. Original Bank passbook will be returned across the counter after due verification; or
 - (iv) In case such bank account is already closed, a duly stamped original letter from such bank, on the letter head of bank, confirming the closure of such account.Escorts Mutual Fund shall endeavor to process the request for change of Bank Mandate within 7 working days, from the date of receipt of request.

Following documents shall be required for Change in the Bank Mandate by submitting Application letter along with the Redemption Slip.

- (a) Redemption Slip along with Application Letter from the investor requesting for the Change of Bank Mandate, along with the redemption and
- (b) "Cancelled" original cheque of new Bank mandate and
- (c) Any one of the following documents in respect of the existing bank mandate currently registered with Escorts Mutual Fund:
 - (i) Cancelled original cheque (bearing account number and first unit holder name on the face of the cheque); or
 - (ii) Original bank account statement. True copy of the bank account statement may be accepted only if the original bank account statement is brought to Escorts Mutual Fund for physical verification, in which case the original bank account statement will be returned across the counter after due verification; or
 - (iii) True copy of the Bank passbook. Original Bank passbook should also be brought to DISC for verification. Original Bank passbook will be returned across the counter after due verification; or
 - (iv) In case such bank account is already closed, a duly stamped original letter from such bank, on the letter head of bank, confirming the closure of such account.

The documents to be submitted above should be complete in all respects to the satisfaction of Escorts Mutual Fund, failing which Escorts Mutual Fund may, at its sole discretion, reject the change of bank mandate request and pay the redemption proceeds in the existing bank account registered with Escorts Mutual Fund, either through direct credit to such existing bank account or through a physical redemption warrant. EMF shall not be responsible for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, of whatsoever nature and by whatsoever name called, arising out of any such action. Escorts Mutual Fund shall endeavor to

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process the request for change of Bank Mandate and thereafter redeem the specified units, within 10 working days, from the date of receipt of request. Escorts Mutual Fund's endeavor to dispatch the redemption proceeds within 3-4 working days of receipt of valid redemption request shall not be applicable in case redemption request is accompanied by Change of Bank Mandate request.

24. In terms of SEBI circular number MRD/DoP/Cir- 05/2007 dated April 27, 2007, Permanent Account Number (PAN) shall be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction with effect from July 2, 2007. Accordingly, it is mandatory for investors to provide their PAN along with a self attested copy of PAN Card. If the investment is being made on behalf of a minor, the PAN of the minor or father or mother or the guardian, who represents the minor, should be provided. Applications received without PAN/PAN card copy will be rejected. Pursuant to SEBI letter dated June 19, 2009 addressed to AMFI, and in compliance with AMFI Guidelines dated July 14, 2009, investment in Micro Schemes such as SIP where aggregate of installments in a rolling 12 months period or in a financial year i.e. April to March does not exceed Rs 50,000 per year per investor (hereinafter referred as "Micro SIP"), will be exempted from the requirement of PAN with effect from August 01, 2009. This exemption will be applicable only to investments by individuals (including Joint Holders who are individuals, non-resident Indian (NRI) but not person of Indian Origin (PIOs), Minors and Sole proprietary firms. Hindu Undivided Family and other categories will not be eligible for Micro SIPs. Further in terms of SEBI Circular MRD/DoP/Cir-20/2008 dated June 30, 2008, it is clarified that PAN may not be insisted in the case of Central Government, State Government, and the officials appointed by the courts example Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market. However, the aforementioned clarification will be subject to the mutual fund verifying the veracity of the claim of the specified organizations, by collecting sufficient documentary evidence in support of their claim for such an exemption. Further, in terms of SEBI Circular MRD/DoP/MF/Cir-08/2008 dated April 03, 2008, it has been, clarified to exempt investors residing in the state of Sikkim from the mandatory requirement of PAN for their investments in mutual funds. However, this would be subject to the Mutual Fund verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence including strict compliance with the applicable 'KYC' norms. The requirements pertaining to PAN & KYC shall be as prescribed by applicable Regulations read with various amendments, circulars, notifications issued from time to time.

25. In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, with effect from November 1, 2011, Escorts Mutual Fund shall deduct a Transaction Charge on per purchase / subscription of Rs. 10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors. Distributors shall be able to choose to 'opt out' of charging the transaction charge. However, the 'opt-out' shall be at distributor level and not investor level i.e. a distributor shall not charge one investor and choose not to charge another investor. Such charges shall be deducted if the investments are being made through the distributor/agent and that distributor / agent has opted to receive the transaction charges as mentioned below:

- **For the new investor a transaction charge of Rs 150/- shall be levied for per purchase / subscription of Rs 10,000 and above; and**
- **For the existing investor a transaction charge of Rs 100/- shall be levied for per purchase / subscription of Rs 10,000 and above.**

The transaction charge shall be deducted from the subscription amount and paid to the distributor/agent, as the case may be and the balance shall be invested. The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment. In case of investments through Systematic Investment Plan (SIP) the transaction charges shall be deducted only if the total commitment through SIP (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- and above. In such cases, the transaction charges shall be deducted in 3-4 installments.

Transaction charges shall not be deducted if:

1. The amount per purchases /subscriptions is less than Rs. 10,000/-;
2. The transaction pertains to other than purchases/ subscriptions relating to new inflows such as Switch/ STP/ /DTP/, etc.
3. Purchases/Subscriptions made directly with the Fund through any mode (i.e. not through any distributor/agent).
4. Subscription made through Exchange Platform irrespective of investment amount.

26. Pursuant to implementation of Know Your Customer (KYC) norms under Prevention of Money Laundering Act, 2002 (PMLA) through CDSL Ventures Limited (CVL and in accordance with Association of Mutual Funds in India (AMFI) circular 35/MEM-COR/62/10-11 dated October 07, 2010 and communication under reference 35/MEM-COR/81/10-11 dated December 23, 2010 it may be noted that KYC Compliance is mandatory for all Individual Investors with effective January 01, 2011 irrespective of the amount of investment. In order to reduce hardship and help investors

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dealing with SEBI intermediaries, SEBI issued three circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011 and MIRSD/Cir-26/2011 dated December 23, 2011 informing SEBI registered intermediaries as mentioned therein to follow, with effect from January 01, 2012, a uniform KYC compliance procedure for all the investors dealing with them on or after that date. SEBI also issued KYC Registration Agency ("KRA") Regulations 2011 and the guidelines in pursuance of the said Regulations and for In-Person Verification ("IPV").

27. The PML Requirements and related guidelines/circulars issued by the SEBI and AMFI states that Know Your Client (KYC) formalities are required to be completed for all Unit Holders, including Guardians and Power of Attorney holders, for any investment (whether new or additional purchase) made in mutual funds. All Mutual Funds are required to verify the identity and maintain records of all their investors through the mandate KYC process. The Investor needs to submit the necessary documents to the POS Location of KRA. Any subsequent changes in address or other details could be intimated to any of the POS (with relevant documentary evidence) and the same will get updated in all the mutual funds where the investor has invested. Investors have to provide the relevant documents and information ONLY ONCE for complying with KYC. After that Investors could use same with all SEBI registered intermediaries merely attaching a copy of the KYC acknowledgement slip with the application form /transaction slip when investing for the first time in every folio (Post KYC) in each Mutual Fund house, without the necessity to submit the KYC documents again.
28. **Quoting of Employee Unique Identification Number ("EUIN") in the Application Form:** Pursuant to SEBI circular no.CIR/IMD/DF/21/2012 dated September 13, 2012 and various AMFI Guidelines issued in this regard, investors are requested to disclose the details of EUIN along with the AMFI Registration Number ("ARN") of the distributor and the sub-distributor while submitting the applicable transaction request (excluding redemption).

In this regard the investors are requested to note the following:

- i. EUIN will not be applicable for overseas distributors who comply with the requirements of AMFI Guidelines
 - ii. Investors should provide valid ARN code, sub broker code and EUIN of the distributor, particularly in advisory transactions. This will assist in handling the complaints of mis-selling, if any, even if the sales person on whose advice the transaction was executed leaves the employment of the distributor.
 - iii. Where the EUIN is left blank, the declaration by the investor should state that EUIN space has been left blank as the transaction is an "execution-only" transaction.
29. **Acceptance of Investment from Qualified Foreign Investor ('QFI'):** In terms of the SEBI Circular CIR / IMD / DF / 14 / 2011 dated August 9, 2011, the Qualified Foreign Investors (QFIs) who meet KYC requirement shall be eligible to make investment in the existing as well as prospective equity schemes, and debt schemes which invest in Infrastructure debt (as and when launched) as well as such other scheme(s), as may be permitted to accept investments from QFIs as per the extant regulatory provisions, applicable from time to time, subject to the following guidelines:
- QFI shall mean a person who fulfils the following criteria:
- (i) Resident in a country that is a member of Financial Action Task Force (FATF) or a member of a group which is a member of FATF; and
 - (ii) Resident in a country that is a signatory to IOSCO's MMOU (Appendix A Signatories) or a signatory of a bilateral MOU with SEBI: Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on-(i) jurisdictions having a strategic Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) deficiencies to which counter measures apply, (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies:
- Provided further such person is not resident in India: Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account or Foreign Venture Capital Investor.

Explanation.-For the purposes of this clause:

- (1) The term "Person" shall carry the same meaning under section 2(31) of the Income Tax Act, 1961;
- (2) The phrase "resident in India" shall carry the same meaning as in the Income Tax Act, 1961;
- (3) "Resident" in a country, other than India, shall mean resident as per the direct tax laws of that country.
- (4) "Bilateral MoU with SEBI" shall mean a bilateral MoU between SEBI and the overseas regulator that inter alia provides for information sharing arrangements.
- (5) Member of FATF shall not mean an Associate member of FATF.

Guidelines applicable for QFIs

QFI(s) who meet the KYC and other requirements stipulated by SEBI and other applicable regulator(s), may invest in existing as well as prospective schemes (as and when launched) of Escorts Mutual Fund, as may permitted by extant applicable laws, through holding mutual fund ('MF') units through the following route:

1. **Direct Route** - Holding MF units in Demat account maintained by the QFI with a SEBI registered depository participant (DP).
2. **Indirect Route** - Holding MF units via Unit Confirmation Receipt (UCR).

QFIs are required to submit the necessary information for the purpose of obtaining PAN. For this the QFIs are required to submit the combined PAN cum KYC form, which is notified by CBDT or other appropriate authorities from time to time, for QFIs. Further, Escorts Mutual Fund reserves the right to obtain any additional information / documents from the QFI to ensure the compliance of extant laws and regulations. A person, who satisfies the requirements of QFI, as stated above, can only invest under the Direct Route or Indirect Route. Further, such investment(s) shall be in compliance with the extant applicable laws of the country in which the QFI is resident and from which the investment is made. In case of Direct Route, a QFI can open only one demat account with any one of the qualified DPs and shall subscribe and redeem the units of EMF only through that DP. The bank account which QFI has designated for the purposes of investment(s) in the units of Escorts Mutual Fund schemes should be based in either of the countries as are permitted by the appropriate regulatory authorities from time to time. Further, QFIs are requested to note that, when subscriptions are received from bank account, the same bank account will only be eligible for receipt of redemption/dividend proceeds. Units which are held by QFIs, of any scheme of EMF, shall be non-transferable and non tradable. QFIs shall be entitled to only subscribe or redeem units of schemes of Escorts Mutual Fund and shall not be entitled to carry out systematic investments/ systematic transfer / systematic withdrawals and switches of such units. Further, the QFIs shall not be entitled to create any encumbrance i.e. pledge or lien on the units/UCRs of the schemes of Escorts Mutual Fund that are held by them and they shall be required to hold such units free from all encumbrances.

Process for subscription / redemption of units by QFIs through Direct Route:

There shall be 3 parties under this route - QFIs, qualified DP and Escorts Mutual Fund (EMF):

1. Subscription Process

- a) Subscription from QFI
 - i. The QFI will make an application for purchase / subscription to the concerned DP, mentioning the name of the EMF scheme and remit the funds.
 - ii. The DP in turn will forward the purchase / subscription order to EMF and remit the funds received by it to the relevant EMF scheme bank account on the same day as the receipt of the funds from the QFI.
 - iii. In case the funds are received by the DP after business hours, then the DP will remit the funds to the EMF scheme bank account on the next business day.
- b) EMF shall process the purchase / subscription request and credit the units into the demat account of the QFI, held with the DP.
- c) Units will be allotted on the basis of NAV of the day when funds are received in the EMF scheme bank account, subject to the receipt of the purchase / subscription application from the QFI, through the DP.

2. Redemption Process

- a. QFIs can redeem, either through delivery instruction (physical/ electronic) or any another mode prescribed by the DP.
- b. QFI shall issue redemption instruction to the DP and the DP shall in turn process the same and forward the redemption instruction(s) to EMF.
- c. DP shall simultaneously transfer the relevant units held in demat account of the QFI to the respective EMF scheme demat account.
- d. Upon receipt of the redemption instructions and the concerned units, EMF shall process the redemption request and credit the redemption amount, net of all applicable taxes, within the timelines for redemption specified elsewhere in the SID.
- e. NAV in case of redemption would be applicable on the basis of time stamping of transaction slip & applicable cut off timing of the concerned EMF scheme.
- f. DP will, in turn, remit the funds to bank account of the QFI.

3. Dividend

- a. Dividend amount will be credited by EMF to the single rupee pool bank account of the DP.
- b. The DP will, in turn, transfer the dividend amounts to the bank account of the QFI within 2 working days of the date of receipt of the money from EMF.

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4. Refund Process

If for any reason units are not allotted by EMF, after receipt of funds from the DP, then EMF shall refund the funds to DP. EMF/DP will remit money back to the bank account of the QFI, within the prescribed timelines.

Process for subscription / redemption of units by QFIs through Indirect Route:

There shall be 4 parties under this route - QFIs, UCR issuer (based overseas), SEBI registered Custodian (based in India) and EMF. EMF shall appoint one SEBI registered custodian in India and one or more UCR issuer(s) overseas from time to time, in accordance with the extant laws and regulations and notify the same appropriately.

1. Subscription Process

- (a) QFIs can subscribe only through the UCR issuer
- (b) The rupee denominated units of the respective schemes of EMF would be held as underlying by the custodian in India in demat mode against which the UCR issuer would issue UCR(s) to be held by QFIs.
- (c) EMF may, at their discretion, receive funds from the QFI towards subscription, either in any freely convertible foreign currency or in Indian Rupees;
- (d) In case EMF intends to receive funds from the QFIs, towards transactions, in any freely convertible foreign currency, EMF will open a bank account overseas and the following process shall be followed by the QFI in respect of his investments:
 - i. The QFI(s) shall place a purchase/ subscription order through the UCR issuer and remit the funds to the overseas bank account of EMF.
 - ii. UCR issuer shall forward the order(s) of QFI(s) to EMF / Custodian.
 - iii. Upon receipt and transfer of funds to India, EMF shall issue units to the custodian and custodian in turn will confirm to the UCR Issuer to issue UCR(s) to the QFIs.
- (e) In case EMF intend to receive funds from the QFIs, towards transactions, in India, then upon receipt of the subscription form and the funds in India from the QFI(s) in the relevant scheme's account of EMF, EMF shall issue units to the custodian and the custodian shall in turn confirm to the UCR Issuer to issue relevant UCR(s) to the QFI(s).

2. Redemption Process

- (a) QFIs can redeem only through the UCR issuer
- (b) Upon receipt of redemption instruction(s), EMF shall process the same and shall either
 - i. transfer the redemption proceeds to the overseas bank account of EMF for making payment to the bank account of the QFI(s); or
 - ii. remit redemption proceeds to the UCR issuer which in turn shall remit redemption proceeds to the bank account of the QFI(s).

3. Dividend

In case of dividend payout, EMF shall either:

- (a) transfer the dividend amounts to overseas bank account of EMF for making payment to the bank account of the QFI(s); or
- (b) remit the dividend amount proceeds to the UCR issuer which in turn shall remit the dividend amount to the bank account of the QFI(s).

All payments by EMF to the QFI(s) shall be made net of applicable taxes. The investment(s) by the QFI(s) in EMF schemes shall also be subject to the relevant and extant FEMA regulations and guidelines issued by the Reserve Bank of India from time to time. EMF reserves the right to introduce / modify any terms and conditions for processing the transactions of QFIs in line with applicable regulations and amendments from time to time.

Person Not Eligible to Subscribe for Units in the Schemes of Escorts Mutual Fund and provisions relating to FATCA

- I. Persons not eligible to subscribe for units in schemes of Escorts Mutual Fund- On account of limitations / restrictions imposed by jurisdictional laws / regulations with respect to marketing or offering of units of Schemes of the Fund, the persons stated under the below provision titled 'Who Cannot Invest?' shall not be eligible to invest in the Schemes of the Fund.

'Who cannot invest?'

- (i) United States Person (U.S. person*) as defined under the extant laws of the United States of America;
- (ii) Residents of Canada;
- (iii) NRIs residing in any Financial Action Task Force (FATF) declared non-compliant country or territory

*The term "U.S. person" means any person that is a U.S. person within the meaning of Regulation S under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time."

In view of the above, the said persons will not be permitted to undertake the following transactions in the units of any of the Schemes of the Fund with immediate effect :

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- a. Fresh purchases / additional purchases / switches in any Schemes of the Fund. However, existing Unit holder(s) are permitted to redeem the units from the Schemes of the Fund.
- b. If the said persons have opted for reinvestment of dividend, the dividend will be paid out to them.
- c. For existing Unit holder subsequently becoming a U.S. person or Resident of Canada, fresh purchases / additional purchases / switches in any Schemes of the Fund will not be permitted.
- d. All existing registered systematic investment facilities such as Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), Dividend Transfer Facility, Systematic Withdrawal Plan (SWP) would be ceased. However, existing SIP transactions falling due upto 10 days from the Effective Date will be processed.
- e. For transactions undertaken after the Effective Date, in case the Fund / EAML identifies that the subscription amount has been received from the said persons, EAML / Fund at its discretion shall redeem all the units held by such person from the Scheme at applicable Net Asset Value.

Rejection of Applications

The following kinds of Applications are liable to be rejected :

1. Incomplete or incorrectly filled Applications and/or those not accompanied by the subscription amount or otherwise found invalid;
2. Applications under Power of Attorney for which the requisite documents are not submitted within the time period stipulated in this regards Applications accompanied by cheques / demand drafts that have been dishonoured / returned unpaid;
3. The Trustee reserves the sole and absolute right to accept or reject applications, in whole or in part, without assigning any reason therefore. The decision of the Trustee in this regard shall be absolute and final.

Lien on Units

A lien on Units allotted will be created, and such Units shall not be available for redemption until the payment proceeds are realised by the Fund. In case a unitholder redeems Units soon after making purchases, the redemption cheque will not be despatched until sufficient time has elapsed to provide reasonable assurance that cheques or drafts for Units purchased have been cleared. In case the cheque / draft is dishonoured by the bank, the transaction shall be reversed and the Units allotted earlier shall be cancelled, and a fresh Account Statement / Confirmation slip shall be despatched to the Unitholder.

For non-individuals and NRIs, the Fund may mark a lien on Units in case documents, which need to be submitted, are not given in addition to the application form and before the submission of the redemption request.

However, the Fund reserves the right to change operational guidelines for lien on Units from time to time.

Pledge of Units

The Units under the Scheme may be offered by a Unitholder as security by way of pledge in favour of a scheduled bank, financial institution or any other body, all specifically approved by the Fund for this purpose. Upon a specific authorisation request made by a Unitholder and upon completing necessary formalities by the Unitholder, the Fund will instruct the Registrar to mark a lien for a specific period on the Units standing to the credit of the Unitholders account. However, the disbursement of such loans will be at the entire discretion of the concerned bank/ financial institution/ any other body and the Mutual Fund assumes no responsibility thereof. If by enforcing the pledge /charge, the scheduled bank/ financial institution any other approved body seeks to transfer the Units and or have them registered in its name, then the AMC shall comply with the request, if the necessary documentary evidence is made available. No pledge or charge shall be recognised by the AMC unless it is registered with the Registrar and the acknowledgement has been received. However, Escorts Asset Management Ltd. reserves the right to change operational guidelines for pledge on Units, from time to time.

Know Your Customer (KYC)

Pursuant to implementation of Know Your Customer (KYC) norms under Prevention of Money Laundering Act, 2002 (PMLA) through CDSL Ventures Limited (CVL and in accordance with Association of Mutual Funds in India (AMFI) circular 35/MEM-COR/62/10-11 dated October 07, 2010 and communication under reference 35/MEM-COR/81/10-11 dated December 23, 2010 it may be noted that KYC Compliance is mandatory for all Individual Investors with effective January 01, 2011 irrespective of the amount of investment. In order to reduce hardship and help investors dealing with SEBI intermediaries, SEBI issued three circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011 and MIRSD/Cir-26/2011 dated December 23, 2011 informing SEBI registered intermediaries as mentioned therein to follow, with effect from January 01, 2012, a uniform KYC compliance procedure for all the investors dealing with them on or after that date. SEBI also issued KYC Registration Agency ("KRA") Regulations 2011 and the guidelines in pursuance of the said Regulations and for In-Person Verification ("IPV"). The PML Requirements and related guidelines/circulars issued by the SEBI and AMFI states that Know Your Client (KYC) formalities are required to be completed for all Unit Holders, including Guardians and Power of Attorney holders, for any investment (whether new or additional purchase) made in mutual funds. All Mutual Funds are required to verify the identity and maintain records of all their investors through the mandate KYC process. The Investor needs to submit the necessary documents to the POS Location of KRA. Any subsequent changes in address or other details could be intimated to any of the POS (with relevant documentary evidence) and the same will get updated in all the mutual funds where the investor has invested. Investors have to provide the relevant documents and information ONLY ONCE for complying with KYC. After that Investors could use same with all SEBI registered intermediaries merely attaching a copy of the KYC acknowledgement slip with the application form /transaction slip when investing for the first time in every folio (Post KYC) in each Mutual Fund house, without the necessity to submit the KYC documents again.

Inter Plan Switching

Unitholders will have the option to switch all or part of their investment(s) from one investment plan of this scheme to the other investment Plan of this scheme. The switch will be affected by way of redemption of Units of the relevant investment Plan of this scheme and re-investment of the redemption proceeds in the other investment plan of the Scheme selected by the unitholder on the prevailing terms of the Scheme.

The price at which the Units will be switched out of the Scheme will be at the applicable NAV on the Business Day of acceptance of switching request and the net proceeds will be invested in the other investment Plan of the Scheme at the prevailing purchase price for Units in that Investment Plan.

Duplicate Statements Of Account/Dividend Warrants/ Redemption Warrants, Consolidation Of Accounts.

- The Asset Management Company may, subject to compliance with such requirements as it deems necessary, issue duplicate Statement(s) of Account/dividend warrant(s) redemption warrant(s) reported to have been stolen, lost or destroyed and defaced, torn or mutilated.
- Unit holder(s) having more than one account per investment Option may apply to the Asset Management Company, for consolidation of account.
- The Asset Management Company shall endeavour to dispatch duplicate/consolidated Statement(s) of Account/dividend warrant(s) redemption warrants to the Unit holder by ordinary post/registered post, as the case may be, at the Unit holder's risk within a period of 30 days from the date of valid lodgement of request/indemnity bond.

Register Of Unit Holders

The following provisions shall apply to the registration of holders of Units under the Scheme:

1. A Register of Unit Holders shall be maintained at the office of the Asset Management Company at New Delhi and at such other places as the Trustee may decide. The Register may be maintained on magnetic media.
2. The Register of Unit holders shall contain, inter alia, the following particular:
 - The name(s) and address(es) of Unit holder(s);
 - The account number and the number of Units (upto three decimal places) held by every Unit holder; and
 - The date from which Units are held in the name of the Unit holders(s).
3. In the event of death, insolvency or winding up of a sole Unit holder, any other persons(s) being entitled to the same, and upon recognition of the claim(s) in such manner as the Trustee/AMC may deem necessary, shall be registered as the Unit holder(s)
4. Where Units are held in the name of two or three persons, such persons shall be deemed to hold the units jointly. In all such cases:

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- It shall be deemed that the first of such persons is the Unit holder and all correspondence, if any shall be only by the first of such persons;
 - All payments and settlements shall be made to the first of such persons and a receipt thereof shall be a valid discharge of the obligations in this regard;
 - All correspondence, for and on behalf of the Mutual Fund, shall be only with the first of such persons; and
 - In the case of death, insolvency or winding up of any such person(s), the survivor(s) amongst such person(s) shall be the only person(s) recognized by the Mutual Fund as having any title or interest in the Units. In the case of death, insolvency or winding up of all such person(s), provisions applicable to a sole Unit holder, as above shall apply in respect of the first of such person(s)
5. Any change in the name and address of the Unit holder shall be notified to the Mutual Fund.
 6. If the unit holder pledges or otherwise charges the Units as security with scheduled commercial banks and financial institutions or other authority, the interest of the pledgee/charge holder, on intimation to the Asset Management Company shall be noted.
 7. If the Unit holder grants a Power of Attorney in favour of any person(s) to act on his/her/its behalf, in respect of the Units, the power of attorney holder(s) shall have the same recorded with the Asset Management Company. Until such power of Attorney is revoked, with the consent of the persons(s) in whose favour the same is granted, the Asset management Company shall act only on instructions issued by such Power of Attorney Holder(s).
 8. The unit holder may provide a Bank Mandate and have the same recorded with the Asset management Company. Until the same is revoked the Asset Management Company shall make all payments due as per the particulars of the Bank Mandate.
 9. Nomination: The Unit holder may specify another person as his/her nominee to be entitled to receive payments due on the Units in the event of his/her death. In such an event, all payments and settlements shall be made to such nominee, provided such nomination is previously recorded with the Asset Management Company and a receipt thereof shall be a valid discharge of the obligations in this regard.

Unclaimed Redemption Amounts

The unclaimed redemption amount shall be deployed by the mutual fund in call money market or money market instruments only and the investors who claim these amounts during the period of 3 years from the due date shall be paid at the prevailing NAV. After a period of 3 years this amount shall be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of the third year. The income earned can be used for the purpose of investor education. The AMC shall make a continuous effort to remind the investors through letters to take their unclaimed amounts.

IV. RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be despatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be despatched to the Unit holder within 10 business days of the Specified Redemption Date. Provided if a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non-transferable) within 30 days of the receipt of request for the certificate.
3. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving 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 Scheme.
6. 75% of the Unit holders of a Scheme can pass a resolution to wind-up a Scheme.
7. The Trustee shall obtain the consent of the Unit holders:
 - whenever required to do so by SEBI, in the interest of the Unit holders.
 - whenever required to do so if a requisition is made by three-fourths of the Unit holders of the Scheme.
 - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
 - The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless :
 - (i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
 - (ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
8. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.
9. An abridged Scheme-wise Annual Report of the Mutual Fund shall be mailed to the Unit holders not later than six months from the date of closure of the relevant accounting year and full annual report shall be available for inspection at the head office of the fund and a copy shall be made available to the unitholders on request on payment of nominal fees, if any. Before expiry of one month from the close of each half year that is on 31/3 and 30/9, the fund will publish its unaudited financial results in prescribed format as per SEBI Circular MFD/CIR/1/200/2001 dated 20.04.2001 in one national English daily newspaper and in a newspaper in the language of the region where the HO of the fund is situated.
10. Before expiry of one month from the close of each half year, that is on 31/3 and 30/9, the Mutual Fund will publish its scheme portfolio in the prescribed format as per SEBI circular MFD/CIR/9/120/2000 dated November 24, 2000 in one national English daily newspaper and in a newspaper in the language of the region where the HO of the fund is situated. These shall also be displayed on the website of the mutual fund and that of AMFI
11. Subject to the provisions of the Regulations as amended from time to time, the consent of the Unitholders shall be obtained, if necessary through postal ballot/mail, in consultation with SEBI. Each Unitholder shall be entitled to one vote for each unit held by him in respect of each resolution to be passed.
12. The investor has the right to inspect any or all the documents listed hereinafter under the heading "Documents for Inspection".
13. All Units rank pari passu as to the assets, earnings and the receipt of the dividends or distributions, if any, of the Scheme/ Investment Option.
14. The Annual Report containing accounts of the AMC shall be displayed on the website of the mutual fund. It should also be mentioned in the Annual Report of Mutual Fund schemes that the Unitholders, if they so desire, may request for the Annual Report of the AMC.
15. Suspension or restriction of repurchase / redemption facility under any scheme of the mutual fund shall be made applicable only after the approval from the Board of Directors of the Asset Management Company and the Trustees. The approval from the AMC Board and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

V. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time. The broad Valuation norms are detailed below:

i) Equity and Equity related Securities

1. Traded Securities -

- (1) The securities shall be valued at the last quoted closing price on the stock exchange.
- (2) When the securities are traded on more than one recognised stock exchange, the securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded.
- (3) When on a particular valuation day, a security has not been traded on the Principal stock exchange, the value at which it is traded on another stock exchange may be used.
- (4) When a security (other than debt securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.

2. Thinly Traded Securities- :

Thinly Traded Equity/Equity Related Securities:

- (1) "When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is both less than Rs. 5 lakh and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly"
- (2) For example, if the volume of trade is 100,000 and value is Rs. 400,000, the share does not qualify as thinly traded. Also if the volume traded is 40,000, but the value of trades is Rs. 600,000, the share does not qualify as thinly traded. In order to determine whether a security is thinly traded or not, the volumes traded in all recognised stock exchanges in India may be taken into account.

3. Valuation of Non-Traded / Thinly Traded Securities:

Non traded/ thinly traded securities shall be valued "in good faith" by the AMC on the basis of the valuation principles laid down below:

Based on the latest available Balance Sheet, net worth shall be calculated as follows:

Net Worth per share = [share capital + reserves (excluding revaluation reserves) - Misc. expenditure and Debit Balance in P&L A/c] Divided by number of Paid up Shares. Average capitalisation rate (P/E ratio) for the industry based upon either Bombay Stock Exchange Limited (BSE) or National Stock Exchange of India Limited (NSE) data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.

- (1) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.
- (2) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- (3) 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.
- (4) In case an individual security accounts for more than 5% of the total assets of the Scheme, an independent valuer shall be appointed for the valuation of the said security.
- (5) To determine if a security accounts for more than 5% of the total assets of the Scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the Scheme to which it belongs would be compared on the date of valuation.

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4. Non Traded Securities:

When a security (other than Government Securities) is not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as a 'non traded' security.

5. Valuation of Unlisted Equity Shares:

Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:

- (1) Based on the latest available audited balance sheet, net worth shall be calculated as lower of (a) and (b) below:
 - (a) Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares
 - (b) After taking into account the outstanding warrants and options, Net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option/Warrants received/receivable by the Company plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by {Number of Paid up Shares plus Number of Shares that would be obtained on conversion/exercise of Outstanding Warrants and Options}

The lower of (a) and (b) above shall be used for calculation of net worth per share and for further calculation in (3) below.

- (2) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose
- (3) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

The above methodology for valuation shall be subject to the following conditions:

- (a) All calculations as aforesaid shall be based on audited accounts.
- (b) 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.
- (c) If the net worth of the company is negative, the share would be marked down to zero.
- (d) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- (e) In case an individual security accounts for more than 5% of the total assets of the Scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the Scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.
- (f) At the discretion of the AMC and with the approval of the Trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

6. Illiquid Securities:

- (1) Aggregate value of "illiquid securities" of Scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the Scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value
- (2) All funds shall disclose as on March 31 and September 30 the Scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the unitholders. In the list of investments, an asterisk mark shall also be given against all such investments, which are recognised as illiquid securities.
- (3) Mutual Funds shall not be allowed to transfer illiquid securities among their Schemes with effect from October 1, 2000.
- (4) In respect of closed ended funds, for the purposes of valuation of illiquid securities, the limits of 15% and 20% applicable to open-ended funds should be increased to 20% and 25% respectively.

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7. Value of "Rights" entitlement

- (1) Until they are traded, the value of the "rights" entitlement would be calculated as:
 - $V_r = n/m \times (P_{ex} - P_{of})$ where
 - V_r = Value of rights
 - n = no. of rights Offered
 - m = no. of original shares held
 - P_{ex} = Ex-Rights price
 - P_{of} = Rights Offer price
- (2) Where the rights are not traded pari-passu with the existing shares, suitable adjustments would be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights would be valued at the renunciation value.

8. Valuation Norms for Foreign Securities:

On the Valuation Day, the securities issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed or at the last available traded price. However in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Further in case of extreme volatility in the international markets, the securities listed in those markets may be valued on a fair value basis. For the purpose of valuing all overseas investments including American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) listed on Stock Exchanges overseas, the following valuation procedure would be followed:

If the security is listed in a time zone ahead of India than the same days price closing price would be used for valuation. The price in foreign currency would be obtained and based on the closing RBI reference rate, the valuation in Indian rupee would be done. If the price in Indian Rupees (INR) for the security is available then the same would be used for valuation. If the security is listed in a time zone behind India's, than the previous days price would be used for valuation. The price in foreign currency would be obtained and based on the closing RBI reference rate, Indian rupee equivalent would be obtained. If the INR price for the security is available then the same would be used for valuation. If the stock is listed in currency for which RBI reference rate is not available, the exchange rates available from Reuters (at 5.00 P.M. IST) will be used. In case the direct exchange rates are not available on Reuters, then cross currency rate with USD would be considered and converted as per the INR/USD RBI reference rate. In case any particular security is not traded on the Valuation Day, the same shall be valued on a fair value basis by the Valuation Committee of the AMC.

9. Valuation of Derivative Products:

- (1) The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the Regulations as amended from time to time.
- (2) The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the Regulations as amended from time to time.
- (3) The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

ii. Valuation of Debt and Money Market Instruments

Instruments having maturity upto 60 days

Assets to be valued by amortisation on a straight-line basis to maturity from cost or last valuation price whichever is more recent as long as their valuation remains within +/- 0.10% band of the price derived from the benchmark rate for each bucket(benchmark rate for every 15 day bucket will be provided by CRISIL or other agencies). In case benchmark rate is beyond 0.10% of the amortised price, the valuation shall be adjusted to bring it within the band of +/- 0.10% from the benchmark rate. No traded prices will be considered for instruments having maturity upto 60 days.

Instruments having maturity greater than 60 days

With effect from January, 2014, scrip level valuation was adopted for valuation of debt securities having maturity greater than 60 days and the aggregated prices calculated from the scrip level prices provided by CRISIL and ICRA are only considered. Traded prices and mark up/down will not be considered.

Broadly the following principles would be applicable for valuation of different instrument types across all schemes:

- If the security is traded, then weighted average traded (clean) prices would be considered for valuation.
- Non-traded or thinly traded Bonds/ Debentures/ PTCs etc would be valued through CRISIL Bond Valuer. Discretionary Discount/Premium for illiquidity would be provided to the extent necessary in order to reflect fair valuation levels. There would be no restrictions on the allowed spread relative to the benchmark curve in respect of different issuers and instruments based on the AMFI best practices circular dated 15th May 2012.
- Fund Managers would be responsible for recording the justifications for any changes in the illiquidity premium/ discounts and the same would be reviewed by the Head Fixed Income and the Risk Management team on a daily basis
- Non traded / Thinly traded security with less than and upto 60 days to maturity would be amortized. The valuation principle for such securities has been outlined in section 5.1 using the weighted average traded yield
- Securities with call and put options would be valued as per SEBI guidelines of taking the lowest/ highest value on call/ put dates and maturity dates.
- Securities having put and call options on the same day but at differential prices would be valued as follows
 - Find out the lowest value obtained by valuing at various call dates and valuing at maturity date
 - Find out the highest value obtained by valuing at various put dates and valuing at maturity date
 - Take the lower price of the above two.
- New Security can be valued at the purchase price for a period of 15 days from the date of purchase only if it has been bought in a private placement.
- As per SEBI Circular, for debt instrument which are new and valuation models are not available, valuation would be at cost or internally developed valuation models to be decided on case to case basis. Relevant extracts from the Circular are as follows:
 - a) Exposure should not exceed 5% of total AUM of the scheme
 - b) These models have to be approved by independent Trustees and Statutory auditors.
 - c) The AMC would escalate the new instruments to AMFI for getting valuation pertaining to them incorporated in valuation framework within a period of 6 weeks.
- If the security is traded then security would be valued at the weighted average traded price. Traded price, wherever available shall be used for valuation. To remove distortions due to the settlement dates (e.g. across a weekend/holidays, same day value), weighted average traded yields will be used to arrive at the t+1 equivalent trade price for valuation purposes

1. Definitions

1.1 Recognition of Trades for Valuation Purpose

For Instruments maturing above 1 year:

Weighted average traded price may be taken if there are at least 2 market trades aggregating to Rs 25 Crores or more for the specific Security

For Instruments maturing between 60 days to 1 year:

Weighted average traded price may be taken if there are at least 3 market aggregating to Rs 100 crores or more for the specific security

For Instruments maturing upto 60 days:

Weighted average trade price may be taken for the purpose of modifying spreads, if there are at least 3 market trades aggregating to Rs 100 crores or more and weighted average yield on such market trades is at least at a 15 bps different spread compared to existing spread

Trade information sources for trade recognition

- 1) FIMMDA
- 2) NSE WDM

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- 3) BSE
- 4) Own trades/interscheme trade

For the purpose of the recognitions of trade, the data from each of the above sources shall be evaluated independently and shall not be aggregated.

Schemes own trades

Weighted average trade price of schemes own trade may be taken if there is trade in marketable lot (i.e. Rs 5 Crores) for any security. In case of scheme trades and market trades, schemes trades will be second in priority viz a viz market trades for valuation. Since all interscheme trades would be done at current market levels and follow the principle of fair valuation like any other own trade, hence such interscheme trades would be treated at par with own trades for valuation purpose.

1.2 Non Traded Security/Thinly Traded security

A security would be considered as thinly traded / non traded if on the valuation date, it does not suffice the recognition of trade criteria as mentioned in section 1.1

1.3 Non Performing Asset

An 'asset' shall be classified as nonperforming, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income/installment has fallen due. Any non-performing asset will also be treated as non-investment grade asset. Provisions will need to be made for any non-performing assets (debt securities) in the portfolio as per guidelines.

1.4 Traded Price/Yield

Traded price would be used for valuation based on Recognition of Trade criteria as defined in Section 1.1. To remove distortions due to the settlement dates (e.g. across a weekend/holidays, same day value), weighted average traded yields will be used to arrive at the t+1 equivalent trade price for valuation purposes

2. Valuation Guidelines -Investment Grade Securities**2.1 Valuation of Non-Traded Securities/Thinly Traded security**

Less than upto 60 days

Instruments will be valued by amortization on a straight line basis to maturity from cost or last valuation price, whichever is more recent. However, it will be ensured that the amortized price is a fair reflection of market conditions, by comparing it to a Reference Price. CRISIL and ICRA shall be providing reference yields for all securities with a residual maturity of less than 60 days. The yields would be provided in a matrix format based on the residual maturity and rating of debt instruments. The yields provided by both agencies shall be aggregated and averaged. This will be done through software which is being developed by CRISIL.

Based on the relevant benchmark yield (which will be derived from the reference yield curve mentioned above based on the residual maturity and rating of each security) and a security specific spread, a reference yield for each security will be calculated on a daily basis. Security specific reference price will be calculated using the reference yield on a money market basis. This reference price will then be compared with the amortized price of each security. In case the difference between the reference price and the amortized price is within +- 10 bps, the security will be continued to be valued through amortization. However if on any day the price difference is more than +-10 bps, the valuation of the security will be adjusted so as to bring the difference within a band of +-10 bps. Adjustment should be done on the day of the breach so as to bring the difference down to +- 5 bps.

Benchmark yield curve:

The benchmark yield curve shall be constructed by CRISIL and ICRA on a daily basis, based on market trades and polling of market participants. For construction of this benchmark yield curve, traded prices / yields across all public platforms will be considered. For practical reasons, the benchmark yields will be provided for each calendar fortnightly interval, for tenors up to 91 days. Like for securities currently above 91 days to maturity, the yield curve shall be constructed in a matrix format, where each issuer can be benchmarked based on the credit rating and time to maturity.

Security Specific Spread:

An acquisition of a less than 60 day security could happen in two ways.

- a) Residual maturity of an existing security falling below 60 days.
- b) Fresh purchase of the security with a residual maturity of up to 60 days.

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For every security acquired through any of the ways mentioned above, the difference between the yield of the security and the benchmark yield curve will be captured. This difference as on the first day of acquisition will be the spread for that security. The spread of the security over the benchmark yield curve will generally be kept constant through the life of the security and shall be changed only if there is a reasonable justification for the change.

The spread will be changed if there are market trades in the same security at yields which will result in significantly different spreads, vis a vis current spreads. For any reset along these lines, we will consider two aspects.

- (i) There has to be sufficient volume of such transactions. The qualification of the same would be at least 3 trades aggregating to Rs 100 crs or more.
- (ii) A significantly different spread would mean a difference of at least 15 bps between current spreads, and spreads derived from the relevant market trades. Any decision to change the spread based on market trade would be taken by mid-office (risk department), based on adequate documentation and justification presented by the portfolio management team and shall be presented in the subsequent valuation committee meeting for ratification.

The spread may also be changed if there is a change in credit profile of the underlying issuer which warrants a change in current spreads over benchmark yields. The change in credit profile of an issuer may arise due to one or a combination of the following factors.

- (i) Change in credit rating of the said issuer.
- (ii) Change in the credit rating outlook.
- (iii) Significant change in the business and / or financial risk profile.
- (iv) The above three factors are not exhaustive. There can be other reasons which may be considered for evaluating the credit profile of an issuer, based on adequate data, market information and analysis.

Further, given the dynamic nature of the markets, and due to changing market conditions, the risk department (mid office), may choose to revisit spreads at any point in time, based on the inputs / information received from internal / external sources. If so, then these changes shall also be reported post facto to the valuation committee for their ratification. Trades done by the fund in an existing holding, will lead to a change in valuation yield for that security, provided the trade is at least of a marketable lot. This would result in a change in the valuation price of the security which will be valued at the weighted average yield of all trades done by the fund on that day. The security will then start getting amortized from the new valuation price. An own trade will also lead to a reset in spreads. Based on the traded yield, the new spread will be calculated, over the benchmark yield curve. The reference yield will then be the combination of the benchmark yield and the new spread.

Since all inter-scheme trades would be done at current market levels and follow the principle of fair valuation like any other own trade, hence such inter-scheme trades would be treated at par with own trades for valuation purpose.

2.2 Valuation of Traded/ Non-Traded Securities/Thinly Traded security

For instruments maturity beyond 60 days

The valuation of these securities will be guided by the principles of fair valuation and fair reflection of market conditions. In case of traded instruments, the traded price will be used for valuation. In case of non-traded instruments, the valuation price will be arrived at using the reference yields (relevant benchmark yields + spread).

Traded Instruments:

- a) In case of traded instruments, the traded price will be used for valuation. However to prevent frivolous and dated prices from distorting valuations, a cut-off criteria would be employed for recognizing qualifying trades. We propose that:
 - a. For instruments maturing above 1 year, the traded price may be taken if there are at least 2 trades aggregating to Rs 25 crs or more.
 - b. For instruments maturing between 60 days to 1 year, traded price may be taken if there are at least 3 trades aggregating to Rs 100 crs or more.
- b) In case of own trade, we will recognize the traded price, if the traded amount is equal to or more than the market lot. Since all inter-scheme trades would be done at current market levels and follow the principle of fair valuation like any other own trade, hence such inter-scheme trades would be treated at par with own trades for valuation purpose.

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- c) Since there will be more than one market trade for recognizing qualifying trades, the weighted average price will be used for valuation.
- d) For traded securities, if the traded price quoted on public platform is distorted due to forward settlement dates, the actual traded yield shall be used for valuation on a t+1 basis.
- e) In case there are both AMC trades and Qualifying Trades, the qualifying trades shall be given higher priority.
- f) In case trades in a particular security are reported on multiple platforms, the order of preference would be FIMMDA, NSE WDM, BSE and own trades in that order of priority.

Non-Traded Instruments:

- (i) The current matrix based valuation shall be used to determine valuation price.
- (ii) There will be no restriction on the allowed spread relative to the benchmark curve in respect of different issuers and instruments. The principle of fair valuation shall govern the spreads to be used.
- (iii) Any spreads (as given in the CBV) that need to be modified on account of illiquidity or security specific factors will be done with appropriate justifications and incorporated into NAV (Net Asset Value) computations..

3. Asset wise valuation

3.1 Commercial Paper/Certificate of Deposits/ Debentures/ Perpetual Bond/ PTCs

Category	Sub category	Valuation Guidelines
3.1.1 Less than and upto 60 days	Valuation based on the approach outlined in the above Section	
3.1.2 More than 60 days	Traded securities	Based on the Recognition of Trade criteria as mentioned in the above section
	Non Traded Securities	Valued on CRISIL Bond Valuer by assigning/taking a long term equivalent rating

Maturity in case of PTC's shall be considered as Weighted Average Maturity

3.2 Central G-Sec

Central G-Sec would be valued based on the aggregated prices of CRISIL & ICRA.

3.3 Floating rate securities

Category	Sub category	Valuation Guidelines
3.3.1 Less than and upto 60 days	Valuation based on the approach outlined in the above Section. For Securities with floor and cap, the floor rate will be taken as the coupon of the bond, and it will be valued like a fixed coupon bond.	
3.3.2 More than 60 days	Traded securities	Based on the Recognition of Trade criteria as mentioned in the above section
	Non Traded Securities	CRISIL Bond Valuer

3.4 T-Bills

Category	Sub category	Valuation Guidelines
3.4.1 Less than and upto 60 days	Traded securities	Valuation based on the approach outlined in above section subject to any fresh guidelines issued by AMFI in this regard.
	Non Traded Securities	Amortize from last traded prices / Valuation Yield
3.1.2 More than 60 days to maturity	Valuation prices of	ICRA & CRISIL

3.5 Repo

All securities taken under reverse repo will not be considered for valuation. Only the interest income earned would be considered for NAV calculation.

3.6 Interest Rate Swaps

Swaps with the residual maturity of less than six months would be valued on accrual basis. For the Swaps with more than six months of residual maturity would be valued on following on following basis:

- Floating Rate Leg.
- The floating rate leg would be valued as floating rate bond at cost.
- Fixed Rate Leg:
- The fixed rate leg would be valued as a fixed rate bond at the prevailing YTM.
- SWAP/INBMK rates quoted on Bloomberg would be the applicable data points for YTM
- Calculation of YTM. If the applicable YTM is not quoted then YTM would be arrived by using Log Normal Interpolation of available data points
- The IRS value would be the net of Receive Position less Pay position.

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- In case the SWAP/INBMK rates are not available from Bloomberg, then the quotes received independently from Brokers shall be used. Bloomberg at present does not quote for less than 2 years.

3.7 State Government Loans

State government loans would be valued on the aggregated prices of CRISIL & ICRA.

3.8 Fixed Deposits

3.8.1 Normal

Fixed deposits will be valued at cost plus accrual at the contracted rate. Fixed contracted rate FDs interest would be accrued at the contracted rate.

3.9 Valuation of securities with Put/ Call Options

3.9.1 Securities with call option:

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

3.9.2 Securities with Put option

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

3.9.3 Securities with both Put and Call option on the same day

The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly. Further the valuation policy for traded /non traded securities as applicable would be applicable for securities with PUT/CALL options.

4. Valuation Guidelines – Non - Investment Grade Securities

4.1 Non-Investment Grade-Performing Asset

Category	Valuation Guidelines
4.1.1 Traded	Traded prices would be taken
4.1.2 Non Traded – more than 182 days to maturity	Valued at 75% of Face Value
4.1.3 Non Traded – less than and upto 182 days to maturity	1. Valued after markdown by 2.5% to the Face Value every 2 weeks cumulatively starting from the day of the downgrade. The value of such discounting would remain same over the tenure of the fortnight. 2. If during the intervening period, any payments are received against the outstanding or any fees, charges received, the impact of the same shall be taken into consideration while valuing the securities in the subsequent fortnight.

4.2 Non-Investment Grade -Non - Performing Asset

Classification of an asset as an NPA , 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. For e.g. if the due date for interest is 30.06.2000, it will be classified as NPA from 01.10.2000.
- After the expiry of the first quarter from the date the income has fallen due, there will be no further accrual interest accrual on the asset. e.g. if the due date for interest falls on 30.06.2000 and if the interest is not received, accrual will continue till 30.09.2000 after which there will be no further accrual of income. That is from the beginning of the 2nd quarter there will be no further accrual on income.
- On classification of the asset as NPA from a quarter past due date of interest, all interest accrued and recognized in the books of accounts of the Fund till the date, should be provided for. For e.g if interest income falls due on 30.06.2000, accrual will continue till 30.09.2000 even if the income as on 30.06.2000 has not been received. Further, no accrual will be done from 01.10.2000 onwards. Full provision will also be made for interest accrued and outstanding as on 30.06.2000
 - 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 against the principal amount or installments should be made at the following rates irrespective: 10% of the book value of the asset should be provided for after 6

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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, 1½; years past the due date of income or 1¼; year from the date of classification of the 'asset' as an NPA, the 'asset' will be fully provided for.
- Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms.

5. Valuation Guidelines -Unrated Securities

Investments in unrated papers would be assigned an internal rating.

5.1 Traded

Based on the Recognition of Trade criteria as mentioned in Section 1.1.

5.2 Non -Traded - Less than and upto 60 days to maturity

Valuation based on the approach outlined in Section 2.1.

5.3 Not Traded - more than 60 days to maturity

Valuation based on the approach outlined in Section 2.2.

6. Guidelines - Interscheme Transfers

Interscheme transactions will follow the same guiding principles as that for normal market trades and valuation,

1. For less than 1 year instruments,
 - a. The last 3 trades (relative to the time of interscheme) of at least Rs 25 crores each in the same/similar securities will be considered for determining the price of interscheme. Weighted average price/yield of such trades would be considered for arriving at the interscheme price.
 - b. For price validation, broker market quotes may also be used. In such instances, market quotes from at least 3 market participants at the time of interscheme would be taken.
 - c. If the same/ similar security is not traded on the public platform, then the interscheme price would have to be justified and such price shall be properly validated internally.
2. For more than 1 year instruments
 - a. The last 2 trades (including own trades) (relative to the time of interscheme) of at least Rs 5 crores each in the same/similar securities will be considered for determining the price of interscheme. Weighted average price/yield of such trades would be considered for arriving at the interscheme price.
 - b. For price validation, broker market quotes may also be used. In such instances, market quotes from at least 3 market participants at the time of interscheme would be taken.
 - c. If the same/ similar security is not traded on the public platform, then the interscheme price would have to be justified and such price shall be properly validated internally.

Similar security criteria would be as follows :

- Clustering of Debt Issuer universe based on outstanding rating (long term & Short term) & type of entity.
- Similar Security Type -CD/CP/PTCs/NCDs
- Similar Maturity

7. Valuation of Mutual Fund Units / ETFs

MF units listed and traded would be valued at the closing traded price as on the valuation date. Unlisted MF units and listed untraded MF units would be valued at NAV (adjusted for load if any) on the valuation date.

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V. TAX & LEGAL & GENERAL INFORMATION

A. Taxation on investing in Mutual Funds

a. Tax Benefits to the Mutual Fund - EMF is a Mutual Fund registered with the SEBI and hence the entire income of the Mutual Fund will be exempt from income-tax in accordance with the provisions of section 10(23D) of the Income-tax Act, 1961 (the Act). The Mutual Fund will receive all income without any deduction of tax at source under the provisions of section 196(iv) of the Act.

b. Taxation on investing in Equity Schemes of Mutual Fund

1) Tax on Income distribution by the Mutual Fund (applicable for all Unit holders)

Income (other than income arising from transfer of units) received by unit holders in respect of the units of the Mutual Fund, is exempt from tax under section 10(35) of the Act. Income distribution, if any, made by the Mutual Fund to the unit holders attracts distribution tax under the provisions of section 115R of the Act. Proviso (b) to section 115R(2) of the Act provides exemption to equity oriented mutual funds from paying distribution tax on income distributed to unit holders. The expression "equity oriented fund" has been defined under 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 such fund. Further, as per the proviso to the Explanation (b) to section 115T, the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

2) Long-term Capital Gains

Section 10(38) of the Act grants exemption to any income arising from the transfer of a long-term capital asset, being units of an equity oriented fund, held for a period of more than 12 months, provided the transaction giving rise to the capital gains, attracts Securities Transaction Tax (STT) and is made on or after October 1, 2004 i.e. the date on which Chapter VII of the Finance (No. 2) Act, 2004 has come into force. The income by way of long-term capital gains of a company would be taken into account in computing the book profits and Minimum Alternate Tax payable, if any, under section 115JB of the Act (irrespective of whether or not it is exempt under section 10(38) of the Act).

3) Short-term Capital Gains

Under section 111A, where the total income of an assessee includes any income chargeable under the head "Capital Gains", arising from the transfer of a short-term capital asset, being a unit of an equity oriented fund held for a period not more than 12 months and

- a) the transaction of sale of such unit is entered into on or after October 1, 2004, i.e. the date on which Chapter VII of the Finance (No. 2) Act, 2004 has come into force; and
- b) such transaction is chargeable to STT under that Chapter, the tax payable by the assessee on such short-term capital gains is at the rate of 15%.

In case of resident individuals and Hindu Undivided Families ('HUFs'), where the total income as reduced by the short-term capital gains, is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to the 15% tax rate.

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 applicable rates for surcharge are as given below:

Assessee	If income below Rs. 1 crore	If income exceeds Rs. 1 crore but less than Rs. 10 crores	If income exceeds Rs.10 crores
	(Surcharge)	(Surcharge)	(Surcharge)
Individual (including proprietorships), Hindu Undivided Family (HUF), Association of Persons (AOP), Body of Individual (BOI)	Nil	15%	15%
Co-operative Society, Local Authority and Partnership Firms (including LLPs)	Nil	12%	12%
Indian Companies	Nil	7%	12%
Foreign Companies	Nil	2%	5%

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

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4) Foreign Institutional Investors /Foreign Portfolio Investor

Long-term capital gains arising on sale/ transfer of equity oriented mutual fund units, held for a period of more than twelve months, would be exempt from income-tax. Short-term capital gains arising on sale/ transfer of equity oriented mutual fund units held for a period of less than twelve months, would be taxed at 15%.

5) Specified overseas financial organizations

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

6) Equity Linked Savings Schemes

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

The Scheme defines "assessee" to mean:—

- I. an Individual: or
- II. a Hindu undivided family: or
- III. an association of persons or a body of individuals consisting, in either case, only of husband and wife governed by the system of community of property in force in the State of Goa and Union Territories of Dadra and Nagar Haveli and Daman and Diu by whom, or on whose behalf, investment is made.

7) Securities Transaction Tax (STT)

Nature of Transaction	Payable by	Rate From April 1, 2014 onwards
Purchase and sale of equity shares in a company or units of an equity oriented funds on a recognised stock exchange on delivery basis	Purchaser	0.1%
	Seller	0.1%
Purchase and sale units of an equity oriented funds on a recognised stock exchange on delivery basis	Purchaser	Nil
	Seller	0.001%
Sale in a recognised stock exchange of equity shares of a company or units of equity oriented funds on non-delivery basis	Seller	0.025%
Derivatives: Futures	Seller	0.01%
Derivatives: Options	Where Option is not exercised – Seller to pay	0.05%
	Where Option is exercised – Buyer to pay	0.125%
Sale of units of equity oriented funds to the mutual fund	Seller	0.001%
Sale of unlisted equity shares by any holder of such shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a recognised stock exchange;	Seller	0.2%

The securities transaction tax paid by the assessee during the year in respect of taxable securities transactions entered in the course of business shall be allowed as deduction under Section 36 of the Act subject to the condition that such income from taxable securities transactions is included under the head 'profits and gains of business or profession'.

8) Dividend Stripping (All Unit holders)

As per Section 94(7) of the Act, loss arising on sale of units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the unit holders to receive dividend) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such units.

9) Bonus stripping (All Unit holders)

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

10) (a) Tax Deduction at Source on Capital Gains

a. Domestic unit holders: No income-tax is deductible at source from income by way of capital gains under the provisions of the Act.

b. Foreign Institutional Investors / Foreign Portfolio Investor : Under Section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of units referred to in section 115AD of the Act.

c. Other Non-resident Unit holders:

In the case of a non-resident other than a company: No income tax is deductible on long-term capital gains arising on sale/transfer on units of equity oriented mutual funds exempt under Section 10(38) of the Act.

Income tax is deductible on short-term capital gains arising on sale/ transfer of units of equity oriented mutual funds (as defined above) at the rate of 15%.

In the case of a foreign company: No income-tax is deductible on long-term capital gains arising on sale/ transfer on units of equity oriented mutual funds as defined under Section 10(38) of the Act.

Income tax is deductible on short-term capital gains arising on sale/ transfer of units of equity oriented mutual funds (as defined above) at the rate of 15%

(b) Tax Treaty

Income-tax is required to be deducted at source from the capital gains chargeable to tax under Section 195 of the Act at the applicable rates. In the case of an assessee resident of a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be withheld as per provisions in the Act or as per the provisions in the DTAA whichever is more beneficial to the non-resident holder. However, such a non-resident unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

As per Finance Act, 2012 a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate ('TRC') from their home country, containing such particulars as specified in notification no. 39/2012 dated September 17, 2012.

Further, The Central Board of Direct Taxes ('CBDT') has issued a notification no.57/2013 dated August 1, 2013 amending the 81 Income-tax Rules, 1962, prescribing the additional information required to be provided by a non-resident in Form No. 10F along with TRC to avail treaty benefits. The non-resident is required to provide the following information duly signed by the authorised signatory in the prescribed Form 10F:

1. Status (individual, company, firm etc.) of the non-resident;
2. Permanent Account Number (PAN) of the non-resident if allotted;
3. Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
4. Non-resident's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the non-resident claims to be a resident;
5. Period for which the residential status, as mentioned in the certificate referred to in sub-section (4) of section 90 or subsection (4) of section 90A, is applicable; and
6. Address of the non-resident in the country or specified territory outside India, during the period for which the certificate, as mentioned in (5) above, is applicable.

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11) Exemptions from long-term capital gains

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

	Section 54EC	Section 54F	Section 54EE
Eligible Persons	All assesses	Individual and HUFs	All assesses
Asset to be purchased to claim exemption	Specified Bonds of National Highways Authority of India and Rural Electrification Corporation Limited	One Residential house Property in India	"long-term specified asset" means a unit or units, issued before the 1 st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.
Time-limit for purchase from date of sale of MF units	6 months	Purchase: 1 year backward / 2 years forward & Construction: 3 years forward	6 months
Amount Exempt	Investment in the new asset or capital gain, whichever is lower, subject to maximum deduction of Rs. 50 Lakhs in a financial year. Further, such investment made during the financial year in which the original asset was transferred and in the subsequent financial year does not exceed Rs.50 lakhs	Capital gains proportionate to the investment made from the sale proceeds (subject to other conditions of owning / purchasing residential house mentioned in the Section)	Investment in the new asset or capital gain, whichever is lower, subject to maximum deduction of Rs. 50 Lakhs in a financial year. Further, such investment made during the financial year in which the original asset was transferred and in the subsequent financial year does not exceed Rs.50 lakhs
Lock-in-period	3 years	3 years	3 years

12) Other Benefits

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

13) Eligible Investors / Unitholders who shall be entitled to claim the benefit under Rajiv Gandhi Equity Savings Scheme, 2012 (RGESS) for investments made in the said scheme

As announced in the Union Budget 2012-13, the Finance Act 2012 has introduced a new section 80CCG on 'Deduction in respect of investment made under an equity savings scheme' to give tax benefits to new investors who invest up to Rs. 50,000 and whose gross total annual income is less than or equal to Rs. 10 lakhs. And maximum deduction will be available Rs. 25000. The Finance Bill 2013 has amended the section and deduction shall be allowed in accordance with, and subject to, the provisions of the section for three consecutive assessment years, beginning with the assessment year relevant to the previous year in which the listed equity shares or listed units of equity oriented fund were first acquired and the deduction is available to a new retail investor whose gross total income in relevant assessment year does not exceeds Rs.12,00,000/-.

This amendment is applicable from 1st April, 2014 and accordingly apply for assessment year 2014-15 and subsequent assessment years. Vide notification 51/2012 dated November 23, 2012, the scheme has been notified by the Department of Revenue, Ministry of Finance (MoF). The notification is available on the website of Income Tax Department under section "Notifications" which also furnish the details for procedure at time of opening demat account, procedure for investment under the scheme, period of holding requirements etc. Stock exchanges shall furnish list of RGESS eligible stocks / ETFs / MF schemes on their website. SEBI also vide its circular no. CIR/MRD/DP/32/2012 dated December 06, 2012 has specified certain guidelines on RGESS. The objective of Rajiv Gandhi Equity Scheme, 2012 is to encourage the savings of the small investors in domestic capital market. This Scheme shall apply for claiming deduction in the computation of total income of the assessment year relevant to a previous year on account of investment in eligible securities under sub-section (1) of section 80CCG of the Income-tax Act, 1961. The deduction

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under the Scheme shall be available to a new retail investor who complies with the conditions of the Scheme and whose gross total income for the financial year in which the investment is made under the Scheme is less than or equal to RS. 12,00,000/-.

“New retail investor” means the following resident individuals:-

- a) Any individual who has not opened a demat account and has not made any transactions in the derivative segment as on the date of notification of the Scheme.
- b) Any individual who has opened a demat account before the notification of the Scheme but has not made any transactions in the equity segment or the derivative segment till the date of notification of the Scheme.
- c) Any individual who is not the first account holder of an existing joint demat account shall be deemed to have not opened a demat account for the purposes of this Scheme

“Eligible securities” means any of the following:-

- a) Equity shares, on the day of purchase, falling in the list of equity declared as “BSE-100” or “CNX-100” by the Bombay Stock Exchange and the National Stock Exchange, as the case may be.
- b) Equity shares of public sector enterprises which are categorised as Maharatna, Navratna or Miniratna by the Central Government.
- c) Units of Exchange Traded Funds (ETFs) or Mutual Fund (MF) schemes with Rajiv Gandhi Equity Savings Scheme (RGESS) eligible securities as underlying, as mentioned in sub-clause (a) or sub-clause (b) above, provided they are listed and traded on a stock exchange and settled through a depository mechanism;
- d) Follow on Public Offer of sub-clauses (a) and (b) above.
- e) New Fund Offers (NFOs) of sub-clause (c) above.
- f) Initial Public Offer of a public sector undertaking wherein the government shareholding is at least 51% which is scheduled for getting listed in the relevant previous year and whose annual turnover is not less than Rs. 4,000 Crores during each of the preceding 3 years.

The depository participant shall certify the new retail investor status of the assessee at the time of designating his demat account as demat account for the purpose of the Scheme. The depository participant shall furnish an annual statement of the eligible securities invested in or traded through the demat account to the demat account holder. Stock exchanges shall furnish list of RGESS eligible stocks / ETFs / MF schemes on their website.

The period of holding of eligible securities shall be 3 years which will be computed in the following manner:

1. All eligible securities are required to be held for a period called the fixed lock-in period which shall commence from the date of purchase of such securities in the relevant financial year and end one year from the date of purchase of the last set of eligible securities (in the same financial year) on which deduction is claimed under the Scheme.
2. The new retail investor shall not be permitted to sell, pledge or hypothecate any eligible security during the fixed lock-in period.
3. The period of two years beginning immediately after the end of the fixed lock-in period shall be called the flexible lock-in period.
4. The new retail investor shall be permitted to trade the eligible securities after the completion of the fixed lock-in period subject to the following conditions:-
 - a. The new retail investor shall ensure that the demat account under the Scheme is compliant for a cumulative period of a minimum of two hundred and seventy days during each of the two years of the flexible lock-in period as laid down hereunder:-
 - i. The demat account shall be considered compliant for the number of days where value of the investment portfolio of eligible securities, within the flexible lock-in period, is equal to or higher than the amount claimed as investment for the purposes of deduction under section 80CCG of the Act;
 - ii. In case the value of investment portfolio in the demat account falls due to fall in the market rate of eligible securities in the flexible lock-in period, then notwithstanding sub clause(A),
 1. The demat account shall be considered compliant from the first day of the flexible lock-in period to the day any such eligible securities are sold during this period;
 2. Where the assessee sells the eligible securities mentioned in sub-clause (B) from his demat account, he shall have to purchase eligible securities and the said demat account shall be compliant from the day on which the value of the investment portfolio in the account becomes-

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- a. At least equivalent to the investment claimed as eligible for deduction under Section 80CCG of the Act *or*,
 - b. The value of the investment portfolio under the Scheme before such sale, whichever is less.
5. The new retail investor's demat account created under the Scheme shall, on the expiry of the period of holding of the investment, be converted automatically into an ordinary demat account.
 6. For the purpose of valuation of investment during the flexible lock-in period, the closing price as on the previous day of the date of trading shall be considered.
 7. While making the initial investments upto Rs. 50,000/-, the total cost of acquisition of eligible securities shall not include brokerage charges, Securities Transaction Tax, stamp duty, service tax and all taxes, which are appearing in the contract note.
 8. Where the investment of the new retail investor undergoes a change as a result of involuntary corporate actions like demerger of companies, amalgamation, etc. resulting in debit or credit of securities covered under the Scheme, the deduction claimed by such investor shall not be affected.
 9. In case of voluntary corporate actions like buy-back, etc. resulting only in debit of securities, where new retail investor has the option to exercise his choice, the same shall be considered as a sale transaction for the purpose of the Scheme.
 10. The Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) shall notify the corporate actions, allowed under the Scheme in this regard.

13) Wealth-tax

Wealth-tax Units held under the respective Plans are not treated as assets within the meaning of section 2(ea) of the Wealth-tax Act, 1957 and are, therefore, not liable to wealth-tax.

14) Gift-tax

The Gift –Tax Act, 1958 has been repealed since October 1, 1998. Gift of units of Mutual fund units would be subject to income tax in the hands of the donor. As per Section 56(2)(vii), receipts of securities, fair market value of which exceeds fifty thousand rupees, without consideration or without adequate consideration is taxable as income in the hands of individuals / HUFs.

Further the above provision of Section 56(2)(vii) shall not apply to any units received by the donee

- a. from any relative; or
- b. on the occasion of the marriage of the individual; or
- c. under a will or by way of inheritance; or
- d. in contemplation of death of the payer or donor, as the case may be; or
- e. from any local authority as defined in the Explanation to clause (20) of Section 10 of the Act; or
- f. 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
- g. from any trust or institution registered under Section 12AA of the Act. The Finance Act, 2012, has amended the definition of 'relative' with retrospective effect from October 1, 2009. The term 'relative' shall mean:
 - A) In the case of an Individual –
 - I. spouse of the individual;
 - II. brother or sister of the individual;
 - III. brother or sister of the spouse of the individual;
 - IV. brother or sister of either of the parents of the individual;
 - V. any lineal ascendant or descendant of the individual;
 - VI. any lineal ascendant or descendant of the spouse of the individual;
 - VII. spouse of the person referred to in clauses (ii) to (vi).
 - B) In case of a HUF, any member thereof.

(c) Taxation on investing in Other than Equity Oriented Schemes of Mutual Fund**1. Tax on Income Distribution by a Non-Equity Oriented Mutual Fund** (other than a Money Market Mutual Fund or Liquid Fund)

Income distribution, if any, made by a non-equity oriented mutual fund not being a Money Market Mutual Fund or a Liquid Fund will attract distribution tax under section 115R of the Act at the following rates :-

With effect from October 1, 2014, additional tax on income distributed to unit-holders has to be on gross distributions including such additional tax, as against income distributed.

- 25% plus surcharge on such income-tax @ 12% and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case income is distributed to individuals and HUFs and Non resident Indian; and

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

2. Tax on Income Distribution by a Market Mutual Fund or Liquid Fund

Income distribution, if any, made by a non-equity oriented mutual fund being a Money Market Mutual Fund or a Liquid Fund will attract distribution tax under Section 115R of the Act at the following rates:

With effect from October 1, 2014, additional tax on income distributed to unit-holders has to be on gross distributions including such additional tax, as against income distributed.

- 25% plus surcharge on such income-tax @ 12% and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case income is distributed to individuals and HUFs and Non resident Indian; and
- 30% plus surcharge on such income-tax @ 12% and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case of income distributed to persons other than individuals and HUFs.

The expression "money market mutual fund" has been defined under Explanation (d) to Section 115T which means a scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

The expression "liquid fund" has been defined under Explanation (e) to Section 115T which means a scheme or plan of a mutual fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this behalf under the Securities and Exchange Board of India Act, 1992 or regulations made there under.

3. Income distributed by the Mutual Fund (applicable to all unitholders)

Income (other than income arising from transfer of units) received by unit holders in respect of the units of the Mutual Fund, is exempt from tax under Section 10(35) of the Act.

4. Tax on Capital Gains - Long-term Capital Gains

Long-term capital gains in respect of units will be chargeable to tax under Section 112 of the Act at the following rates:

Long-term capital gains in respect of units, held for a period of more than 36 months, will be chargeable to tax under Section 112 of the Act, at the rate of 20% with indexation benefits. In case of resident individuals and HUFs, where the total income as reduced by capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to the 20% tax with indexation benefit.

For tax on long-term capital gains in case of non-residents investors are followings Listed Securities @20% with indexation benefits. Unlisted Securities @10% without indexation and foreign currency fluctuation benefit

5. Short-term Capital Gains

Short-term capital gains in respect of units held for not more than 36 months is added to the total income of the assessee and taxed at the applicable slab rates specified by the Act.

6. Foreign Institutional Investors

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

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

7. Specified overseas financial organizations

As per the provisions of Section 115AB of the Act, long-term capital gains arising on sale transfer of units purchased in foreign currency shall be liable to tax at the rate of 10%. However, such gains shall be computed without the benefit of cost indexation.

Short-term capital gains arising on sale/ transfer of units would be taxed at the rate of 40% in case of foreign companies.

8. Securities Transaction Tax

Securities Transaction Tax (STT) is not applicable in the case of non equity-oriented mutual fund Schemes.

9. Dividend Stripping

As per Section 94(7) of the Act, loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the Unit holders to receive the dividend) and sold within 9 months after the record date shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

10. Bonus stripping

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

11. (a) Tax Deduction at Source on Capital Gains

- a. **Domestic Unit holders:** No income tax is deductible at source from income by way of capital gains under the provisions of the Act
- b. **Foreign Institutional Investors :** Under Section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of units referred to in Section 115AD of the Act.
- c. **Specified overseas financial organizations :** As per Section 196B of the Act, income tax is deductible on long-term capital gains arising on sale/ transfer of units purchased in foreign currency, at the rate of 10%. Income tax is deductible on short-term capital gains arising on sale/ transfer of units at the rate of 40%.
- d. **Other Non-resident Unit holders:**

In the case of a non-resident other than a company: Income tax is deductible on long-term capital gains arising on sale/ transfer of units at the rate of 20% with indexation benefit. Tax on long-term capital gains in case of non-residents @ 10% on transfer of capital assets, being unlisted securities computed without giving effect to first & second proviso to Section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit. Income tax is deductible on short-term capital gains arising on sale/ transfer of units at the rate of 30%.

In the case of a foreign company: Income tax is deductible on long-term capital gains arising on sale/ transfer of units at the rate of 20% with indexation benefit. Tax on long-term capital gains in case of non-residents @ 10% on transfer of capital assets, being unlisted securities computed without giving effect to first & second proviso to Section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit. Income tax is deductible on short-term capital gains arising on sale/ transfer of units at the rate of 40%.

(b) Tax Treaty

Income-tax is required to be deducted at source from the capital gains chargeable to tax under Section 195 of the Act at the applicable rates. In the case of an assessee resident of a country with which a Double Tax Avoidance Agreement ('DTAA') DTAA is in force, the tax should be withheld as per provisions in the Act or as per the provisions in the DTAA whichever is more beneficial to the non-resident holder. However, such a non-resident unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

As per Finance Act, 2012 a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate ('TRC') from their home country, containing such particulars as specified in Notification No. 39/2012 dated September 17, 2012.

Further, The Central Board of Direct Taxes ('CBDT') has issued a Notification No.57/2013 dated August 1, 2013 amending the Income-tax Rules, 1962, prescribing the additional information required to be provided by a non-resident in Form No. 10F along with TRC to avail treaty benefits. The non-resident is required to provide the following information duly signed by the authorised signatory in the prescribed form 10F:

1. Status (individual, company, firm etc.) of the non-resident;
2. Permanent Account Number (PAN) of the non-resident if allotted;
3. Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);

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4. Non-resident's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the non-resident claims to be a resident;
5. Period for which the residential status, as mentioned in the certificate referred to in Sub-Section (4) of Section 90 or Subsection (4) of Section 90A, is applicable; and
6. Address of the non-resident in the country or specified territory outside India, during the period for which the certificate, as mentioned in (5) above, is applicable.

12. Exemptions from long-term capital gains

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

	Section 54EC	Section 54F	Section 54EE
Eligible Persons	All assesses	Individual and HUFs	All assesses
Asset to be purchased to claim exemption	Specified Bonds of National Highways Authority of India and Rural Electrification Corporation Limited	One Residential house Property in India	"long-term specified asset" means a unit or units, issued before the 1 st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.
Time-limit for purchase from date of sale of MF units	6 months	Purchase: 1 year backward / 2 years forward & Construction: 3 years forward	6 months
Amount Exempt	Investment in the new asset or capital gain, whichever is lower, subject to maximum deduction of Rs. 50 Lakhs in a financial year. Further, such investment made during the financial year in which the original asset was transferred and in the subsequent financial year does not exceed Rs.50 lakhs	Capital gains proportionate to the investment made from the sale proceeds (subject to other conditions of owning / purchasing residential house mentioned in the Section)	Investment in the new asset or capital gain, whichever is lower, subject to maximum deduction of Rs. 50 Lakhs in a financial year. Further, such investment made during the financial year in which the original asset was transferred and in the subsequent financial year does not exceed Rs.50 lakhs
Lock-in-period	3 years	3 years	3 years

13. Other Benefits

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

14. Wealth-tax

Units held under the respective plans are not treated as assets within the meaning of section 2(ea) of the Wealth-tax Act, 1957 and are, therefore, not liable to wealth-tax.

15. Gift-tax

The Gift –Tax Act, 1958 has been repealed since October 1, 1998. Gift of units of Mutual fund units would be subject to income tax in the hands of the donor. As per Section 56(2)(vii), receipts of securities, fair market value of which exceeds Rs. 50,000/-, without consideration or without adequate consideration is taxable as income in the hands of individuals / HUFs.

Further the above provision of section 56(2)(vii) shall not apply to any units received by the donee

- a. from any relative; or
- b. on the occasion of the marriage of the individual; or
- c. under a will or by way of inheritance; or
- d. in contemplation of death of the payer or donor, as the case may be; or
- e. from any local authority as defined in the Explanation to clause (20) of section 10 of the Act; or

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- f. 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
- g. from any trust or institution registered under section 12AA of the Act.
The Finance Bill, 2012, proposes to amend the definition of 'relative' with retrospective effect from October 1, 2009. The term 'relative' shall mean:
 - A] In the case of an Individual –
 - I. spouse of the individual;
 - II. brother or sister of the individual;
 - III. brother or sister of the spouse of the individual;
 - IV. brother or sister of either of the parents of the individual;
 - V. any lineal ascendant or descendant of the individual;
 - VI. any lineal ascendant or descendant of the spouse of the individual;
 - VII. spouse of the person referred to in clauses (ii) to (vi)
 - B] In case of a HUF, any member thereof

(d) Taxation on investing in Balanced Schemes of Mutual Fund

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

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

(e) Default in furnishing the PAN

Section 206AA of the Act inserted by the Finance (No.2) Act, 2009, operative with effect from April 1, 2010, states that the deductee is required to mandatorily furnish his PAN to the deductor failing which the deductor shall deduct tax at source at higher of the following rates:

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

EACH INVESTOR IS ADVISED TO CONSULT HIS OR HER OWN TAX CONSULTANT WITH RESPECT TO THE SPECIFIC TAX IMPLICATIONS ARISING OUT OF HIS OR HER PARTICIPATION IN THE SCHEME.

Other Important Information

(1) Prevention of Money Laundering Act Requirements (PML Requirements)

In terms of the PML Requirements, all intermediaries, including Mutual Funds, have to formulate and implement a Client Identification Process, commonly referred to as KYC Process, verify and maintain the record of identity and address (es) of investors. Escorts Mutual Fund recognizes the value and importance of creating a business environment that strongly discourages money launderers from using Escorts Mutual Fund. The investor(s) / unitholder(s) including guardian(s) where investor / unitholder is a minor, must ensure that the amount invested in the Scheme is derived only through legitimate sources and does not involve and is not designed for the purpose of any contravention or evasion of the provisions of all the applicable laws, rules and regulations, directions issued by the appropriate authority (the applicable laws) in force from time to time including the Prevention of Money Laundering Act, the Income Tax Act, 1961, or the Prevention of Corruption Act, 1988, etc. Pursuant to the above and SEBI in terms of circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011 and MIRSD/Cir-26/2011 dated December 23, 2011, the AMC has adopted certain policies to ensure KYC, PML and SEBI Requirements, considered appropriate for its line of business, being committed to prevent money launderers using Escorts Mutual Fund as a vehicle for any such illegal activity. Accordingly, Escorts Mutual Fund may seek information or obtain and retain documentation used to establish Customers' identity. It may re-verify identity and obtain any missing or additional information for this purpose. Escorts Mutual Fund reserves the right to take all steps and actions, including recording investor(s) / unitholder(s) telephonic calls, and / or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds etc. in accordance with the applicable laws, from the investor(s) / unitholder(s), as may be required, to ensure

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the appropriate identification / verification / re-verification of the investor(s) / unitholder(s), the source of funds etc. under its KYC Policy. The AMC, under powers delegated by the Trustees, shall have absolute discretion to reject any application, prevent further transactions by a Unit Holder, delay processing redemption as per applicable laws or regulations if:

- (i) after due diligence, the investor / Unit Holder / a person making the payment on behalf of the investor does not fulfill the requirements of the KYC as determined by the AMC or the AMC believes that the transaction is suspicious in nature as regards money laundering.
- (ii) the AMC determines in its sole discretion that the application does not or will not comply with any applicable laws or regulations. In this regard the AMC reserves the right to reject any application and affect a mandatory Redemption of Units allotted at any time prior to the expiry of 30 days from the date of the allotment. If the payment for Purchase of Units are made by a third party (e.g. a power of attorney holder, a financing agency, a relative, etc.), the investor / applicant may be required to give such details of such transaction so as to satisfy the AMC of the source and / or consideration underlying the transaction.

(2) A. KYC Compliance

In order to reduce hardship and help investors dealing with SEBI intermediaries, SEBI issued three circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011 and MIRSD/Cir-26/2011 dated December 23, 2011 informing SEBI registered intermediaries as mentioned therein to follow, with effect from January 01, 2012, a uniform KYC compliance procedure for all the investors dealing with them on or after that date. SEBI also issued KYC Registration Agency ("KRA") Regulations 2011 and the guidelines in pursuance of the said Regulations and for In-Person Verification ("IPV").

How to Apply for KYC?

To avoid duplication of KYC process across SEBI registered intermediaries, a mechanism for centralization of the KYC records in the securities market has been developed. Accordingly, an intermediary shall perform the initial KYC of its clients and upload the details on the system of the KYC Registration Agency (KRA).

1. Investors who wish to be KYC Compliant should submit a completed common KYC Application Form ('KYC Form') along with all the prescribed documents listed in the KYC Form to any of the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investors Schemes, etc. The KYC Form is available at our website and AMFI website - www.amfiindia.com. Investors may visit any of the official points of acceptance of Escorts Mutual Fund are authorized to carry out KYC on behalf of the Fund.

2. It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its investors. The IPV carried out by any SEBI registered intermediary can be relied upon by the Fund. The officials of AMC and NISM/AMFI certified distributors who are Know Your Distributors (KYD) compliant are authorized to undertake the IPV for Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.

3. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Fund reserves the right to carry out fresh KYC of the investor. The Fund may undertake enhanced KYC measures commensurate with the risk profile of its investors.

4. The Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). KRA shall send a letter to the investor on the receipt of the initial/updated KYC documents from the Fund, confirming the details thereof.

Who are required to be KYC Compliant?

- All investors (both individual and non-individual) should be KYC compliant.
- Any investment in the name of minors should be through a Guardian, who should be KYC compliant for the purpose of investing with a Mutual Fund. The Minor, upon attaining majority, should immediately apply for KYC compliance in order to be able to transact in his/her own capacity.
- Also, applicants / unit holders intending to apply for units/ currently holding units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA (i.e. the investor) and the holder of the PoA (i.e. the Attorney) must be KYC compliant. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA.

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- An individual becoming an investor on account of an operation of law, e.g., transmission of units upon death of a unit holder, the claimant eligible for entering into the register of Unit holders of the Mutual Fund will be required to be KYC compliant before such transfer can take place.
- Existing KYC compliant investors of the Fund can continue to invest. However, existing investors are also urged to comply with the new KYC requirements including IPV as mandated by SEBI.

B. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)

The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. On similar lines the Organization of Economic Development (OECD) along with G-20 countries has released a 'Standard for Automatic Exchange of Financial Account Information in Tax Matters' commonly known as Common Reporting Standard ('CRS').

In accordance with FATCA and CRS provisions, the AMC/ Mutual Fund is required to undertake due diligence process and identify foreign reportable accounts and collect such information/ documentary evidences of the FATCA/ CRS status of its investors/ Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings/ investment returns to US Internal Revenue Service (IRS)/ any other foreign government or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS/ any other foreign government pursuant to the new reporting regime under FATCA/CRS.

FATCA/CRS due diligence will be directed at each investor/ Unit holder (including joint investor/ Unitholder) and on being identified as a reportable person; all the folios will be reported. In case of folios with joint holders, the entire account value of the investment portfolio will be attributable under each such reportable person. An investor / Unit holder will therefore be required to comply with the request of the AMC / Mutual Fund to furnish such information as and when sought by the AMC for the AMC/ Mutual Fund to comply with the information reporting requirements stated in IGA/MCAA and circulars issued by SEBI / AMFI in this regard. The information disclosed may include (but is not limited to) the identity of the investors/ Unitholder(s) and their direct or indirect beneficiaries, beneficial owners and controlling persons.

Investors / Unitholders should consult their own tax advisors regarding FATCA/CRS requirements with respect to their own situation. The AMC/ Mutual Fund reserves the right to reject any application/ freeze any folio(s) held directly or beneficially for transactions in the event the applicant/ Unitholder(s) fail to furnish the relevant information and/or documentation in accordance with FATCA/ CRS provisions and as requested by the AMC/ Mutual Fund.

C. Ultimate Beneficial Owner(s) (UBO)

As a part of Client Due Diligence (CDD) Process under PML Act 2002 read with PML Rules, 2005 each of the SEBI registered intermediary, which inter-alia includes Mutual Funds, is required to obtain sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account. Providing information about beneficial ownership is mandatory for all categories of investors except (i) Individuals and (ii) a Company, which is listed on a stock exchange or is a majority owned subsidiary of such a Company.

Further, 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)") and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

(3) Nomination

Units held in Physical Form - Pursuant to Regulation 29A of the Regulations, the AMC is providing an option to the Unit holder to nominate (in the manner prescribed under the Regulations), a person 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. The nomination can be made only by individuals applying for / holding units on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot appoint nominee. The Nominee shall not be a trust (other than a religious or charitable trust), society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a Nominee subject to the exchange control 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

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the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust. Nomination in respect of the Units shall stand rescinded upon the Redemption of Units. Cancellation of nomination can be made only by those individuals who hold Units on their own behalf, singly or jointly, and by all the persons who made the original nomination. On cancellation of the nomination, the nomination shall stand rescinded and the Mutual Fund / AMC shall not be under any obligation to transfer the Units in favour of the nominee. The nomination facility extended under the Scheme is subject to extant laws. With effect from April 1, 2011, in line with Best Practice Guidelines issued by AMFI on January 28, 2011, nomination shall be mandatory for new folios/accounts opened by individual especially with sole holding and no new folios/accounts for individuals in single holding shall be opened without nomination. Nomination shall be maintained at the folio or account level and shall be applicable for investments in all schemes in the folio or account. Even those investors who do not wish to nominate must sign separately confirming their non-intention to nominate. Nomination shall not be allowed in a folio held on behalf of a minor. Where a folio has joint holders, all joint holders should sign the request for nomination/cancellation of nomination, even if the mode of holding is not "joint". Nomination form cannot be signed by Power of attorney (PoA) holders. The AMC shall, subject to production of such evidence which in their opinion is sufficient, proceed to transmit the Units to the Nominee. Transmission of Units to the nominee shall be a valid discharge of the Mutual Fund / AMC of all the liability (ies) towards the legal heirs of the deceased Unit holder. Persons applying on behalf of a minor being either a parent or lawful guardian shall have no right to make any nomination.

Units held in Electronic Form – The nomination facility will not be provided for the units held in Electronic Form with the Depository. The nomination details provided by the Unit holder to the depository will be applicable to the Units of the Scheme. Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and bye-laws of the Depository.

(4) Multiple Nominations:

A Unitholder can nominate a maximum of three persons as nominees, in whom the Units held by him shall vest in the event of his death. In case of multiple nominees, it is mandatory for the Unitholder to clearly indicate the percentage of allocation / share in favour of each of the nominees against their name and such allocation / share should be in whole numbers, without any decimals, making a total of 100 percent. However, in the event of the Unitholder not indicating the percentage of allocation / share for each of the nominees, the Fund / AMC, by invoking default option, shall settle the claim equally amongst all the nominees.

(5) Minor Attaining Majority – Status Change: In line with Best Practice Guidelines issued by AMFI on January 28, 2011, the following process shall be followed when the units are held on behalf of the minor, the ownership of the units shall rest with the minor. A guardian shall operate the account until the minor attains the age of majority. Prior to minor attaining majority, the minor shall submit an application form along with:

- a. Specific Service Request form for this purpose, duly filled and containing details like name of major, folio numbers, etc.
- b. New Bank mandate where account changed from minor to major,
- c. Signature attestation of the major by a manager of a scheduled bank / Bank Certificate / Letter,
- d. KYC acknowledgement of the major.

to change the status of the account to "major". The account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no transactions shall be permitted till the documents for changing the status as stated above are received.

(6) Change in Guardian: When there is a change in guardian either due to mutual consent or demise of existing guardian, the following documents shall be submitted prior to registering the new guardian:

1. Request letter from the new guardian,
2. No Objection Letter (NoC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
3. Notarized copy or attested copy of the Death Certificate of the deceased guardian, where applicable. The attestation may also be done by a special executive magistrate, AMC authorised official or manager of a scheduled bank.

The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian. The relationship/status of the guardian as father, mother or legal guardian shall be specified in the application form and following documents shall be submitted alongwith the application form as evidence:

1. Birth certificate of the minor, or

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2. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
3. Passport of the minor, or
4. Any other suitable proof evidencing the date of birth of the minor.
5. In case of court appointed legal guardian, supporting documentary evidence shall be provided.
6. Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.
7. KYC of the new guardian.

(7) Transfer of Units

As the Fund will be repurchasing the Units on an ongoing basis, which shall ensure liquidity to the Unit holders, no facility for transfer of Units is being offered by the Fund. However, if a person is entitled to a transfer the Units by operation of law, then RCAM shall effect the transfer of such Units within 30 days from the date of receipt of all relevant documents, as specified in Regulation 37(2) of Regulations, subject to production of such evidence, which in its opinion is adequate, if the intended transferee is otherwise eligible to hold the Units. A person shall, upon becoming entitled to hold the Units in consequence of the death, insolvency, or winding up of a sole holder or the last survivor of the joint holders, upon producing the necessary evidence to the satisfaction of the Fund, be registered as the holder of such Units. Any addition or deletion of name of any Unit holder from a folio is deemed as transfer of Units. In view of the same, additions /deletions of names of any Unitholder will not be allowed under any folio of the Scheme. The aforesaid provisions in respect of deletion of names will however not be applicable in case of deletion of name of a Unitholder on account of his death (in respect of joint Unit holdings) as this is treated as transmission of Unit and not transfer. The units of the Scheme / plan where ISIN have been allotted, the investors can obtain allotment in electronic (dematerialized) form through the unitholders' depository beneficiary account. The investors have an option to obtain such units in physical form also. In the case of physical units a statement of holding will be issued to the unit holders. Wherever units are listed in Stock Exchange, such units can be traded only if they are in dematerialized form. In the case of Exchange Traded Funds, the units will be allotted / issued only in a dematerialized form, Units held in Demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.

(8) Transmission of Units

In case of death of a Unitholder, Units shall be transmitted in favour of the second-named joint holder or nominee, as the case may be, on production of a death certificate or such other documents, as may be required by the Fund. In line with Best Practice Guidelines issued by AMFI on January 28, 2011, the following process shall be followed in case of Transmission of Units:

a. Transmission to surviving unit holders in case of death of one or more unitholders:

1. Letter from surviving unitholders to the Fund requesting for transmission of units,
2. Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
3. Bank Account Details of the new first unit holder along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
4. KYC of the surviving unit holders, if not already available.

b. Transmission to registered nominee/s in case of death of Sole or All unit holders:

1. Letter from claimant nominee/s to the Fund requesting for transmission of units,
2. Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,
3. Bank Account Details of the new first unit holder along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
4. KYC of the claimant/s,
5. An indemnity duly signed and executed by the nominee/s.

c. Transmission to claimant/s, where nominee is not registered, in case of death of Sole or All unit holders:

1. Letter from claimant/s to Fund requesting for transmission of units,
2. Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,

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3. Bank Account Details of the new first unit holder along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
4. KYC of the claimant/s,
5. Indemnity Bond from legal heir/s
6. Individual affidavits from legal heir/s
7. Notarised copy of Probated Will or Legal Heir Certificate or Succession Certificate or Claimant's Certificate issued by a competent court or Letter of Administration, in case of Intestate Succession.

d. Transmission in case of HUF, due to death of Karta:

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

1. Letter requesting for change of Karta,
2. Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
3. Duly certified Bank certificate stating that the signature and details of new Karta have been appended in the bank account of the HUF
4. KYC of the new Karta and KYC of HUF, if not already available.
5. Indemnity bond signed by all the surviving coparceners and new Karta
6. Any of the following mandatory documents:
 - a. Notarized copy of Settlement Deed, or
 - b. Notarized copy of Deed of Partition, or
 - c. Notarized copy of Decree of the relevant competent Court

Escorts Mutual Fund reserves the right to seek additional on a case to case basis.

(9) Winding Up

1. The duration of the scheme is perpetual. However, as per the Regulations, the Scheme may be wound up, after repaying the amount due to the Unit holders:
 - On the happening of any event, which in the opinion of the Trustee requires the Scheme to be wound up;
 - If seventy five percent of the Unit holders pass a resolution that the Scheme be wound up; or
 - If SEBI so directs in the interest of Unit holders.
2. Where a Scheme is to be wound up, the Trustee shall give notice of the circumstance leading to the winding up of the Scheme:
 - To SEBI; and
 - In two daily newspapers having circulation all over India and also in a vernacular newspaper circulating at New Delhi.
3. On and from the date of the advertisement of the winding up, the Trustee or the Asset management Company, as the case may be, shall:
 - Cease to carry on any business activities relating to the Scheme;
 - Cease to create and cancel Units in the Scheme; and
 - Cease to issue and redeem Units in the Scheme.
4. The following procedure shall be followed for winding up:
 - The Trustee shall call a meeting of the Unit Holders to consider and pass necessary resolutions by simple majority of the Unit holder, present and voting at the meeting for authorizing the Trustee or any other person to take steps for winding up the Scheme.
 - The Trustee or the person authorized as above shall dispose off the assets of the Scheme concerned in the best interest of the Unit holders of that Scheme.
 - The proceeds of sale made in pursuance of the above clause, shall, in the first instance be utilized towards discharge of such liabilities as are properly due. The balance shall be paid to the Unit holders in proportion to their respective interest in the assets of the Scheme as on the date when the decision for winding up was taken.
 - On the completion of the winding up, the Trustee shall forward to SEBI and the Unit holders a report on the winding up, net assets available for distribution to the Unit holders and a certificate from the Auditors of the Mutual Fund.
 - Notwithstanding anything contained in the Regulations, the application of provisions of the 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 cease to exist.
5. After receipt of the report referred to above, if SEBI is satisfied that all measures for winding up of the Scheme have been completed, the Scheme shall cease to exist.

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- Every such distribution to Unit holders shall be made only against delivery to the Trustee of such form of request for payment as the Trustee shall, in its absolute discretion require, within 10 days from the date of valid lodgment of a request in this regard.
- Any unclaimed proceeds shall be the property of the Mutual Fund and it may be held in such form as may be prescribed by SEBI.

(10) Underwriting

- In order to generate additional income, the Scheme may enter into underwriting/contingent underwriting commitments for new fund public offerings (i.e., primary issues) and/or rights offerings. The Mutual Fund intends to make, but has not yet made an application to SEBI for registration under the SEBI (Underwriters) Rules and Regulations, 1993, as amended.
- The underwriting obligation of the Scheme will be deemed as if investments are made in such securities by the Scheme; and
- The underwriting obligation of the Scheme shall not at any time exceed the total net assets of the Scheme.

(11) Policy for Borrowing

The Scheme shall not borrow more than 20% of its net assets, then prevailing to meet temporary liquidity needs for the purpose of repurchase/redemption of Units and payment of dividend to the Unit holders and the duration of such borrowing shall not exceed a period of six months.

(12) Investment by the AMC in the Scheme

The AMC may invest in the scheme from time to time, as per SEBI regulations. However, in respect of investment by the Scheme in Units of other Mutual Fund Scheme(s), AMC shall not be entitled to charge any Investment Management and Advisory Fees.

(13) Securities Lending

If permitted by SEBI under extant regulations / guidelines, the Scheme may also engage in securities lending activity. Stock Lending means the lending of securities to another person or entity for a fixed period of time at a negotiated compensation in order to enhance returns of the scheme portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The AMC will adhere to the following strict internal limits should it engage in stock lending:

It may lend the securities held by it to eligible brokers, dealers, financial institutions, etc. through approved intermediaries, in amounts upto 75% of its total net assets at the time of lending, in accordance with the Guidelines for Participation by Mutual Funds in Stock Lending Scheme and any other guidelines / regulations issued by SEBI. The scheme would limit its exposure, with regard to securities lending, for a single intermediary, to the extent of 25% of the total net assets of the scheme at the time of lending. Collateral must be obtained by approved intermediary for the lending transactions. However, the Asset Management Company and the Trustees reserve the right to modify the above-mentioned limits. Any default / delay by the parties to return the securities lent to them may have an adverse impact on the net assets (and consequently the performance) of the scheme. Collateral would always be obtained by the approved intermediary and would always be more than the value of securities lent. Collateral can be in the form of cash, bank guarantee and government securities, as may be agreed upon with the approved intermediary and would also be subject to mark to market valuation on a daily basis.

Example: A fund has an equity share of a company which it would wish to hold for a long period of time as a core holding in the portfolio as per the fund manager's plan. In that case the investors would be benefited only to the extent of the rise in the value of the share, from time to time if any, on the exchange. If the fund is enabled to lend the said security to a borrower who would be wanting to take advantage of the market fluctuations in its price, the borrower would return the security to the lender (scheme) at a stipulated time or on demand for a negotiated compensation. The fund's unitholders can enhance their returns to the extent of the compensation it will earn for lending the same. An adequate security or collateral will have to be maintained by the intermediary. This should always be higher than the cost of the security. Thus it is in the interest of the investors that returns can be enhanced by way of stock lending rather than hold the security only for capital appreciation potential.

Thus the scenario under which the fund would participate in stock lending would be :

- There is a holding of security eg 1 lakh shares of XYZ Ltd in the fund, which the fund manager wants to be the core holding of the scheme for approximately 6 to 12 months.
- There is a borrower (not mutual fund) for the security, (who has taken a short position in the market and needs XYZ Ltd shares to settle it) who is willing to put up a proper collateral for the same (In all cases higher than the price of the script).

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3. The borrower is represented by a proper recognized intermediary.
4. The agreement is to return the security or the amount so negotiated at a particular period of time or on demand.

Then the security will be lent by the fund and the unitholders would benefit from the additional compensation earned for lending, apart from the capital appreciation, which also happens in that stock.

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Inter-Scheme Transfer of Investments:

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

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

(14) Switch

1. Unit holders shall have the option to switch their holding of Units under the Scheme, on redemption of Units or on winding up of the Scheme, if any to Units of other Scheme(s) or Units of other investment Option of the Scheme that may be existing or may be framed by the Trustee, from time to time.
2. The switch will be effected by way of redemption of Units under the Scheme at the then prevailing repurchase price together with the exit load of and re-investment of the proceeds arising there from in Units under the other Scheme(s) or Units of other investment Option of the Scheme.
3. The price at which the Units will be switched out of the Scheme will be based on the then prevailing NAV applicable for redemption together with the exit load and the proceeds will be invested in other Scheme(s) at the prevailing offer price for Units under the other Scheme(s)
4. In order to be effective, the switch must comply with the rules for redemption of Units under the Scheme and the rules for offer of Units under the other Scheme(s) and the eligibility of the Unit holder to purchase and hold Units under the other Scheme(s)

Associate Transactions

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)	
Escorts Securities Ltd.	Associate of AMC	31-03-2017	6.20	1.35	0.007	20.85
Escorts Securities Ltd.	Associate of AMC	31-03-2016	2.34	0.05	0.001	31.09
Escorts Securities Ltd.	Associate of AMC	31-03-2015	13.89	1.58	0.01	80.59

Commission 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	Business given (Rs. Cr. & % of total Business received by the fund)		Commission paid (Rs. Cr & % of total commission paid by the fund)	
Escorts Securities Ltd.	Associate of AMC	31-03-2017	3.38	0.00	0.891	0.01
Escorts Securities Ltd.	Associate of AMC	31-03-2016	0.09	0.00	0.002	0.00
Escorts Securities Ltd.	Associate of AMC	31-03-2015	0.08	0.01	0.005	0.89

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Policy for investment in group companies

The investments in group companies of the sponsor and the AMC by all schemes of Mutual Fund shall at all times be in accordance with SEBI (Mutual Funds) Regulations, as amended from time to time.

The Mutual Fund shall not make any investment in

- any unlisted security of an associate or group Company of the Sponsor; or
- any security issued by way of private placement by an associate or group Company of the Sponsor; or
- the listed securities of group companies of the Sponsor which is in excess of 25% of the net assets.

As on date no scheme of Escorts Mutual Fund has invested more than 25% of its net assets in group companies.

The Mutual Fund proposes to have dealings and transactions with M/s Escorts Securities Ltd. whose services may be used for marketing and distribution of the schemes. Commission shall be paid to them at prevailing marketing rates.

Documents Available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund at 404 – 1A, World Trade Centre, Babar Road, New Delhi – 110001 during business hours on any day (excluding Saturdays, Sundays and public holidays):

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

Investor Grievances Redressal Mechanism

The Mutual Fund follows up with the Investor Service Centres on all complaints and inquiries received from unitholders regarding the New Fund Offer and the issue of Units with a view to resolving them quickly. In the event of an investor requiring Investor Service, in the normal course he/she/it is encouraged to contact:

Registrar Services & Investor Service Department
Escorts Asset Management Limited
Admin. Office: 404 – 1A, World Trade Centre,
Babar Road, New Delhi – 110001.
Ph No. – 011-43587500, 43587510
Fax – 011-43587515
Website : www.escortsmutual.com
Email – help@escortsmutual.com

In addition, for demat, the investors may also contact:

M/s Skyline Financial Services Pvt. Ltd.
D-153A, 1st Floor,
Okhla Industrial Area, Phase – I,
New Delhi 110 020.
Tel : 011-64732681 to 64732688
www.skylinerta.com
viren@skylinerta.com

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Investor Complaints Data for the previous schemes of Escorts Mutual Fund is as follows:

Escorts Income Bond

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	145	145	145
Complaints redressed	145	145	145
Balance	NIL	NIL	NIL

Escorts Income Plan

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	29	29	29
Complaints redressed	29	29	29
Balance	NIL	NIL	NIL

Escorts Tax Plan

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	16	16	12
Complaints redressed	16	15	12
Balance	NIL	01	NIL

Escorts Opportunities Fund

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	61	60	58
Complaints redressed	61	60	58
Balance	NIL	NIL	NIL

Escorts Gilt Plan

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	4	4	4
Complaints redressed	4	4	4
Balance	NIL	NIL	NIL

Escorts Growth Plan

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	6	6	6
Complaints redressed	6	6	6
Balance	NIL	NIL	NIL

Escorts Balanced Fund

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	5	5	4
Complaints redressed	5	4	4
Balance	NIL	1	NIL

Escorts Liquid Plan

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	29	21	21
Complaints redressed	29	21	21
Balance	NIL	NIL	NIL

Escorts Short Term Debt Fund

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	2	2	1
Complaints redressed	2	2	1
Balance	NIL	NIL	NIL

Escorts High Yield Equity Plan

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	5	5	5
Complaints redressed	5	5	5
Balance	NIL	NIL	NIL

Escorts Infrastructure Fund

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	4	3	3
Complaints redressed	4	3	3
Balance	NIL	NIL	NIL

STATEMENT OF ADDITIONAL INFORMATION

Escorts Leading Sectors Fund

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	1	1	NIL
Complaints redressed	1	1	NIL
Balance	NIL	NIL	NIL

Escorts Power & Energy Fund

	Upto 31.03.2017	Upto 31.03.2016	Upto 31.03.2015
Complaints received	NIL	NIL	NIL
Complaints redressed	NIL	NIL	NIL
Balance	NIL	NIL	NIL

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

For and on behalf of the Board of Directors of
Escorts Asset Management Ltd

Date: 23.06.2017
Place: New Delhi

Sd/-
Ashok K. Aggarwal
Chief Executive Officer

Investor Service Centres/ Official Points of Service of Escorts Mutual Fund

- **Agra:** Shop No. FF/YY, First Floor, Block No. 19/4, Vimal Tower, Sanjay Place, Agra -282002, Ph: 8393055355 / 8393055655;
- **Ahmedabad:** A 31 Second Floor, Capital Commercial Center, Near Sanyas Ashram, Opp. LIC Building, Ellsibridge, Ahmedabad-380006, Ph : 079-26582036;
- **Allahabad:** 132 B/28, Anant Raj Plaza Complex, First Floor, Shop No - 4 M.G Marg Civil lines, Allahabad - 211001 Tel- 0532-2261408 / 7081001921;
- **Bangalore.-** Ground Floor, Ski Commercial Complex Annexe, 25/1, Museum Road, Bangalore-560025, Ph : 080-41328146 / 98860 25553;
- **Bokaro:** Sector 1-C, Quarter No- 178 Bokaro Steel City, Jharkhand -827012, Ph : 7549075052;
- **Indore:** C/O Maroo Business Centre, 570, M.G Road, G26-B, City Centre, Indore - 452001, Ph.: 0731-2535406 / 9713455220;
- **Jaipur:** 405, Jagdish Enclave, Opp. Ram Mandir, Hawa Sarak, Jaipur-302006, Ph- 0141-2222001, Mob.: 9314519533;
- **Kanpur** Office No-303 3rd Floor, Gopala Chamber, 14/123-A, Opp. PPN Inter College, Parade Circle, Kanpur – 208001, Ph : 0512- 3910523 / 7081001922;
- **Kolkata:** Hemraj Mahabir Prasad Limited, Room.no-301B, 3rd floor, No-4, Fairlie Place, Kolkata-700001. Tel. 033-40036013 / 8335889189;
- **Lucknow:** Cabin No-111, Trade Point Ground Floor Saran Chamber-1, 5,Park Road Hazratganj, Lucknow – 226001, Ph : 0522-4101025 / 7081001923;
- **Mumbai:** Ground Floor Modi House, 10, Bora Masjid Street, Fort, Mumbai – 400001, Tel-022-22626595 / 7506932671;
- **Nagpur:** Laxmi Bhuwan Square, PMR Business Centre, Office No-203, 2nd Floor, Dharmapeth, Nagpur - 440030, Ph-0712-3298041 / 9764652825;
- **New Delhi:** Premises No. 2/90, First Floor, Block - P, Connaught Circus, New Delhi-110001 Tel-011-43587415/420;
- **Patna:** 114-B Ashoka Place Comm. Complex, Exhibition Road Patna, Bihar-800001 Ph-0612-2500340 / 7549075051;
- **Varanasi:** B-21/2A, Chinatown Complex, Kamaksha, Nr. Rathyatra Crossing, Varanasi - 221010 Ph- 0542-2361834 / 7081001925.