SCHEME INFORMATION DOCUMENT

IDFC Balanced Fund

(An Open-ended Balanced Scheme)

Offer of Units at Rs.10 each during the New Fund Offer and Continuous offer for Units at NAV based prices

This product is suitable for investors who are seeking*:

- To create wealth over a long period of time
- Capital appreciation and current income by investing in equity as well as fixed income securities.

Investors understand that their principal will be at Moderately High risk

**Investors should consult their financial advisers if in doubt about whether the product is suitable for them.*

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New Fund Offer Opens on: December 12, 2016
New Fund Offer Closes on: December 26, 2016
Scheme re-opens for ongoing sales and redemption on: January 02, 2017

Name of Mutual Fund	:	IDFC Mutual Fund
Name of Asset Management Company	:	IDFC Asset Management Company Limited
Name of Trustee Company	:	IDFC AMC Trustee Company Limited
Addresses of the entities	:	One IndiaBulls Centre, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013
Website	:	www.idfcmf.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of IDFC Mutual Fund, Tax and Legal issues and general information on www.idfcmf.com

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated November 29, 2016.

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HIGHLIGHTS/SUMMARY OF THE SCHEME

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<tr><td>Name of the Scheme</td><td>IDFC Balanced Fund</td></tr>
<tr><td>Nature of the Scheme</td><td>Open Ended Balanced Scheme</td></tr>
<tr><td>Investment Objective</td><td>The Fund seeks to generate long term capital appreciation along with current income by investing in a mix of equity and equity related securities, debt securities and money market instruments.

<u>Disclaimer</u>: There is no assurance or guarantee that the objectives of the scheme will be realised.</td></tr>
<tr><td>Plans / Options</td><td>The Scheme offers Regular Plan & Direct Plan.

Both the Plans will have separate NAV.

Both the Plans under the Scheme offer Dividend Option & Growth Option. Dividend Option under both the Plans further offers Payout, Reinvestment & Sweep facility.

Please note that where the Unitholder has opted for Dividend Payout option and in case the amount of dividend payable to the Unitholder is Rs.100/- or less under a Folio, the same will be compulsorily reinvested in the Scheme.

Investors subscribing under Direct Plan of a Scheme will have to indicate “Direct Plan” in the application form e.g. “IDFC Balanced Fund - Direct Plan”. Investors should also indicate “Direct” in the ARN column of the application form.

Treatment of applications under "Direct" / "Regular" Plans:
<table>
<tr><th>Scenario</th><th>Broker Code mentioned by the investor</th><th>Plan mentioned by the investor</th><th>Default Plan to be captured</th></tr>
<tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr>
<tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr>
<tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr>
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In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

Default option: The investors must clearly indicate the Option/facility (Growth or Dividend / Reinvestment or Payout or Sweep) in the relevant space provided for in the Application Form. In case the investor does not select any Option, the default shall be considered as Growth Option. Within dividend Option if the investor does not select any facility, then default facility shall be Dividend Reinvestment.

Both the Plans will have a common portfolio. The face value of the Units is Rs.10 per unit.</td></tr>
</table>

Minimum Application Amount	**Subscription:** Fresh Purchase - Rs.5,000/- and any amount thereafter Additional Purchase - Rs.1,000/- and any amount thereafter **Redemption:** Rs.500/- and any amount thereafter or 'All Units' if the account balance is less than Rs.500/-.
New Fund Offer (NFO) Details:	
NFO Opens on	**December 12, 2016**
NFO Closes on	**December 26, 2016**
Scheme re-opens for ongoing sale and repurchase on	**January 02, 2017**
Pricing during NFO	During the NFO, the units will be offered at a price of Rs.10 per Unit.
Pricing for ongoing subscription	Ongoing subscriptions / purchases will be at Applicable NAV
Redemption Price	Redemptions / repurchases will be done at the Applicable NAV, subject to applicable load.
Load Structure	Entry Load: Nil Exit Load: In respect of each purchase of Units: - For 10% of investment : Nil - For remaining investment : 1% if redeemed/switched out within 12 months from the date of allotment It is clarified that the redemptions/switches of Units will be considered on First-in-First-Out (FIFO) basis.
Minimum Subscription to be collected by the Fund	The Scheme seeks to collect Rs.20 crores as the minimum subscription and would retain any excess subscription collected. If the Scheme does not collect the minimum subscription during the NFO, refund will be made within 5 Business Days from closure of the NFO.
Liquidity	Upon reopening for ongoing sales, the Scheme is open for repurchase/redemption on all Business Days. The redemption proceeds will be despatched to the unitholders within the regulatory time limit of 10 business days of the receipt of the valid redemption request at the Official Points of Acceptance of Transactions (OPAT) of the Mutual Fund.
Benchmark	CRISIL Balanced Fund Index
Transparency & NAV disclosure	NAV will be determined for every Business Day except in special circumstances and published in two daily newspapers. NAV calculated upto four decimal places. NAV of the Scheme shall be made available on the website of AMFI (www. amfiindia.com) and the Mutual Fund (www.idfcmf.com) by 9.00 p.m. on all business days. The NAV shall also be are available on the call free number 1800 26666 88 and on the website of the Registrar CAMS (www.camsonline.com). The first NAV shall be calculated and disclosed within 5 business days of allotment. The Mutual Fund will publish the half-yearly and annual financial results as per the SEBI Regulations. The Mutual Fund will make Full Portfolio disclosure every month and half-year as per the SEBI Regulations.

SECTION I : INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme/s will be achieved.
- As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets.
- Past performance of the Mutual Funds managed by the Sponsors and its affiliates is not necessarily indicative of the future performance of the Scheme.
- The Sponsor or any of its associates is not responsible or liable for any loss resulting from the operation of the Scheme/s, and the Sponsor's initial contribution towards setting up the Mutual Fund is limited to Rs.30,000/-
- Investors in the scheme/s are not being offered any guaranteed or assured rate of returns.
- IDFC Balanced Fund is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests.
- Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to Investors in the Scheme.
- Mutual Funds being vehicles of securities investments are subject to market and other risks and there can be no guarantee against loss resulting from investing in the schemes. The various factors which impact the value of scheme investments include but are not limited to fluctuations in the equity and bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of securities, tax laws, liquidity of the underlying instruments, settlements periods, trading volumes etc. and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- From time to time and subject to the Regulations, the Sponsors, the Mutual Funds and investment companies managed by them, their affiliates, their associate companies, subsidiaries of the Sponsors, and the AMC may invest either directly or indirectly in the Scheme. The funds managed by these affiliates, associates, the Sponsors, subsidiaries of the Sponsors and /or the AMC may acquire a substantial portion of the Scheme's Units and collectively constitute a major investor in the Scheme. Accordingly, redemption of Units held by such funds, affiliates/associates and Sponsors might have an adverse impact on the Units of the Scheme because the timing of such redemption may impact the ability of other Unitholders to redeem their Units. Further, as per the Regulation, in case the AMC invests in any of the schemes managed by it, it shall not be entitled to charge any fees on such investments.
- Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

Scheme Specific Risk Factors

1. The value of the Scheme's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down.
2. The Scheme proposes to invest in equity and equity related instruments. Equity instruments by nature are volatile and prone to price fluctuations on a daily basis due to both micro and macro factors. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments. Different segments of financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Scheme(s) to make intended securities' purchases due to settlement problems could cause the Scheme(s) to miss certain investment opportunities.

3. In circumstances where Scheme will invest in debt / money market instruments due to unavailability of suitable arbitrage opportunities in cash and derivatives segments of equity markets, then the investment manager may choose to have a lower equity exposure (which is subject to 30 days' rebalancing period requirement explained under the Asset Allocation Section of this document). In such a case, the fund may not be regarded as equity oriented mutual fund as per extant Income Tax laws and consequently may not enjoy its tax advantage available to an equity oriented fund and may be subject to taxation applicable to a fund other than equity oriented fund during such period.
   Further, the tax treatment of fund as "Equity Oriented Fund / Other than Equity Oriented Fund" is determined only after occurrence of the event. Hence, the investors who exit the fund (redeem/switch-out) their units during the financial year may not be able to know the tax treatment of his earnings till the end of the financial year. In view of the individual nature of the tax consequences, each investor is advised to consult his / her own professional tax advisor.
4. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme(s) and may lead to the Scheme(s) incurring losses till the security is finally sold.
5. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Scheme(s) can go up and down because of various factors that affect the capital markets in general.
6. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. Within the Regulatory limits, the AMC may choose to invest in unlisted securities that offer attractive yields. This may however increase the risk of the portfolio.
7. The NAV of the Scheme is likely to be affected by changes in the prevailing rates of interest.
8. The AMC may, considering the overall level of risk of the portfolio, invest in lower rated/ unrated securities offering higher yields. This may increase the risk of the portfolio.
9. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Scheme's portfolio due to the absence of a well developed and liquid secondary market for debt securities would result, at times, in potential losses to the Scheme, in case of a subsequent decline in the value of securities held in the Scheme's portfolio.
10. Different types of securities in which the scheme would invest (bonds / money market instruments etc.) as given in the Scheme Information Document carry different levels and types of risks. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. Corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.
11. As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio. Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest. It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero coupon securities are generally more volatile than the market prices of securities that pay interest periodically.
12. Apart from normal credit risk, zero coupon bonds carry an additional risk, unlike bonds that pay interest throughout the period to maturity, zero coupon instruments/deferred interest bonds typically would not realise any cash until maturity. If the issuer defaults, the Scheme may not obtain any return on its investment.
13. **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.
14. **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates

prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

15. **Credit Risk:** In simple terms this risk means that the issuer of a debenture/bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down.
16. **Basis Risk (Interest - rate movement):** During the life of a floating rate security or a swap, the underlying benchmark index may become less active and may not capture the actual movement in interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio.
17. **Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. However, depending upon the market conditions, the spreads may move adversely or favourably leading to fluctuation in the NAV.
18. **Liquidity Risk:** Due to the evolving nature of the floating rate market, there may be an increased risk of liquidity risk in the portfolio from time to time.
19. **Other Risk:** In case of downward movement of interest rates, floating rate debt instruments will give a lower return than fixed rate debt instruments.
20. **Securities Lending:** Engaging in securities lending is subject to risks related to fluctuations in collateral value and settlement/liquidity and counter party risks. The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.
21. **Short-selling of Securities:** Purchasing a security entails the risk of the security price going down. Short selling of securities (i.e. sale of securities without owning them) entails the risk of the security price going up there by decreasing the profitability of the short position. Short selling is subject to risks related to fluctuations in market price, and settlement/liquidity risks. If required by the Regulations, short selling may entail margin money to be deposited with the clearing house and daily mark to market of the prices and margins. This may impact fund pricing and may induce liquidity risks if the fund is not able to provide adequate margins to the clearing house. Failure to meet margin requirements may result in penalties being imposed by the exchanges and clearing house.

Risk associated with investing in foreign securities

It is AMC's belief that the investment in ADRs/GDRs/overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the schemes. Since the Schemes would invest only partially in ADRs/GDRs/overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the Schemes.

To the extent the assets of the scheme(s) are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilization of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

The Scheme(s) may also invest in ADRs / GDRs / Other Foreign Securities as permitted by Reserve Bank of India and Securities and Exchange Board of India from time to time. To the extent that some part of the assets of the Scheme(s) may be invested in securities denominated in foreign currencies, Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment as applicable.

As the investment may be made in stocks of different countries, the portfolio shall be exposed to the political, economic and social risks with respect to each country. However, the portfolio manager shall ensure that his exposure to each country is limited so that the portfolio is not exposed to one country. Investments in various economies will also diversify and reduce this risk.

Currency Risk: The scheme(s) may invest in securities denominated in a broad range of currencies and may maintain cash in such currencies. As a consequence, fluctuations in the value of such currencies against the currency denomination of the relevant scheme will have a corresponding impact on the value of the portfolio. Furthermore, investors should be aware that movements in the rate of exchange between the currency of denomination of a fund and their home currency will affect the value of their shareholding when measured in their home currency.

In respect of the corpus of the Scheme(s) that is invested in overseas mutual fund schemes, investors shall bear the proportionate recurring expenses of such underlying scheme(s), in addition to the recurring expenses of the Scheme(s). Therefore, the returns attributable to such investments by the Scheme(s) may be impacted or may, at times, be lower than the returns that the investors could obtain by directly investing in the said underlying scheme(s).

To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/RBI from time to time. Offshore investments will be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the Fund in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing. The Fund may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs, and overseas regulatory costs.

Risks associated with Investing in Derivatives:

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. As and when the Scheme trade in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India.
The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments.

The specific risk factors arising out of a derivative strategy used by the Fund Manager may be as below:

- Lack of opportunity available in the market.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Risk associated with Interest Rate Future

(i) **Market risk**: Derivatives carry the risk of adverse changes in the market price.
(ii) **Liquidity risk** – This occurs where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.
(iii) **Model Risk -** The risk of mispricing or improper valuation of derivatives.

(iv) **Basis Risk –** This risk arises when the instrument used as a hedge does not match the movement in the instrument/ underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.

Risks associated with Arbitrage strategies:

(i) **Liquidity Risk:** In case of Arbitrage trades, under abnormal circumstances it will be difficult to square off the transaction due to liquidity being poor in the underlying stock, stock futures or options market.
(ii) **Execution Risk:** The prices which are seen on the screen need not be the same at which execution will take place.
(iii) **Mark to Market Risk:** There could be a mark to market loss in derivatives leg of arbitrage and additional margin may need to be provided for the same.
(iv) **Basis Risk:** In case of a large redemption, the scheme may need to reverse the spot-futures transaction before the date of futures' settlement. This eventuality may lead to the basis risk. In such extraordinary circumstances, the Fund Manager may have to unwind positions before the expiry at a basis which maybe higher than the initiation basis to meet redemptions. Premature unwinding of the position might result in the locked in profits not getting realized.

Risk Associated with investing in Securitized Debt

The Scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). Asset Backed Securities (ABS) are securitized debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer durables, etc. Mortgage backed securities (MBS) are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties. ABS/MBS instruments reflect the undivided interest in the underlying pool of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. If the delinquencies and credit losses in the underlying pool exceed the credit enhancement provided, ABS/MBS holders will suffer credit losses. ABS/MBS are also normally exposed to a higher level of reinvestment risk as compared to the normal corporate or sovereign debt.

At present in Indian market, following types of loans are securitised:

- Auto Loans (cars / commercial vehicles /two wheelers)
- Residential Mortgages or Housing Loans
- Consumer Durable Loans
- Personal Loans
- Corporates Loans

The main risks pertaining to each of the asset classes above are described below:

Auto Loans (cars / commercial vehicles /two wheelers)
The underlying assets (cars etc) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of asset becomes lower than the loan outstanding. The borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed. These loans are also subject to model risk. ie if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual.
Commercial vehicle loans are susceptible to the cyclicality in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such economic environment.

Housing Loans
Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower classes. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

Consumer Durable Loans
The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult. The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

Personal Loans
These are unsecured loans. In case of a default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money. Further, all the above categories of loans have the following common risks:
All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.
In India, there is insufficiency of ready comprehensive and complete database regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record. In retail loans, the risks due to frauds are high.

Corporate Loans
These are loans given to single or multiple corporates. The receivables from a pool of loans to corporate are assigned to a trust that issues Pass through certificates in turn. The credit risk in such PTCs is on the underlying pool of loans to corporates. The credit risk of the underlying loans to the corporates would in turn depend of economic cycles.

Risk associated with investing in Repo of Corporate Bond Securities

To the extent the scheme invests in Repo of Corporate Bond Securities, the scheme will be subject to following risks –

- Settlement Risk: Corporate Bond Repo will be settled between two counterparties in the OTC segment unlike in the case of CBLO transactions where CCIL stands as central counterparty on all transactions (no settlement risk).
- Quality of collateral: The Mutual Fund will be exposed to credit risk on the underlying collateral – downward migration of rating. The Mutual Fund will impose adequate haircut on the collateral to cushion against any diminution in the value of the collateral. Collateral will require to be rated AAA or equivalent.
- Liquidity of collateral: In the event of default by the counterparty, the Mutual Fund would have recourse to recover its investments by selling the collateral in the market. If the underlying collateral is illiquid, then the Mutual Fund may incur an impact cost at the time of sale (lower price realization).

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RISK MANAGEMENT STRATEGIES

The Fund by utilizing a holistic risk management strategy will endeavor to manage risks associated with investing in debt and equity markets. The risk control process involves identifying & measuring the risk through various risk measurement tools.

The Fund has identified following risks of investing in equity and debt and designed risk management strategies, which are embedded in the investment process to manage such risks.

Risk associated with Debt Investment

Risk Description	Risk Mitigants/management strategy
Market Risk As with all debt securities, changes in interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.	In a rising interest rates scenario the Fund Managers will endeavor to increase its investment in money market securities whereas if the interest rates are expected to fall the allocation to debt securities with longer maturity will be increased thereby mitigating risk to that extent.
Liquidity or Marketability Risk This refers to the ease with which a security can be sold at or near to its valuation Yield-To-Maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.	The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. Liquidity risk is today characteristic of the Indian fixed income market. The fund will however, endeavor to minimise liquidity risk by investing in securities having a liquid market.
Credit Risk Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.	A traditional SWOT analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken to review its ability to undergo stress on cash flows and asset quality. A detailed evaluation of accounting policies, off balance sheet exposures, notes, auditors' comments and disclosure standards will also be made to assess the overall financial risk of the potential borrower. In case of securitized debt instruments, the fund will ensure that these instruments are sufficiently backed by assets.
Reinvestment Risk This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.	Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.
Derivatives Risk As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly.	The fund has provision for using derivative instruments for portfolio balancing and hedging purposes. Interest Rate Swaps will be done with approved counter parties under pre approved ISDA agreements. Mark to Market of swaps, netting off of cash flow and default provision clauses will be provided as per international best practice on a reciprocal basis. Interest rate swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines.

Risk Description	Risk Mitigants/management strategy
There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.	

Risks associated with Equity investment

Risk Description	Risk Mitigants/management strategy
Market Risk The scheme is vulnerable to movements in the prices of securities invested by the scheme, which could have a material bearing on the overall returns from the scheme. The value of the Scheme's investments, may be affected generally by factors affecting securities markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets.	Market risk is a risk which is inherent to an equity scheme. The scheme may use derivatives to limit this risk.
Liquidity risk The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests.	The fund seeks to control such risk by investing in such stocks having strong fundamentals, sound financial strength and superior quality of management and highly liquid papers. The fund will try to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying stocks.
Derivatives Risk As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.	The fund has provision for using derivative instruments for portfolio balancing and hedging purposes. Investments in derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines. The fund will endeavor to maintain adequate controls to monitor the derivatives transactions entered into.
Arbitrage Risk	
Liquidity Risk: In case of Arbitrage trades, under abnormal circumstances it will be difficult to square off the transaction due to liquidity being poor in the underlying stock, stock futures or options market.	The fund will aim at taking exposure only into liquid stocks / derivatives where there will be minimal risk to square off the transaction.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. However, if such limit is breached during the NFO of the Scheme, the Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS, if any

Investors may note that AMC/Fund Manger’s investment decisions may not be always profitable or prove to be correct.

All the above factors not only affect the prices of securities but may also affect the time taken by the Fund for redemption of units, which could be significant in the event of receipt of a very large number of redemption requests or very large value of redemption requests. The liquidity of the assets may be affected by other factors such as general market conditions, political events, bank holidays and civil strife. In view of this, the Trustee has the right in its sole discretion to limit redemption (including suspension of redemption) under certain circumstances. Please refer to Section titled “Units on Offer”.

The liquidity of the Scheme’s investments may be restricted by trading volumes, settlement periods and transfer procedures. In the event of an inordinately large number of redemption requests or of a restructuring of the Scheme’s portfolio, the time taken by the Scheme for redemption of Units may become significant. In view of this, the Trustee has the right in its sole discretion to limit redemption (including suspension of redemption) under certain circumstances. Please refer to Section titled “Units on Offer”.

The Scheme may trade in derivatives as permitted under the Regulations subject to guidelines issued by SEBI and RBI from time to time. Trading in Derivatives involves risks, which are explained in Section titled “Investment Objectives and Policies”.

The Scheme may also invest in overseas financial assets as permitted under the applicable regulations. To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

In case the scheme undertakes securities lending under the Regulations, the Scheme may, at times be exposed to counter party risk.

Redemptions due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise.

The tax benefits described in this Scheme Information Document (SID) are as available under the present taxation laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the AMC regarding the law and practice in force in India and the Unitholders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his/ her own professional tax advisor.

No person has been authorised to give any information or to make any representations not confirmed in this SID in connection with the SID or the issue of Units, and any information or representations not contained herein must not be relied upon as having been authorised by the Mutual Fund or the Asset Management Company.

D. DEFINITIONS AND ABBREVIATIONS

In this document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

AMC	IDFC Asset Management Company limited previously known as Standard Chartered Asset Management Company Private Limited (which was earlier known as ANZ Grindlays Asset Management Company Private Limited), a company set up under the Companies Act, 1956, and approved by SEBI to act as the Asset Management Company for the Schemes of IDFC Mutual Fund
Applicable NAV	Unless stated otherwise in the Scheme information document, Applicable NAV is the Net Asset Value as of the Day as of which the purchase or redemption is sought by the investor and determined by the Fund. (For details, please refer to the section on "Applicable NAV")
Business Day	A day other than (i) Saturday or Sunday or (ii) a day on which the Reserve Bank of India &/or Banks in Mumbai are closed for business or clearing or (iii) a day on which there is no RBI clearing / settlement of securities or (iv) a day on which the Bombay Stock Exchange and/or National Stock Exchange are closed or (v) a day on which the Redemption of Units is suspended by the Trustee / AMC or (vi) a day on which normal business could not be transacted due to storms, floods, other natural calamities, bandhs, strikes or such other events or as the AMC may specify from time to time. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all collection &/or Official points of acceptance of transactions.
Continuous Offer	Offer of units when the scheme becomes available for subscription, after the closure of the New Fund Offer
Custodian	Deutsche Bank A.G., Mumbai, acting as Custodian to the Scheme, or any other custodian who is approved by the Trustee
Cut Off time	A time prescribed in the SID prior to which an investor can submit a subscription / redemption request along with a local cheque or a demand draft payable at par at the place where the application is received, to be entitled to the Applicable NAV for that Business Day.
Distributor	Such persons/firms/ companies/ corporates who fulfill the criteria laid down by SEBI/AMFI from time to time and as may be appointed by the AMC to distribute/sell/market the Schemes of the Fund.
Exit Load	A charge that may be levied as a percentage of NAV at the time of exiting the scheme.
FPIs	Foreign Portfolio Investors, registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Fixed Income Securities	Debt Securities created and issued by, inter alia, Central Government, State Government, Local Authorities, Municipal Corporations, PSUs, Public Companies, Private Companies, Bodies Corporate, Unincorporated SPVs and any other entities which may be recognised/permitted which yield at fixed or variable rate by way of interest, premium, discount or a combination of any of them
Fund or Mutual Fund	IDFC Mutual Fund ("the Mutual Fund" or "the Fund") previously known as Standard Chartered Mutual Fund (which was earlier known as ANZ Grindlays Mutual Fund), had been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) vide a trust Deed dated December 29, 1999. The office of the Sub-Register of Assurances at Mumbai had registered the Trust Deed establishing the Fund under the Registration Act, 1908. The Fund was registered with SEBI vide Registration No.MF/042/00/3 dated March 13, 2000. A deed of amendment to the Trust Deed had been

	executed and registered to recognize the change in sponsor of the Mutual Fund.
The Scheme	IDFC Balanced Fund
Gilt or Govt. Securities	Securities created and issued by the Central Government and/or a State Government (including Treasury Bills)
New Fund Offer	Offer of the Units of scheme under IDFC Balanced Fund during the New Fund Offer Period
New Fund Offer Period	The dates on or the period during which the initial subscription to Units of the Scheme can be made. New Fund Offer Period for the scheme will be announced at the time of the launch subject to the earlier closure, if any; such offer period not being more than 15 days
Investment Management Agreement	The Agreement dated January 3, 2000 entered into between IDFC AMC Trustee Company Limited previously known as Standard Chartered Trustee Company Private Limited (which was earlier known as ANZ Grindlays Trustee company Private Limited) and IDFC Asset Management Company Limited previously known as Standard Chartered Asset Management Company Private Limited (which was earlier known as ANZ Grindlays Asset Management Company Private Limited) as amended from time to time.
Official Points of acceptance of transaction	All applications for purchase/redemption of units should be submitted by investors at the official point of acceptance of transactions at the office of the registrar and/or AMC as may be notified from time to time. For details please refer to the application form and/or website of the Mutual Fund at www.idfcmf.com
Load	A charge that may be levied as a percentage of NAV at the time of entry into the Scheme or at the time of exiting from the Scheme
Money Market Instruments	Commercial papers, Commercial bills, Treasury bills, Government Securities having an unexpired maturity upto one year, call or notice money, certificates of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time including mibor linked securities and call products having unexpired maturity upto one year
NAV	Net Asset Value of the Units of the Scheme calculated on every Business Day in the manner provided in this Scheme Information Document or as may be prescribed by regulations from time to time
NRIs	Non-Resident Indians
Scheme Information Document	This document is issued by IDFC Mutual Fund, offering Units of scheme under IDFC Balanced Fund
Person of Indian Origin	A citizen of any country other than Bangladesh or Pakistan, if- a) he at any time held an Indian passport, or b) he or either of his parents or any of his grand-parents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955) or c) the person is a spouse of an Indian citizen or a person referred to in sub clause (a) or (b)
RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time
Repo / Reverse Repo	Sale / Purchase of Government Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase / resell them at a later date
Repurchase / Redemption	Repurchase / Redemption of units of the scheme, as permitted under the scheme
Sale / Subscription	Sale or allotment of units to the unitholders upon subscription by an investor / applicant under this scheme
SEBI	Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992, as amended from time to time
Systematic Investment Plan (SIP)	A plan enabling investors to save and invest in the scheme on monthly / quarterly / other periodic basis submitting post dated cheques / payment instructions. The AMC reserves the right to introduce SIPs at other frequencies such as daily / weekly / half yearly etc., as may be deemed appropriate by the AMC, from time to time.
Systematic Transfer Plan (STP)	A plan enabling investors to transfer lumpsum amounts / capital appreciation in the specific schemes of IDFC Mutual Fund to other scheme of the fund by providing a standing instruction to transfer sums at monthly intervals. The AMC reserves the right to introduce STPs at such other frequencies such as weekly / quarterly / half yearly etc. as the AMC may feel appropriate from time to time.
Systematic Withdrawal Plan (SWP)	A plan enabling investors to withdraw amounts from the scheme on a monthly / quarterly basis by giving a single instruction. The AMC reserves the right to introduce SWPs at such other frequencies such as weekly / quarterly / half yearly etc. as the AMC may feel

	appropriate from time to time
The Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time
Trustee	IDFC AMC Trustee Company Limited previously known as Standard Chartered Trustee Company Private Limited (which was earlier known as ANZ Grindlays Trustee company Private Limited) a company set up under the Companies Act, 1956, and approved by SEBI to act as the Trustee for the Scheme/s of IDFC Mutual Fund
Trust Deed	The Trust Deed dated December 29, 1999 establishing IDFC Mutual Fund previously known as Standard Chartered Mutual Fund (which was earlier known as ANZ Grindlays Mutual Fund) as amended from time to time
Trust Fund	Amounts settled/contributed by the Sponsor towards the corpus of the IDFC Mutual Fund and additions/accretions thereto
Unit	The interest of an investor that consists of one undivided share in the Net Assets of the Scheme
Unitholder	A holder of Units under the IDFC Balanced Fund, as contained in this Scheme information document

For all purposes of this Scheme information document, except as otherwise expressly provided or unless the context otherwise requires:

- the terms defined in this Scheme information document include the plural as well as the singular
- pronouns having a masculine or feminine gender shall be deemed to include the other
- all references to "Sterling Pounds" refer to United Kingdom Sterling Pounds , "dollars" or "$" refer to United States Dollars and "Rs" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand"

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

(i) the draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Fund) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time
(ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., by the Government and any other competent authority in this behalf, have been duly complied with
(iii) the disclosure made in the Scheme Information Document are true, fair, and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme
(iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

For IDFC Asset Management Company Limited
(Investment Manager of IDFC Mutual Fund)

Sd/-
Ketav Chaphekar
Compliance Officer

Date: October 30, 2015
Place: Mumbai

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

Open ended balanced scheme

B. INVESTMENT OBJECTIVE OF THE SCHEME

The Fund seeks to generate long term capital appreciation along with current income by investing in a mix of equity and equity related securities, debt securities and money market instruments.

Disclaimer: There is no assurance or guarantee that the objectives of the scheme will be realised.

C. ASSET ALLOCATION

The asset allocation under the scheme will be as follows:

Under normal circumstances

Instruments	Indicative Allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity and Equity related instruments	30%	60%	Medium to High
Net Equity Arbitrage Exposure*	5%	15%	Medium to High
Debt Securities and Money Market Instruments	35%	60%	Low to Medium

* Equity exposure would be hedged with corresponding equity derivatives of 5% - 15%. The idea is not to increase equity exposure by using derivatives. Arbitrage will have fully set-off position with Zero Net Market Exposure. To the extent of arbitrage allocations, the Scheme would hold spot market positions only for the purpose of arbitrage opportunities and not to benefit from any upside potential that stocks may provide in the present or in future.

Under Defensive circumstances (i.e., when the arbitrage opportunities in the market are not adequate, in view of the fund manager):

Instruments	Indicative Allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity and Equity related instruments	40%	60%	Medium to High
Debt Securities and Money Market Instruments	40%	60%	Low to Medium

Investment in Securitised Debt - up to 15% of the net assets
Investment in Foreign securities - up to 50% of the net assets
Investment in Securities lending – up to 20% of the net assets with maximum single party exposure restricted to 5% of the net assets.
Investment in Derivatives – up to 50% of the net assets
Gross Exposure to Repo of Corporate Debt Securities – up to 10% of the net assets
The Scheme may engage in short selling of securities in accordance with the applicable guidelines / regulations.

The Scheme may also invest in units of debt and liquid mutual fund schemes and Equity ETFs within the above limits. The portfolio may hold cash depending on the market conditions.

Whenever the equity and equity derivative investment strategy (arbitrage strategy) is not likely to give return comparable with the fixed income securities portfolio, the fund manager will invest in fixed income securities. This is subject to the 30 days' rebalancing period provision mentioned below.

The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme. Cash or cash equivalents with residual maturity of less than 91 (ninety one) days will be treated as not creating any market exposure.

The scheme shall not invest in Credit Default Swaps (CDS).

Change in Investment Pattern

Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors.

Temporary investments: When the Fund Managers believes market or economic conditions are unfavourable for investors, the scheme may invest up to 100% of its assets in a temporary defensive manner by holding all or a substantial portion of its assets in cash, cash equivalents or other high quality short-term investments. Temporary defensive investments generally may include permitted money market instruments, CBLO/reverse repo, bank deposits etc. Such changes in the investment pattern will be for short term and defensive considerations only, which would be rebalanced to either of the above asset allocations within 30 days from the date of deviation. In case the same is not aligned to the above asset allocation pattern, justification shall be provided to the Investment committee. The Investment committee shall then decide on the course of action.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the Regulations, as detailed later in this document.

D.WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme will be invested in various types of securities (including but not limited to) such as:

1. Equity and Equity related instruments.
2. Stock futures / index futures and such other permitted derivative instruments.
3. Debt instruments (including non convertible portion of convertible instruments) issued by Companies / institutions promoted / owned by the Central or State Governments and statutory bodies, which may or may not carry a Central/State Government guarantee.
4. Debt securities (including non convertible portion of convertible instruments) issued by companies, banks, financial institutions and other bodies corporate (both public and private sector undertakings) including Bonds, Debentures, Notes, Strips, etc. Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
5. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
6. Securitised Debt
7. Certificate of Deposits (CDs), Commercial Paper (CPs), CBLO, Repo in corporate debt and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.
8. Bills Rediscounting – the investment in Bills Rediscounting will be on 'with recourse' basis and will be to 10% of the net assets of the scheme.
9. Derivatives
10. Units of mutual fund schemes / ETF's
11. Permitted foreign securities (except foreign securitised debt)
12. Derivatives
13. Any other securities / instruments as may be permitted by SEBI/ RBI from time to time.

The securities mentioned above and such other securities the Scheme is permitted to invest in could be listed, unlisted, publicly offered, privately placed, through negotiated deals, secured, unsecured, of various ratings or unrated as well as of various maturity.

For the purpose of further diversification and liquidity, the Scheme may invest in another scheme managed by the same

AMC or by the AMC of any other Mutual Fund without charging any fees on such investments, provided that aggregate inter-scheme investment made by all schemes managed by the same AMC or by the AMC of any other Mutual Fund shall not exceed 5% of the net asset value of the Fund.

The scheme may invest the funds of the scheme in short term deposits of scheduled commercial banks as permitted under extant regulations. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

NOTE ON DEBT MARKET & MONEY MARKET IN INDIA

The Indian debt markets are one of the largest such markets in Asia. Government and Public Sector enterprises are predominant borrowers in the market. While interest rates were regulated till a few years back, there has been a rapid deregulation and currently both the lending and deposit rates are market determined.

The debt markets are developing fast, with the rapid introduction of new instruments including Foreign Institutional Investors are also allowed to invest in Indian debt markets now. There has been a considerable increase in the trading volumes in the market. The trading volumes are largely concentrated in the Government of India Securities, which contribute a significant proportion of the daily trades.

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills & Cash Management Bills (issued by RBI). In a predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates.

Following table exhibits various debt instruments along with indicative yields as on October 31, 2016:

Instruments	Yield level (% per annum)
G – Sec 5 year	6.71%
G – Sec 10 year	6.79%
CP's 3 months	6.99%
CD's 3 months	6.58%
CP's 1 year	7.42%
CD's 1 year	6.93%
NON PSU	
Corporate Debentures AAA 3 year	7.78%
Corporate Debentures AAA 5 year	7.80%
PSU	
Corporate Debentures AAA 3 year	7.28%
Corporate Debentures AAA 5 year	7.33%

The actual yields will, however, vary in line with general levels of interest rates and debt/money market conditions prevailing from time to time.

The mutual fund or AMC and its empanelled brokers have not given and shall not give any indicative portfolio and indicative yield in any communication, in any manner whatsoever. Investors are advised not to rely on any communication regarding indicative yield/ portfolio with regard to the scheme.

Debt Markets abroad:

Overseas debt markets are deep and vibrant and much more sophisticated than the Indian debt markets. Most individual bonds are bought and sold in the over-the-counter (OTC) market, although some corporate bonds are also listed on the New York Stock Exchange. The OTC market comprises hundreds of securities firms and banks that trade bonds by phone or electronically. Some are dealers that keep an inventory of bonds and buy and sell these bonds for their own account; others act as agent and buy from or sell to other dealers in response to specific requests on behalf of customers. Quotes are available for an entire gamut of securities of varying maturities. Among the types of bonds one can choose from are: Government securities, municipal bonds, corporate bonds, mortgage and asset-backed securities, federal agency securities and foreign government bonds. Bond choices range from the highest credit quality Treasury securities, which are backed by the full faith and credit of the government, to bonds that are below investment-grade and considered speculative. Since a bond may not be redeemed, or reach maturity, for years - even decades, credit quality becomes an important consideration when you are evaluating a fixed/floating- income investment. In the United States, major rating agencies include Moody's Investors Service, Standard & Poor's Corporation and Fitch. Each of the agencies assigns its ratings based on in-depth analysis of the issuer's financial condition and management, economic and debt characteristics and the specific revenue sources securing the bond. The highest ratings are AAA (S&P and Fitch) and Aaa (Moody's). Bonds rated in the BBB category or higher are considered investment grade; securities with ratings in the BB category and below are considered "high yield" or below investment grade. While experience has shown that a diversified portfolio of high-yield bonds will, over the long run, have only a modest risk of default, it is extremely important to understand that, for any single bond, the high interest rate that generally accompanies a lower rating is a signal or warning of higher risk.

E. INVESTMENT STRATEGY

The Fund has an open mandate for allocation between debt and equity. It does not follow any defined model for determining the allocation.

Equity allocation:
For the equity portion, the scheme shall seek to build a diversified portfolio of companies across market cap and sectors with a large cap bias.

Debt allocation:
The scheme shall invest in various types of permitted debt and money market securities (including G-Sec) across maturities. The allocation would be based on the prevailing economic environment (including interest rates and inflation), the performance of the corporate sector and general liquidity and other considerations in the economy and markets

Derivatives:
The scheme will vary its investment in equity and equity related instruments and move towards exposure to equity derivatives when it needs to bring down the effective equity exposure, depending on the prevailing market conditions. Given that the fund is a balanced fund, allocation between equity and debt instruments will be dynamically managed with the derivative allocation providing opportunities to hedge equity exposure so as to provide a lower risk alternative to equity allocation

INVESTMENT IN DERIVATIVES

(i) Trading in Derivatives
The Scheme may use derivatives instruments like Stock/ Index Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing, within a permissible limit of 50% of portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Scheme and the risks attached there with.

Advantages of Derivatives:
The volatility in Indian markets both in debt and equity has increased over last few months. Derivatives provide unique flexibility to the Scheme to hedge part of its portfolio. Some of the advantages of specific derivatives are as under:

ii) Derivatives Strategy
Equity Derivative
The Scheme intends to use derivatives for purposes that may be permitted by SEBI Mutual Fund regulations from time to time. Derivatives instruments may take the form of Futures, Options, Swaps or any other instrument, as may be permitted from time to time. SEBI has vide its Circular DNPD/Cir-29/2005 dated September 14, 2005 and

DNPD/Cir-29/2005 dated January 20, 2006 and CIR/IMD/DF/11/2010 dated August 18, 2010 specified the guidelines pertaining to trading by Mutual Fund in Exchange trades derivatives. All Derivative positions taken in the portfolio would be guided by the following principles:

i. Position limit for the Fund in index options contracts
a. The Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher per Stock Exchange.

b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Fund in index futures contracts:
a. The Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging
In addition to the position limits at point (i) and (ii) above, Fund may take exposure in equity index derivatives subject to the following limits:
a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Fund’s holding of stocks.
b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Fund’s holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for the Fund for stock based derivative contracts :

The Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, :-
a. For stocks having applicable market wide position limit (MWPL) of Rs. 500 crores or more, the combined futures and options limit shall be 20% of applicable MWPL or Rs. 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower
b. For stocks having applicable market wide position limit (MWPL) less than Rs. 500 crores or more, the combined futures and options limit shall be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crores, whichever is lower
c. The MWPL and client level position limits however would remain the same as prescribed

v. Position limit for the Scheme
The position limits for the Scheme and disclosure requirements are as follows–

a. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Fund shall not exceed the higher of:
1% of the free float market capitalisation (in terms of number of shares) Or
5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).

b. This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

c. For index based contracts, the Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.”

The Scheme will comply with provisions specified in Circular dated August 18, 2010 related to overall exposure limits applicable for derivative transactions as stated below:

1) The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.

2) Mutual Funds shall not write options or purchase instruments with embedded written options.

3) The total exposure related to option premium paid must not exceed 20% of the net assets of the cheme.

4) Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

5) Exposure due to hedging positions may not be included in the above mentioned limits subject to the following
a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

6) Mutual Funds may enter into interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

7) Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

8) Position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows: -

Position	**Exposure**
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option premium Paid * Lot Size* Number of Contracts

The following section describes some of the more common equity derivatives transactions along with their benefits:

1. Basic Structure of a Stock & Index Future
The Stock Index futures are instruments designed to give exposure to the equity markets indices. The stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE) provide futures in select stocks and indices with maturities of 1, 2 and 3 months. The pricing of a stock/index future is the function of the underlying stock/index and short term interest rates.

Example using hypothetical figures:
1 month NIFTY 50 Index Future

Say, Fund buys 1,000 futures contracts; each contract value is 50 times futures index price
Purchase Date : February 24, 2014
Spot Index : 6000
Future Price : 6150
Say, Date of Expiry : March 24, 2014
Say, Margin : 20%

Assuming the exchange imposes total margin of 20%, the Investment Manager will be required to provide total margin of approx. Rs. 6.15 Cr (i.e.20% * 6150 * 1000 * 50) through eligible securities and cash.

Date of Expiry:
Assuming on the date of expiry, i.e. March 24, 2014, Nifty 50 Index closes at 6200, the net impact will be a profit of Rs 25,00,000 for the fund i.e. (6200–6150)*1000*50

Futures price = Closing spot price = 6200.00

Profits for the Fund = (6200–6150)*1000*50 = Rs. 25,00,000

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity.

The net impact for the Fund will be in terms of the difference of the closing price of the index and cost price. Thus, it is clear from the example that the profit or loss for the Fund will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures.

2. Basic Structure of an Equity Option:
An option gives a buyer the right but does not cast the obligation to buy or sell the underlying. An option is a contract between two parties wherein the buyer receives a privilege for which he pays a fee (premium) and the seller accepts an obligation for which he receives a fee. The premium is the price negotiated and set when the option is bought or sold. A person who buys an option is said to be long in the option. A person who sells (or writes) an option is said to be short in the option.

In India, National Stock Exchange (NSE) became the first exchange to launch trading in options on individual securities. Trading in options on individual securities commenced from July 2, 2001. All stock/index Option contracts are European style and cash settled and are currently available on 5 Indices and 223 securities as stipulated by the Securities and Exchange Board of India (SEBI).

Example using hypothetical figures on Index Options:

Market type : N
Instrument Type : OPTIDX
Underlying : Nifty 50
Purchase date : February 24, 2014
Expiry date : March 24, 2014
Option Type : Put Option (Purchased)
Strike Price : Rs. 6,100.00
Spot Price : Rs. 6,136.00
Premium : Rs. 84.00
Lot Size : 50
No. of Contracts : 100

Say, the Fund purchases on February 24, 2014, 1 month Put Options on Nifty 50 on the NSE i.e. put options on 5000 shares (100 contracts of 50 shares each) of Nifty 50.

Date of Exercise:
As these are European style options, they can be exercised only on the expiry date i.e. March 24, 2014. If the share price of Nifty 50 falls to Rs.5,500 on expiry day, the net impact will be as follows:

Premium expense = Rs.84*100* 50 =Rs. 4,20,000
Option Exercised at = Rs. 5,500
Profits for the Fund = (6100.00–5,500.00) * 100*50 = Rs. 30,00,000
Net Profit = Rs. 30,00,000 – Rs. 4,20,000 = Rs. 25,80,000

In the above example, the Investment Manager hedged the market risk on 5,000 shares of Nifty 50 Index by purchasing Put Options.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins have been ignored. The purchase of Put Options does not increase the market risk in the fund as the risk is already in the fund's portfolio on account of the underlying asset position. The premium paid for the option is treated as an expense. Additional risks could be on account of illiquidity and potential mis–pricing of the options.

Derivatives Strategy
If and where Derivative strategies are used under the scheme the Fund Manager will employ a combination of the following strategies:

1. **Index Arbitrage:** As the Nifty 50 derives its value from fifty underlying stocks, the underlying stocks can be used to create a synthetic index matching the Nifty 50 Index levels. Also, theoretically, the fair value of a stock/ index futures is equal to the spot price plus the cost of carry i.e. the interest rate prevailing for an equivalent credit risk, in this case is the Clearing Corporation of the NSE.

Theoretically, therefore, the pricing of Nifty 50 Index futures should be equal to the pricing of the synthetic index created by futures on the underlying stocks. However, due to market imperfections, the index futures may not exactly correspond to the synthetic index futures. The Nifty 50 Index futures normally trades at a discount to the synthetic Index due to large volumes of stock hedging being done using the Nifty 50 Index futures giving rise to arbitrage opportunities.

The fund manager shall aim to capture such arbitrage opportunities by taking long positions in the Nifty 50 Index futures and short positions in the synthetic index. The strategy is attractive if this price differential (post all costs) is higher than the investor's cost-of-capital.

Objective of the Strategy:
The objective of the strategy is to lock-in the arbitrage gains.

Risks Associated with this Strategy:

Lack of opportunity available in the market.
The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

2. **Cash Futures Arbitrage:** (Only one way as funds are not allowed to short in the cash market). The scheme would look for market opportunities between the spot and the futures market. The cash futures arbitrage strategy can be employed when the price of the futures exceeds the price of the underlying stock.

The scheme will first buy the stocks in cash market and then sell in the futures market to lock the spread known as arbitrage return. Buying the stock in cash market and selling the futures results into a hedge where the scheme have locked in a spread and is not affected by the price movement of cash market and futures market.

The arbitrage position can be continued till expiry of the future contracts. The future contracts are settled based on the last half an hour's weighted average trade of the cash market. Thus there is a convergence between the cash market and the futures market on expiry. This convergence helps the Scheme to generate the arbitrage return locked in earlier. However, the position could even be closed earlier in case the price differential is realized before expiry or better opportunities are available in other stocks The strategy is attractive if this price differential (post all costs) is higher than the investor's cost-of-capital.

Objective of the Strategy:
The objective of the strategy is to lock-in the arbitrage gains.

Risk Associated with this Strategy:

Lack of opportunity available in the market.
The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place

3. Hedging and alpha strategy: The fund will use exchange-traded derivatives to hedge the equity portfolio. The hedging could be either partial or complete depending upon the fund managers' perception of the markets. The fund manager shall either use index futures and options or stock futures and options to hedge the stocks in the portfolio. The fund will seek to generate alpha by superior stock selection and removing market risks by selling appropriate index. For example, one can seek to generate positive alpha by buying an IT stock and selling CNXIT Index future or a bank stock and selling Bank Index futures or buying a stock and selling the Nifty 50 Index

Objective of the Strategy:
The objective of the strategy is to generate alpha by superior stock selection and removing market risks by hedging with appropriate index.

Risk Associated with this Strategy:
The stock selection under this strategy may under-perform the market and generate a negative alpha. The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

4. Other Derivative Strategies: As allowed under the SEBI guidelines on derivatives, the fund manager will employ various other stock and index derivative strategies by buying or selling stock/index futures and/or options.

Objective of the Strategy:
The objective of the strategy is to earn low volatility consistent returns.

Risk Associated with this Strategy:

The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

Debt Derivatives

Interest Rate Swaps and Forward Rate Agreements
In terms of Circular No. MFD.BC.191/07.01.279/1999-2000 and MPD.BC.187/07.01.279/1999-2000 dated November 1, 1999 and July 7, 1999 respectively issued by Reserve Bank of India permitting participation by Mutual Funds in Interest Rate Swaps and Forward Rate Agreements, the Fund will use derivative instruments for the purpose of hedging and portfolio balancing. The AMC would undertake the same for similar purposes only.

Interest Rate Swaps (IRS)
An IRS is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed to floating rate swap where one party receives a fixed (pre-determined) rate of interest while the other receives a floating (variable) rate of interest.

Forward Rate Agreement (FRA)
A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

Basic Structure Of A Swap
Bank A has a 6 month Rs 10 crore liability, currently being deployed in call. Bank B has a Rs 10 crore 6 month asset, being funded through call. Both banks are running an interest rate risk.
To hedge this interest rate risk, they can enter into a 6 month MIBOR (Mumbai Inter Bank Offered Rate) swap. Through this swap, A will receive a fixed preagreed rate (say 7%) and pay "call" on the NSE MIBOR ("the benchmark rate"). Bank A's paying at "call" on the benchmark rate will neutralise the interest rate risk of lending in call. B will pay 7% and receive interest at the benchmark rate. Bank A's receiving of "call" on the benchmark rate

will neutralise his interest rate risk arising from his call orrowing.

The mechanism is as follows:

- Assume the swap is for Rs.10 crore from March 1, 2013 to September 1, 2013. A is a fixed rate receiver at 7% and B is a floating rate receiver at the overnight compounded rate.
- On March 1, 2013 A and B will exchange only an agreement of having entered this swap. This documentation would be as per International Swaps and Derivatives Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them.

On September 1, 2013 they will calculate the following:

- A is entitled to receive interest on Rs.10 crore at 7% for 184 days i.e. Rs. 35.28 lakh, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- B is entitled to receive daily compounded call rate for 184 days & pay 7% fixed.
- On September 1, 2013, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 35.28 lakhs, A will pay B the difference. If the daily compounded benchmark rate is lower, then B will pay A the difference.
- Effectively Bank A earns interest at the rate of 7% p.a. for six months without lending money for 6 months fixed, while Bank B pays interest @ 7% p.a. for 6 months on Rs. 10 crore, without borrowing for 6 months fixed.

The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time.

Interest Rate Future (IRF)

Interest Rate Futures means a standardized interest rate derivative contract traded on a recognized stock exchange to buy or sell a notional security or any other interest bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract.

Exchange traded IRFs are standardised contracts based on a notional coupon bearing Government of India (GOI) security.

As there is an inverse relationship between interest rate movement and underlying bond prices and the futures price also moves in tandem with the underlying bond prices. If the Fund Manager has a view that interest rates will rise in the near future and intends to hedge the risk from rise in interest rates; the Fund Manager can do so by taking short position in IRF contracts.

If the Fund Manager is of the view that the interest rates will go down the Fund Manager will buy IRF to participate in appreciation.

Example:

The scheme holds cash & cash equivalent and expects that the interest rate will go down and intends to take directional position. Accordingly, the fund manager shall buy IRF –

- Trade Date – January 1, 2014
- Futures Delivery date – April 1, 2014
- Current Futures Price - Rs. 102.00
- Futures Bond Yield- 8.85%
- Trader buys 200 contracts of the April’ 2014 10 Year futures contract of face value of Rs.1000 on NSE on January 1, 2014 at Rs. 102.00

Assuming the price moves to Rs. 104.00 on 6th January 2014 , net MTM gain would be Rs. 4,00,000 (200*1000*104.00-102.00)…(I)

Closing out the Position

- 7th January 2014 - Futures market Price – Rs. 105.00
- Trader sells 200 contracts of April’ 2014 10 year futures contract of face value of Rs.1000 at Rs. 105 and squares off his position
- Therefore total profit for trader 200*1000*(105 – 104) is Rs. 2,00,000…….(II)
- Total Profit on the trade = INR 6,00,000 (I & II)

Hedging

Government securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value and such impact can be seen in the value of the portfolio of the schemes. Under such circumstances, in order to hedge the fall in the value of the portfolio of the scheme due to falling bond prices, the fund manager may sell IRF contracts.

Example:

Date: January 1, 2014
Spot price of GOI Security: Rs 101.80
Futures price of IRF Contract: Rs 102.00

On January 1, 2014, the Fund Manager bought 2000 GOI securities from spot market at Rs 101.8. The Fund Manager anticipates that the interest rate will rise in near future, therefore to hedge the exposure in underlying security the Fund Manager sells March 2014, Interest Rate Futures contracts at Rs 102.00.

On March 1, 2014 due to increase in interest rate:

Spot price of GOI Security: Rs 100.80
Futures Price of IRF Contract: Rs 101.10
Loss in underlying market will be (101.80 - 100.80)*2000 = Rs 2000
Profit in the Futures market will be (101.10 – 102.00)*2000 = Rs 1800

INVESTMENT IN REPO IN CORPORATE DEBT SECURITIES

SEBI has vide CIRCULAR no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 enabled mutual funds to participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time and subject to few conditions listed in the circular.

The circular requires the Trustees and the Asset Management Companies to frame guidelines about, inter alia, the following in context of these transactions, keeping in mind the interest of investors in the scheme:

i. Category of counterparty
ii. Credit rating of counterparty
iii. Tenor of collateral
iv. Applicable haircuts

Conditions applicable (as per SEBI circular):

a) The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned scheme.
b) The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme.
c) Mutual funds shall participate in repo transactions only in AAA rated corporate debt securities.
d) In terms of Regulation 44 (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
e) Mutual funds shall ensure compliance with the Seventh Schedule of the Mutual Funds Regulations about restrictions on investments, wherever applicable, with respect to repo transactions in corporate debt securities.
f) The details of repo transactions of the scheme in corporate debt securities, including details of counterparties, amount involved and percentage of NAV shall be disclosed to investors in the half yearly portfolio statements and to SEBI in the half yearly trustee report.
g) To enable the investors in the mutual fund schemes to take an informed decision, the concerned Scheme Information Document shall disclose the following:
    i. The intention to participate in repo transactions in corporate debt securities in accordance with directions issued by RBI and SEBI from time to time;
    ii. The exposure limit for the scheme; and
    iii. The risk factors associated with repo transactions in corporate bonds

Guidelines to be followed by IDFC Mutual Fund:

The following guidelines shall be followed by IDFC Mutual Fund for participating in repo in corporate debt security:

i. Category of counterparty & Credit rating of counterparty

All the counterparties with whom IDFC Mutual Fund currently deals in repo (SLR) shall be eligible for corporate bonds repo subject to execution of corporate bond repo agreement.

ii. Tenor of Repo

Tenor of repo shall be capped to 3 months as against maximum permissible tenor of 6 months. Any repo for a tenor beyond 3 months shall require prior approval from investment committee of the fund. There shall be no restriction / limitation on the tenor of collateral.

iii. Applicable haircut

A haircut of minimum 10% on the market value of the underlying security irrespective of the tenor to adjust for the illiquidity of the underlying instrument. The 10% mentioned herein is a function of how market practice evolves with respect to corporate bond repo. Prior approval of the Investment committee shall be sought for change in the haircut from existing 10% to such other % as deemed fit.

iv. Additional internal investment limit:

Any scheme shall not lend / borrow more than 10% of its corpus in repo against corporate bonds or 5% of total AUM of the Mutual fund (excluding Fund of fund) whichever is lower.

INVESTMENT IN SECURITISED DEBT

1. How the risk profile of securitized debt fits into the risk appetite of the scheme

Securitization is the fact or process of securitizing assets i.e. the conversion of loans into securities, usually in order to sell them on to other investors. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities.

However it differs mainly in two respects. One, the liquidity of securitized debt is less than similar debt securities. Two, for certain types of securitized debt (backed by mortgages etc.), there is an additional pre-payment risk. Prepayment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged.

Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. After considering these additional risks, the investment is no different from investment in a normal debt security. Considering the investment objective of the scheme, these instruments with medium risk profile can be considered in the investment universe. Thus if the Fund Manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table.

2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc

Investments in securitized debt will be done based on the assessment of the originator and the securitized debt, which is carried out by the Fixed Income team based on the in-house research capabilities as well as the inputs from the independent credit rating agencies and by following AMC’s internal credit process.

Specifically, in order to mitigate the risk at the issuer/originator level the Fixed Income team will consider various factors which will include -
− Track record of the originator in the specific business to which the underlying loans correspond to;
− Size and reach of the issuer/originator;
− Collection infrastructure & collection policies;
− Post default recovery mechanism & infrastructure;
− Underwriting standards & policies followed by originator;
− Management information systems;
− Financials of the originators including an analysis of leverage, NPAs, earnings, etc.
− Future strategy of the company for the specific business to which the underlying loans correspond to;
− Performance track record of Originator’s portfolio & securitized pools, if any;
− Utilization of credit enhancement in the prior securitized pools;
− The quality of information disseminated by the issuer/ originator; and
− The credit enhancement for different types of issuer/originator.

Also, assessment of business risk would be carried out which includes -
− Outlook for the economy (both domestic and global); and
− Outlook for the industry

In addition, the fund analyses the specific pool and the broad evaluation parameters are as follows:
− Average seasoning of the loans in the pool
− Average Loan to value ratio of the loans in the pool
− Average ticket size of the loans
− Borrower profile (salaried / self employed, etc)
− Geographical profile of the pool
− Tenure profile of the pool
− Obligor concentration
− Credit enhancement cover available over and above the historic losses on Originator’s portfolio
− Expected Prepayment rate in the specific asset class experienced by the originator in the past as well as the industry
− Limited Liquidity and Price Risk.

The scheme will invest in securitized debt which are rated investment grade and above by a credit rating agency recognized by SEBI. The investment team analyses the Rating Rationale in detail before investing in any PTCs, and also discusses with the concerned rating agency on a need basis. The rating agency would normally take into consideration the following factors while rating a securitized debt:

- Credit risk at the asset/originator/portfolio/pool level
The quality of the pool is a crucial element in assessing credit risk. In the Indian context, generally, pools are ‘cherry-picked’ using positive selection criteria. To protect the investor from adverse selection of pool contracts, the rating agencies normally take into consideration pool characteristics such as pool seasoning (seasoning represents the number of installments paid by borrower till date: higher seasoning represents better quality), over dues at the time of selection and Loan to Value (LTV). To assess its risk profile vis-à-vis the overall portfolio, the pool is analyzed with regard to geographical location, borrower profile, LTV, and tenure.

- Counterparty risk
This includes Servicer Risk, co-mingling risk etc. The rating agencies generally mitigate such risks though the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure.
- Bankruptcy risk
- Of the Originator –
• Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'.
It is also in the Interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits.
- Of the Investors’ agent
• All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor’s Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor’s Agent.

- Legal risks
The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction.
Various market risks like interest rate risk, macro-economic risks Assessment of risks related to business for example outlook for the economy, outlook for the industry and factors specific to the issuer/originator.

3. Risk mitigation strategies for investments with each kind of originator

The examples of securitized assets which may be considered for investment by the Scheme and the various risk mitigation parameters (please read in continuation with point 2 above), which will be considered include;

A) Asset backed securities issued by banks or nonbanking finance companies.
Underlying assets may include receivables from loans against cars, commercial vehicles, construction equipment or unsecured loans such as personal loans, consumer durable loans. The various factors which will be usually considered while making investments in such type of securities include profile of the issuer, analysis of underlying loan portfolio – nature of asset class, seasoning of loans, geographical distribution of loans and coverage provided by credit-cum-liquidity enhancements.

A) Mortgage backed securities issued by banks or housing finance companies, where underlying assets are comprised of mortgages/home loan.
The various factors which will be usually considered while making investments in such type of securities include issuer profile of the issuer, quality of underlying portfolio, seasoning of loans, coverage provided by credit-cum-liquidity enhancements and prepayment risks.

B) Single loan securitization, where the underlying asset comprises of loans issued by a bank/non-banking finance company.
The factors which will be usually considered while making investments in such type of securities include assessment of credit risk associated with the underlying borrower as well as the originator. The Fixed Income team will adhere to the AMC’s internal credit process and perform a detailed review of the underlying borrower prior to making investments. This analysis is no different from the analysis undertaken by Fund when it invests in Debentures or Commercial papers issued by the same borrower.

Critical Evaluation Criteria
Typically the Fund would avoid investing in securitization transaction (without specific risk mitigation strategies / additional cash/security collaterals/ guarantees) if there are concerns on the following issues regarding the originator / underlying issuer:
1. High default track record/ frequent alteration of redemption conditions/covenants
2. High leverage ratios – both on a standalone basis as well on a consolidated level/ group level
3. Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be
4. Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
5. Poor reputation in market
6. Insufficient track record of servicing of the pool or the loan, as the case may be.
Further, investments in securitized debt will be done in accordance with the investment restrictions specified under the SEBI Regulations/ this Scheme Information Document which would help in mitigating certain risks.
Currently, as per the Regulations, the Scheme cannot invest more than 15% of its net assets in debt instruments (irrespective of residual maturity) issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the net assets of the Scheme with the prior approval of the Board of Trustees and the Board of the AMC.

4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments
The framework which will generally be applied by the Fund Manager while evaluating the investment decision with respect to securitized debt will be as follows:

Characteristics/Type of Pool	Mortgage Loan	Single Sell Down	Others
Approximate Average Maturity (in Months)	Up to 10 years	Case by case basis	As and when new asset classes of securitized debt

Characteristics/Type of Pool	Mortgage Loan	Single Sell Down	Others
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	In excess of 3%	Case by case basis	are introduced, the investments in such instruments will be evaluated on a case by case basis
Average Loan to Value Ratio	95% or lower	Case by case basis	
Average seasoning of the Pool	Minimum 2 months	Case by case basis	
Maximum single exposure range *	< 5%	Not applicable	
Average single exposure applicable range % *	< 5%	Not applicable	

* denotes % of a single ticket/loan size to the overall assets in the securitized pool.
$ Broad evaluation criteria as per point 3 above

Notes:
1. Retail pools are the loan pools relating to Car, 2 wheeler, micro finance and personal loans, wherein the average loan size is relatively small and spread over large number of borrowers.
2. The information illustrated in the table above is based on current scenario relating to securitized debt market and is subject to change depending upon the change in the related factors. In addition to the framework stated in the table above, in order to mitigate the risks associated with the underlying assets where the diversification is less, at the time of investment the Fixed Income team could consider various factors including but not limited to -
− Size of the loan - the size of each loan is generally analyzed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matches with the static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.
− Average original maturity of the pool of underlying assets
− The analysis of average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loans in the respective industry and repayment capacity of the borrower.
− Loan to value ratio, average seasoning of the pool of underlying assets - these parameters would be evaluated based on the asset class as mentioned in the table above.
− Default rate distribution - the Fixed Income team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
− Geographical distribution - the analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.
− Credit enhancement facility - credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc could be obtained as a risk mitigation measure.
− Liquidity facility - these parameters will be evaluated based on the asset class as mentioned in the table above.
− Structure of the pool of underlying assets – The structure of the pool of underlying assets would be either single asset class or combination of various asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes.

5. Minimum retention period of the debt by originator prior to securitization
The minimum retention period of the debt by the originator prior to securitization and the minimum retention percentage by originator of debts will be as per the guidelines/regulations issued by the RBI/other regulatory agencies from time to time.
Also, please refer the table in point 4. The Fund will adopt that policy, whichever is stricter.

6. Minimum retention percentage by originator of debts to be securitized
Same as point 5 above.

7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund
An investment by the scheme in any security is done after detailed analysis by the Fixed Income team and in accordance with the investment objectives and the asset allocation pattern of a scheme. All investments are made on an arms-length basis without consideration of any investments (existing/potential) in the schemes made by any party related/involved in the transaction. The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme.

8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

The resources for and mechanisms of individual risk assessment with the AMC for monitoring investment in securitized debt are as follows:

- Fixed Income Team – Currently, the AMC has a 4 member team, who is responsible for credit research and monitoring and fund management, for all exposures including securitized debt.
- Ratings are monitored for any movement – Based on the cash flow report and Fixed Income Team's view, periodic review of utilization of credit enhancement shall be conducted and ratings shall be monitored accordingly.
- For legal and technical assistance with regard to the documentation of securitized debt instruments, the team can make use of resources within the internal legal team and if required take help of our external legal counsel as well.

As per the prevailing SEBI guidelines, the investments in securitised debt instruments will be shown as a separate category under debt instruments in the half yearly disclosure of scheme portfolio.

INVESTMENT IN OVERSEAS FINANCIAL ASSETS/FOREIGN SECURITIES:

In terms of SEBI Circulars dated September 26, 2007 and April 08, 2008, each mutual fund is permitted to invest up to maximum of US$ 300 million. The overall cap for the entire mutual funds industry to invest in foreign securities is US$ 7 billion. The Mutual Funds can invest in:

i) ADRs/ GDRs issued by Indian or foreign companies;
ii) Equity of overseas companies listed on recognized stock exchanges overseas;
iii) Initial and follow on public offerings for listing at recognized stock exchanges overseas
iv) Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
v) Money market instruments rated not below investment grade
vi) Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
vii) Government securities where the countries are rated not below investment grade
viii) Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
ix) Short term deposits with banks overseas where the issuer is rated not below investment grade
x) Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets).

The overall ceiling for investment in overseas ETFs that invest in securities is US $ 1 billion subject to a maximum of US $ 50 million per mutual fund.

The restriction on the investments in mutual fund units upto 5% of net assets and prohibits charging of fees, shall not be applicable to investments in mutual funds in foreign countries made in accordance with SEBI Guidelines. However, the management fees and other expenses charged by the mutual fund in foreign countries along with the management fee and recurring expenses charged to the domestic mutual fund scheme shall not exceed the total limits on expenses as prescribed under Regulation 52(6). Where the scheme is investing only a part of the net assets in the foreign mutual fund(s), the same principle shall be applicable for that part of investment.

Procedure & Recording of Investment Decisions and Risk Control

All investment decisions, relating to the Scheme, will be undertaken by the AMC in accordance with the Regulations and the investment objectives specified in this SID. All investment decisions taken by the AMC in relation to the Scheme shall be recorded.

The Investment Management Committee (IMC) consisting of senior employees including the Managing Director of the AMC to oversee the Investment function, will be responsible for laying down the broad Investment Policy and the Specific scheme mandates, in addition to monitoring scheme performance and reviewing portfolio strategy. The risk control parameters would be laid down for each scheme based on the objectives of the scheme and prudent fund management practices will ensure that investor monies are invested in the appropriate risk/reward environment. The AMC would ensure that investments are made in accordance with the regulatory / internal guidelines, if any. Internal guidelines may be set by the AMC from time to time and reviewed in line with the market dynamics.

The designated Fund manager of the scheme will be responsible for taking the day-to-day investment decisions and will inter-alia be responsible for asset allocation, security selection and timing of investment decisions.

In case of investments in debt instruments, the AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out requisite credit evaluation of the securities. Rated Debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, CARE, ICRA and Fitch or any other rating agencies that may be registered with SEBI from time to time. In case a debt instrument is not rated, prior approval of the Board of Directors of Trustee and the AMC will be obtained for such an investment.

The AMC may approach rating agencies such as CRISIL, ICRA, etc for ratings of the scheme. The Scheme may use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders' interests.

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

SECURITIES LENDING

If permitted by SEBI Regulations, the Scheme may also engage in securities lending in accordance with the applicable guidelines/regulations. Securities lending means lending a security to another person or entity for a fixed period of time, at a negotiated compensation. The security lent will be returned by the borrower on expiry of the stipulated period.

A maximum of 20% of the net assets will be deployed in securities lending and the maximum single party exposure will be restricted to 5% of the net assets.

Engaging in securities lending is subject to risks related to fluctuations in the collateral value / settlement / liquidity / counter party.

SHORT SELLING OF SECURITIES

If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines / regulations issued by SEBI. Short sale of securities means selling of securities without owning them.
Engaging in short sale of securities is subject to risks related to fluctuations in market price, and settlement/ liquidity risks.

Portfolio Turnover

Portfolio turnover in the scheme will be a function of market opportunities. It is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The AMC will endeavor to optimize portfolio turnover to optimize risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of investment opportunities that exist in the market.

INVESTMENT BY THE AMC IN THE SCHEME

The AMC may invest in the Scheme from time to time. As per the Regulations, such investments are permitted subject to disclosure being made in the Scheme Information Document. However, the AMC shall not be entitled to charge any management fee on its investments in the Scheme.

Further, as required by the regulations, the AMC shall invest not less than 1% of the amount raised in the NFO or Rs.50 lakhs, whichever is less, in the Growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up.

F: FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i)Type of the scheme

Open Ended Balanced scheme

(ii) Investment Objective

The Fund seeks to generate long term capital appreciation along with current income by investing in a mix of equity and equity related securities, debt securities and money market instruments.

(iii) Asset Allocation Pattern

As defined in Section C

(iv) Terms of Issue

Redemption of Units as detailed in Section III B of this document.
Fees and Expenses as specified in Section IV B of this document,

(v) Any Safety Net or Guarantee provided – None

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme or the trust or fee and expenses payable or any other change which would modify the Scheme and affect the interests of Unit holders is carried out unless:

A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and

The Unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The performance of the scheme will be benchmarked against CRISIL Balanced Fund Index.

Since the fund takes allocation in both equity and debt securities, CRISIL Balanced Fund Index has been selected as the benchmark of the fund.

H. WHO MANAGES THE SCHEME?

Mr. Anoop Bhaskar shall be the fund manager for the Equity portion of the Scheme. Mr Suyash Choudhary and Mr Anurag Mittal will be the Fund Managers for the Debt portion of the Scheme. Their details are as under:

Name	Age / Qualification	Brief Experience
Mr. Anoop Bhaskar Head - Equity (Managing this Fund since	49 Years / MBA (Finance) and B.Com (Hons)	Mr. Bhaskar has an experience spanning over 26 years in the mutual fund industry. He has been associated with IDFC AMC since February 2016. Prior to joining IDFC AMC, he was associated with UTI Asset

Name	Age / Qualification	Brief Experience
inception)		Management Company Ltd. as Head of Equity, responsible for overall domestic Equity fund management (Apr.2007 – Jan.2016). Prior to that he was associated with Sundaram Asset Management Company Limited as Fund Manager, responsible for Fund Management (Aug.2003 – Mar.2007).
Mr. Suyash Choudhary Head – Fixed Income (Managing the Fund since inception)	37 years / BA (Hons.) Economics from Delhi University, PGDM from IIM Calcutta	Mr. Choudhary has experience spanning of over 15 years in Fixed Income Investments. Prior to joining IDFC AMC he was associated with HSBC Asset Management (India) Pvt. Ltd. as Head - Fund Management (Fixed Income) where he was responsible for investments of all fixed income funds. Prior to HSBC AMC, he was also associated with Standard Chartered Asset Management Co. Pvt. Ltd. as Fund Manager and with Deutsche Bank AG.
Mr. Anurag Mittal Senior Director - Fund Management (Managing this Fund since inception)	32 Years / B. Com (Hons), CA, M.Sc. (Accounting & Finance with specialisation in Finance) from London School of Economics & Political Science	He will be responsible for investments and fund management. He joined IDFC AMC in Nov.2015. *Prior experience:* • HDFC Asset Management Company Ltd. (Sept.2012 – Oct.2015). Senior Manager – Investments, responsible for Dealing & Research. • Axis Asset Management Company Limited (Jul.2009 – Sept.2012). *Fund Manager* – Investments, responsible for Fund Management, Dealing & Research. • ICICI Prudential Life Insurance (Jun.2008-Jun.2009). Manager – Investments, responsible for Dealing & Research • Bank of America (Nov.2006-Jun.2008). Analyst - Corporate Debt Products, involved in research. (Total experience - 9 years)

Mr. Bhaskar also manages following schemes of IDFC Mutual Fund:
IDFC Classic Equity Fund, IDFC Premier Equity Fund and IDFC Sterling Equity Fund

Mr. Choudhary also manages following schemes of IDFC Mutual Fund:
IDFC Super Saver Income Fund (all Plans), IDFC Government Securities Fund (all Plans) and IDFC Dynamic Bond Fund

Mr. Mittal also manages / co-manages following schemes of IDFC Mutual Fund:
IDFC Cash Fund, IDFC Money Manager Fund - Treasury Plan, IDFC Ultra Short Term Fund, IDFC Corporate Bond Fund and Debt portion of IDFC Monthly Income Plan

Dedicated fund manager for foreign/overseas investment (since March 2016):

Name	Qualification	Brief Experience
Mr. Viraj Kulkarni Manager – Equity Fund Management	27 years / CFA, PGDM (Finance), B.Tech. (Electronics)	He will be the dedicated fund manager for foreign securities. He joined IDFC AMC in September 2015. *Prior experience:* • Franklin Templeton Asset Management (India) Pvt. Ltd. (May 2014 – Sept.2015). Management Trainee. • Goldman Sachs Services India (June 2010 – May 2012). Analyst, Wealth Management Technology. (Total experience - 4 years)

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to Regulations, specifically the Seventh schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme:

1. Investment in securities from the scheme's corpus would be only in transferable securities in accordance with Regulation 43 of Chapter VI of SEBI [Mutual Funds] Regulations, 1996.
2. The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities; provided that the Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI; provided further that the Scheme may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI; provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
3. The Mutual Fund shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long term nature.
4. No investment shall be made in any Fund of Funds scheme.
5. The mutual fund shall not advance any loans for any purpose.
6. The Fund under all its schemes shall not own more than 10% of any company's paid up capital carrying voting rights
7. The Scheme shall not invest more than 10% of its net assets in equity shares or equity related instruments of any company.
8. The Scheme shall not invest more than 5% of its net assets in unlisted equity shares or equity related instruments.
9. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable to debt instruments under clause 1 and 1 A of the VII Schedule to the regulations.
10. The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Boards of the Trustee Company and the AMC;
    Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations;
    Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.
11. The scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investment shall be made with the prior approval of the Trustee and the Board of the AMC.
12. The exposure in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) under the portfolio will not exceed 25% of the net assets on account of purchase.
    An additional exposure to financial services sector (over and above the limit of 25%) not exceeding 10% of the net assets of the scheme on account of purchase shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only.
    Provided that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 25% of the net assets of the scheme on account of purchase.
13. The total exposure of the scheme in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of the Trustee Company.
14. The Scheme may invest in any other mutual fund scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the AMC or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund.
15. Transfer of investments from one scheme to another scheme in the same Mutual Fund is permitted provided:
    a) such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
    b) the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

16. The Scheme 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.
17. Pending deployment of the funds of the Scheme in securities in terms of the investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI from time to time. currently, the following guidelines/restrictions are applicable for parking of funds in short term deposits:
    - "Short Term" for such parking of funds by the Scheme shall be treated as a period not exceeding 91 days.
    - Such short-term deposits shall be held in the name of the Scheme.
    - The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
    - Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
    - The Scheme shall not park more than 10% of the net assets in short term deposit(s),with any one scheduled commercial bank including its subsidiaries.
    - The Scheme shall not park funds in short term deposit of a bank which has invested in that Scheme.
    - The AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks in case of liquid and debt oriented schemes.

    However, the above provisions will not apply to term deposits placed as margins for trading in cash and Derivatives market.
18. The Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase/redemption of Unit or payment of interest and/or dividend to the Unit holder. The Scheme shall not borrow more than 20% of its net assets and the duration of the borrowing shall not exceed a period of 6 months.

The Scheme will comply with the other Regulations applicable to the investments of Mutual Funds from time to time.

Apart from the Investment Restrictions prescribed under the Regulations, internal risk parameters for limiting exposure to a particular scrip or sector may be prescribed from time to time to respond to the dynamic market conditions and market opportunities.

The AMC/Trustee may alter these investment restrictions from time to time to the extent SEBI regulations/applicable rules change/permit so as to achieve the investment objective of the scheme. Such alterations will be made in conformity with SEBI regulations.

The investment restrictions specified shall be applicable at the time of making the investment and it is clarified that changes need not be effected, merely by reason of appreciation or depreciation in value. In case the limits are exceeded due to reasons beyond the control of the AMC (such as receipt of any corporate or capital benefits or amalgamations), the AMC shall adopt necessary measures of prudence to reset the situation having regard to the interest of the investors.

J. HOW HAS THE SCHEME PERFORMED?

This scheme is a new scheme and does not have any performance track record

K. SCHEMES PORTFOLIOS HOLDINGS

This scheme is a new scheme and does not have any portfolio holdings.

L. INVESTMENT BY BOARD OF DIRECTORS, FUND MANAGERS AND KEY PERSONNELS

This scheme is a new scheme and hence this disclosure is currently not applicable.

Categories	Investments in the scheme (in Rs. Cr)
AMC's Board of Directors	N. A.

Categories	Investments in the scheme (in Rs. Cr)
Fund Manager	N. A.
Other Key Personnel	N. A.

Comparison with Other equity schemes of IDFC Mutual Fund:

<table>
<tr><th>Name of the scheme</th><th>What is the Fund about / Investment Strategy</th><th>AUM & Folio count of the Scheme as on October 31, 2016</th></tr>
<tr><td>IDFC Imperial Equity Fund</td><td>
Asset Allocation Pattern:
<table>
<tr><th>Asset Class</th><th>Range of allocation (% of Net Assets)</th></tr>
<tr><td>Equities & Equity related securities</td><td>65 – 100</td></tr>
<tr><td>Debt & Money Market instruments</td><td>0 - 35</td></tr>
<tr><td>Securitised debt instruments</td><td>0 – 35</td></tr>
</table>

Investments in Derivatives – up to the limits permitted by SEBI Mutual Funds regulations from time to time
Investments in Securities Lending – up to 100% of the equity investments of the Scheme
Investments in Foreign debt instruments – up to 35% of the net assets of the Scheme
Investments in ADRs and GDRs issued by Companies in India / equity of listed overseas companies as permitted by SEBI regulations – up to 50% of the net assets of the scheme.
Gross Exposure to Repo of Corporate Debt Securities – up to 10% of the net assets of the Scheme

Investment Strategy:
The scheme is benchmarked to Nifty 50. The index constituents are large cap and frontline stocks listed on the NSE. The portfolio of the scheme will accordingly be oriented towards the large cap segment of the Indian stock market.

Market cap: Large cap
Sector Bias: diversified, active portfolio construction
</td><td>AUM – Rs. 109.32Cr

Folio – 13,483</td></tr>
<tr><td>IDFC Dynamic Equity Fund</td><td>
Asset Allocation Pattern:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equities & Equity related instruments</td><td>100</td><td>65</td></tr>
<tr><td>Equity Derivatives</td><td>35</td><td>0</td></tr>
<tr><td>* Debt & Money Market instruments (including Cash & Cash equivalent)</td><td>35</td><td>0</td></tr>
</table>

* If the Scheme decides to invest in securitised debt, it is the intention of the Investment Manager that such investments will not normally, exceed 15% of the corpus of the Scheme.

Note: Investors may note that securities, which endeavour to provide higher returns typically, display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market investments.

Investment in debt derivatives – up to 10% of the net assets of the Scheme
Gross Exposure to Repo of Corporate Debt Securities – up to 10% of the net assets of the Scheme
Investments in ADRs and GDRs issued by Companies in India and foreign securities as permitted by SEBI regulations –upto 50% of the net assets of the scheme. However, the scheme shall restrict exposure to ADR/GDR to 20% of the net assets.
Investments in foreign securities shall be in compliance with the requirement of SEBI
</td><td>AUM – Rs. 523.57 Cr

Folio – 15,884</td></tr>
</table>

<table>
<tr><th>Name of the scheme</th><th>What is the Fund about / Investment Strategy</th><th>AUM & Folio count of the Scheme as on October 31, 2016</th></tr>
<tr><td></td><td>circular dated September 26, 2007.

The total exposure to equity, debt and derivative positions on a gross basis will not exceed 100% of the net assets of the scheme.

The scheme shall not invest in Credit Default Swaps (CDS), and shall not undertake short selling and securities lending & borrowing.

Investment Strategy:
The scheme aims to dynamically manage equity and debt exposure in the portfolio. We are of the belief that such strategy will minimize the risk and optimize the risk return proposition for a long term investor.

The extent of equity exposure would be guided by an underlying quantitative model. The balance will be invested in debt and money market securities. The fund managers will follow a passive investment strategy and take equity exposure depending on opportunities available at various points in time based on the month-end weighted average PE ratio and 200 Day Moving Averages of the Nifty 50 Index.

A quantitative model will be used to determine the exposure in equity and debt markets. The portfolio shall be rebalanced on the last working day of the second week of every month.</td><td></td></tr>
<tr><td>IDFC Sterling Equity Fund</td><td>Asset Allocation Pattern:
<table>
<tr><th>Asset Class</th><th>Range of allocation
(% of Net Assets)</th></tr>
<tr><td>Equities & Equity related instruments included in the CNX Midcap Index or Equity and Equity related instruments of companies which have a market capitalization lower than the highest components of CNX Midcap Index, of which

Small Cap Stocks shall be:
Midcap Stocks shall be:</td><td>65 – 100

15 – 50
50 – 100</td></tr>
<tr><td>Equity & Equity related instruments of companies which have a market capitalization higher than the highest component of CNX Midcap Index (i.e. in Equity and Equity related instruments of companies with market capitalization above the defined Small-Mid cap stocks)</td><td>0 - 35</td></tr>
<tr><td>Debt and Money Market instruments (including Securitized Debt instruments)</td><td>0 – 35</td></tr>
</table>

Investments in Derivatives – upto the limits permitted by SEBI Mutual Funds regulations from time to time
Investments in Securities Lending – upto 100% of Equity investments in the scheme
Investments in Foreign debt instruments – up to 35% of the net assets of the Scheme
Investments in ADRs and GDRs issued by Companies in India / equity of listed overseas companies as permitted by SEBI regulations: upto 35% of the net assets of the scheme
Gross Exposure to Repo of Corporate Debt Securities – upto 10% of the net assets of the Scheme</td><td>AUM – Rs. 1,312.25 Cr

Folio – 75,656</td></tr>
</table>

<table>
<tr><th>Name of the scheme</th><th>What is the Fund about / Investment Strategy</th><th>AUM & Folio count of the Scheme as on October 31, 2016</th></tr>
<tr><td></td><td>Investment Strategy:
The Scheme will predominantly invest in small and midcap equity and equity related instruments. Small and Midcap equity and equity related instruments will be the stocks included in the CNX Midcap index or equity and equity related instruments of such companies which have a market capitalization lower than the highest components of CNX Midcap Index.
The Scheme may also invest in stocks other than mid cap stocks (i.e. in stocks, which have a market capitalisation of above the market capitalisation range of the defined small - midcap stocks) and derivatives.

Market cap: Mature mid cap
Sector Bias: Diversified.</td><td></td></tr>
<tr><td>IDFC Classic Equity Fund</td><td>Asset Allocation Pattern:
<table>
<tr><th>Asset Class</th><th>Range of allocation
(% of Net Assets)</th></tr>
<tr><td>Equities & Equity related instruments</td><td>65 – 100</td></tr>
<tr><td>Debt & Money Market instruments</td><td>0 - 35</td></tr>
<tr><td>Securitised debt instruments</td><td>0 – 35</td></tr>
</table>

Investments in Derivatives – upto 50% of net assets of the scheme
Investments in Securities Lending – upto 35% of the net assets of the Scheme
Gross Exposure to Repo of Corporate Debt Securities – upto 10% of the net assets of the Scheme.
Investments in Foreign debt instruments – up to 35% of the net assets of the Scheme
Investments in ADRs and GDRs issued by Companies in India / equity of listed overseas companies as permitted by SEBI regulations – upto 50% of the net assets of the scheme.

Investment Strategy:
Investment seeking to generate long-term capital growth from a diversified portfolio of predominantly equity and equity related instruments.

Market cap: Multi cap
Sector Bias: Diversified</td><td>AUM – Rs. 411.92 Cr

Folio – 35,238</td></tr>
<tr><td>IDFC Arbitrage Fund</td><td>Asset Allocation Pattern:
Under Normal circumstances:
<table>
<tr><th>Asset Class</th><th>Range of allocation (% of Net Assets) under normal circumstances</th></tr>
<tr><td>Equities & Equity related instruments *</td><td>65 – 90</td></tr>
<tr><td>Derivatives *</td><td>65-90</td></tr>
<tr><td>Debt & Money Market instruments including the margin money deployed in derivative transactions</td><td>10 - 35</td></tr>
</table>

Under Defensive circumstances:
<table>
<tr><th>Asset Class</th><th>Range of allocation (% of Net Assets) under defensive circumstances+</th></tr>
<tr><td>Equities & Equity related instruments *</td><td>0 - 35</td></tr>
<tr><td>Derivatives *</td><td>0 – 35</td></tr>
<tr><td>Debt & Money Market instruments including the margin money deployed in derivative transactions</td><td>65 – 100</td></tr>
</table></td><td>AUM – Rs. 3,035.41 Cr

Folio – 6,356</td></tr>
</table>

<table>
<tr><th>Name of the scheme</th><th>What is the Fund about / Investment Strategy</th><th>AUM & Folio count of the Scheme as on October 31, 2016</th></tr>
<tr><td></td><td>+ Defensive circumstances are when the arbitrage opportunities in the market are negligible, in view of the fund manager

Investments in securitized debt can be made upto 35% of the portfolio. Investment in derivatives can be made upto 90% of the net assets of the scheme.
Investment in Securities Lending can be made upto 50% of net assets of scheme
Investments in Foreign debt instruments can be made upto 35% of the net assets of the Scheme
Gross Exposure to Repo of Corporate Debt Securities – upto 10% of the net assets of the Scheme
Investments in ADRs and GDRs issued by Companies in India, as permitted by SEBI regulations – upto 50% of the net assets of the scheme.
*Equity allocation is measured as the Gross exposure to equities, equity related instruments and derivatives. The Equity allocation so built, at any point in time, would be completely hedged out, using derivative instruments that provides an equal but opposite exposure, thereby making the Net exposure market-neutral. In case the fund is not able to have a net market-neutral position due to any operational reason such as short delivery in the cash market etc., the fund will endeavor to rebalance the portfolio to a net market-neutral position at the earliest.

Investment Strategy:
The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments.
The Scheme will endeavor to invest predominantly in arbitrage opportunities between spot and futures prices of exchange traded equities. In absence of profitable arbitrage opportunities available in the market, the scheme may predominantly invest in short-term debt and money market securities.
The fund manager will evaluate the difference between the price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for costs and taxes the scheme shall buy the stock in the spot market and sell the same stock in equal quantity in the futures market, simultaneously.
The Scheme will endeavor to build similar market neutral positions that offer an arbitrage potential for e.g. buying the basket of index constituents in the cash segment and selling the index futures, Buying ADR/GDR and selling the corresponding stock future etc.
Under all circumstances the scheme would keep its net exposures neutral to the underlying direction of the market by maintaining completely hedged positions. In addition to stock specific futures, the scheme can also take offsetting positions in index futures of different calendar month.</td><td></td></tr>
<tr><td>IDFC Arbitrage Plus Fund</td><td>Asset Allocation Pattern:

Under Normal circumstances:
<table>
<tr><th>Asset Class</th><th>Range of allocation (% of Net Assets)</th></tr>
<tr><td>Equities & Equity related instruments *</td><td>65 – 100</td></tr>
<tr><td>Derivatives *</td><td>65-100</td></tr>
<tr><td>Debt & Money Market instruments including the margin money deployed in derivative transactions</td><td>0 - 35</td></tr>
</table></td><td>AUM – Rs. 506.28 Cr

Folio – 1,478</td></tr>
</table>

<table>
<tr><th>Name of the scheme</th><th>What is the Fund about / Investment Strategy</th><th>AUM & Folio count of the Scheme as on October 31, 2016</th></tr>
<tr><td></td><td>
Under Defensive circumstances:
<table>
<tr><th>Asset Class</th><th>Range of allocation
(% of Net Assets)</th></tr>
<tr><td>Equities & Equity related instruments *</td><td>0 - 35</td></tr>
<tr><td>Derivatives *</td><td>0 - 35</td></tr>
<tr><td>Debt & Money Market instruments including the margin money deployed in derivative transactions</td><td>65 - 100</td></tr>
</table>
+ Defensive circumstances are when the arbitrage opportunities in the market are negligible, in view of the fund manager

Investments in securitized debt can be made upto 35% of the portfolio.
Investment in derivatives can be made 100% of the net assets of the scheme.
Investment in Securities Lending can be made upto 50% of net assets of scheme
Investments in Foreign debt instruments – up to 35% of the net assets of the Scheme
Gross Exposure to Repo of Corporate Debt Securities – upto 10% of the net assets of the Scheme
Investments in ADRs and GDRs issued by Companies in India, as permitted by SEBI regulations – upto 50% of the net assets of the scheme.

*Equity allocation is measured as the Gross exposure to equities, equity related instruments and derivatives. The scheme will enter into equity positions to hedge the investments in derivatives. The derivative positions will be hedged against corresponding positions in either equity or derivative markets depending on the strategies involved and execution costs. On the total portfolio level there will be no short-positions. Unhedged positions in the portfolio (investments in equity shares without corresponding exposure to equity derivative) shall not exceed 5%.

Investment Strategy:
The investment objective of the scheme is to generate income (absolute to low volatility returns) by taking advantage of opportunities in the cash and the derivative segments of the equity markets including the arbitrage opportunities available within the derivative segment, by using other derivative based strategies and by investing the balance in debt and money market instruments. The scheme will enter into derivative based strategies to take advantage of pricing inefficiencies in the market. These strategies will be undertaken based on certain statistical models/ technical analysis carried out by the fund manager. The scheme will also invest a part of its corpus in debt and money market instruments.
The scheme will target to generate returns with a low correlation with equity markets. The following strategies will be used by the fund manager:
1. Cash-Futures Arbitrage
2. Relative Value Trades
3. Derivative strategies and structured investments
</td><td></td></tr>
<tr><td>IDFC Tax advantage (ELSS) Fund</td><td>
This scheme is an ELSS scheme. Investors in the scheme are entitled to deduction of the amount invested in the units of the scheme subject to maximum of Rs.1,00,000 under and in terms of 80C(2)(xiii) of the Income tax act, 1961. All investments are under a lock-in for a period of 3 years from the date of allotment.

Asset Allocation Pattern:
<table>
<tr><th>Asset Class</th><th>Range of allocation
(% of Net Assets)</th></tr>
<tr><td>Equities & Equity related securities</td><td>80 – 100</td></tr>
<tr><td>Debt & Money Market instruments</td><td>0 - 20</td></tr>
</table>
</td><td>AUM – Rs. 490.11 Cr

Folio – 65,723</td></tr>
</table>

<table>
<tr><th>Name of the scheme</th><th>What is the Fund about / Investment Strategy</th><th>AUM & Folio count of the Scheme as on October 31, 2016</th></tr>
<tr><td></td><td>
<table><tr><td>Securitised debt instruments</td><td>0 – 20</td></tr></table>
Investments in Securities Lending – upto 100% of the equity investments of the Scheme (as and when permitted under the applicable regulations).
Investments in ADRs and GDRs issued by Companies in India / equity of listed overseas companies as permitted by SEBI regulations – upto 100% of the net assets of the scheme (as and when permitted under the applicable regulations).
Investments in Derivatives – upto 50% (as and when permitted under the applicable regulations)
Gross Exposure to Repo of Corporate Debt Securities – upto 10% of the net assets of the Scheme
Investment Strategy:
The investment objective of the Scheme is to seek to generate long-term capital growth from a diversified portfolio of predominantly equity and equity-related securities.
Market cap: Diversified
Sector Bias: Diversified, active portfolio construction
</td><td></td></tr>
<tr><td>IDFC Premier Equity Fund</td><td>
Asset Allocation Pattern:
<table>
<tr><th>Asset Class</th><th>Range of allocation
(% of Net Assets)</th></tr>
<tr><td>Equities & Equity related instruments</td><td>65 – 100</td></tr>
<tr><td>Debt & Money Market instruments</td><td>0 - 35</td></tr>
<tr><td>Securitised Debt instruments</td><td>0 – 35</td></tr>
</table>
Investments in Derivatives – upto 50% of the net assets of the Scheme
Investments in Securities Lending – upto 35% of the net assets of the Scheme
Investments in Foreign debt instruments – up to 35% of the net assets of the Scheme
Investments in ADRs and GDRs issued by Companies in India / equity of listed overseas companies as permitted by SEBI regulations – upto 50% of the net assets of the scheme.
Gross Exposure to Repo of Corporate Debt Securities – upto 10% of the net assets of the Scheme
Investment Strategy:
The Scheme shall seek to generate long-term capital growth from an actively managed portfolio of predominantly equity and equity related instruments. The Scheme portfolio would acquire, inter alia, small and medium size businesses with good long term potential, which are available at cheap valuations. Such securities would be identified through disciplined fundamental research keeping in view medium to long-term trends in the business environment.
The Scheme shall endeavor to accumulate long-term investor wealth by opening subscriptions to units during periods when stocks are available at reasonable valuations. By doing so, the Fund managers would endeavor to prevent short-term money from flowing into the fund which can prove detrimental to the interests of long-term investors. As the scheme would be sold to investors with a long-term investment horizon, it is also expected that the portfolio would remain relatively more insulated to day to day redemption pressures. The fund will close subscription, once it has collected a predetermined “manageable” corpus (approximate amount), which will be decided by the fund manager of the scheme depending on the available investment opportunities in the stock market / if the fund manager is of the opinion that investment
</td><td>AUM – Rs. 6,206.81 Cr

Folio – 2,66,834</td></tr>
</table>

<table>
<tr><th>Name of the scheme</th><th>What is the Fund about / Investment Strategy</th><th>AUM & Folio count of the Scheme as on October 31, 2016</th></tr>
<tr><td></td><td>opportunities have diminished. Thus the fund manager will endeavour to ensure that there are sufficient assets available to meet the long-term objectives of the fund.

Market cap: No market cap bias
Sector Bias: Diversified</td><td></td></tr>
<tr><td>IDFC Equity Fund</td><td>Asset Allocation pattern:
<table>
<tr><th>Asset Class</th><th>Range of allocation
(% of Net Assets)</th></tr>
<tr><td>Equities & Equity related instruments</td><td>65 – 100</td></tr>
<tr><td>Debt & Money Market instruments</td><td>0 - 35</td></tr>
<tr><td>Securitised debt instruments</td><td>0 – 35</td></tr>
</table>

Investments in Derivatives – upto the limits permitted by SEBI Mutual Funds regulations from time to time.
Investments in Securities Lending - upto 100% of Equity investments in the Scheme.
Investments in Foreign debt instruments – up to 35% of the net assets of the Scheme
Investments in ADRs and GDRs issued by Companies in India / equity of listed overseas companies or such other foreign securities as permitted by SEBI regulations – upto 75% of the net assets of the scheme.
Gross Exposure to Repo of Corporate Debt Securities – upto 10% of the net asset Scheme

Investment Strategy:
The investment objective of the Scheme is to seek to generate capital growth from a portfolio of predominantly equity and equity-related instruments (including equity derivatives).
The Scheme intends to invest in companies which are involved in or are in the process of setting up various business activities, ventures, projects or other commercial endeavors. The Scheme would invest in equities in the IPOs, subsequent public offers or in the secondary market, other equity related instruments (including derivatives), benefit out of the cash and derivative markets arbitrage opportunity and invest the residual sums in debt and money market instruments.
The Scheme will endeavor to generate capital appreciation through investing in equities and equity related instruments by inter alia adopting the mode of applying for Initial Public Offerings (IPOs) or subsequent public offerings made by companies. The Scheme envisages to generate reasonable returns by investing in such equities.
The balance equity allocations by the fund will be closely in line with Nifty 50. However the fund will seek to take on some deviation from Nifty 50 by making smaller allocations to a range of arbitrage strategies in the equity and derivative markets.
In the event of there not being any well priced IPOs from companies with proven track record / potential growth opportunities etc., the monies collected could be deployed in equities and equity related instruments, cash futures arbitrage, NIFTY spot futures arbitrage etc. Debt and money market instruments could be considered when yields are comparable to those in the spot futures arbitrage segment. The asset allocation would inter-alia depend on various parameters like the availability of initial or subsequent Public Offerings made by the companies, the response to the issue and relative valuations of the peer group of business that the company/ies are operating in, opportunities available in the equity, derivatives, debt markets etc.

Market cap: Large Cap
Sector Bias: Diversified</td><td>AUM – Rs. 260.39 Cr

Folio – 49,313</td></tr>
<tr><td>IDFC</td><td>Asset Allocation Pattern:</td><td>AUM – Rs.</td></tr>
</table>

<table>
<tr><th>Name of the scheme</th><th>What is the Fund about / Investment Strategy</th><th>AUM & Folio count of the Scheme as on October 31, 2016</th></tr>
<tr><td>Infrastructure Fund</td><td>
<table>
<tr><th>Asset Class</th><th>Range of allocation
(% of Net Assets)</th></tr>
<tr><td>Equities & Equity related securities in companies engaged in infrastructural and infrastructural related activities</td><td>80 – 100</td></tr>
<tr><td>Debt & Money Market instruments</td><td>0 - 20</td></tr>
</table>

Investment in derivatives shall be purpose of hedging and portfolio balancing only.
Investments in derivatives – upto 50% of the net assets of the scheme.
The total exposure to equity, debt and derivative positions on a gross basis will not exceed 100% of the net assets of the scheme.
Investment in Securitized debt - Nil
Investments in Securities Lending – upto 35% of the net assets of the Scheme
Investments in ADRs and GDRs issued by Companies in India and foreign securities as permitted by SEBI regulations – upto 50% of the net assets of the scheme.
Investments in foreign securities shall be in compliance with the requirement of SEBI circular dated September 26, 2007.
Gross Exposure to Repo of Corporate Debt Securities – upto 10% of the net assets of the Scheme

The net assets of the scheme will be invested predominantly in infrastructure stocks that form a part of CNX Infrastructure Index (not necessarily in the same weightage of the index) or such other companies that forms a part of “Infrastructure companies” as defined in the Scheme Information Document. A small portion of the net assets will be invested in money market instruments permitted by SEBI / RBI including call money market or in alternative investment for the call money market as may be provided by the RBI, to meet the liquidity requirements of the scheme/plan. As the scheme invests in a dedicated sector, the upper ceiling on investments may be in accordance with the weightage of the scrips in the representative sectoral index or 10% of the NAV of the scheme whichever is higher.

Investment Strategy:
The investment objective of the scheme is to seek to generate long-term capital growth through an active diversified portfolio of predominantly equity and equity related instruments of companies that are participating in and benefiting from growth in Indian infrastructure and infrastructural related activities.
The Fund shall invest primarily in infrastructure sectors. Infrastructure sector will be considered as those sectors/ activities that are covered by the definition of infrastructure by RBI/World Bank as given below. The fund will consider all companies that are engaged in financing, developing, operating and maintaining any facility/project in any of the sectors defined as infrastructure sector as per the RBI/World Bank.

Sector bias: Dedicated Infrastructure
</td><td>139.69 Cr

Folio – 5,693</td></tr>
<tr><td>IDFC Nifty Fund</td><td>
It is an Index Linked Equity Scheme.

Asset Allocation Pattern:
<table>
<tr><th>Asset Class</th><th>Range of allocation (% of Net Assets)</th></tr>
<tr><td>Securities (including derivatives) forming a part of the Nifty 50 Index</td><td>90 - 100</td></tr>
<tr><td>Debt & Money Market instruments</td><td>0-10</td></tr>
</table>
</td><td>AUM – Rs. 67.73 Cr

Folio – 3,466</td></tr>
</table>

Name of the scheme	What is the Fund about / Investment Strategy	AUM & Folio count of the Scheme as on October 31, 2016
	The net assets of the scheme/Plan will be invested predominantly in stocks constituting the Nifty 50 and / or in exchange traded derivatives on the Nifty 50. This would be done by investing in almost all the stocks comprising the Nifty 50 Index in approximately the same weightage that they represent in the Nifty 50 Index and / or investing in derivatives including futures contracts and options contracts on the Nifty 50 Index. A small portion of the net assets will be invested in money market instruments permitted by SEBI / RBI including call money market or in alternative investment for the call money market as may be provided by the RBI, to meet the liquidity requirements of the scheme/plan and for meeting margin money requirement for Nifty futures and/or futures of stocks forming part of the Nifty Index. Further in case wherein the minimum lot size of the index scrip's is not available, then the scheme shall invest in debt and money market instruments. Further in case wherein the minimum lot size of the index scrip's is not available, then the scheme shall invest in debt and money market instruments. Investments in Derivatives – upto 50% of the net assets of the scheme. Gross Exposure to Repo of Corporate Debt Securities – upto 10% of the net assets of the Scheme It is the intention of this Scheme to trade in derivatives on the indices or the stocks comprising the indices, as permitted by the Regulations for the purposes of rebalancing or to take advantage of the pricing opportunities in case futures are trading at discount to spot prices of the Nifty stocks. However, the total exposure to the stock of the company (equity and derivatives) shall be in line with the weightage of the scrip on the index. **Investment Strategy:** The investment objective of the scheme is to replicate the Nifty 50 index by investing in securities of the Nifty 50 Index in the same proportion/weightage. The Scheme will be managed passively with investments in stocks in a proportion that it is as close as possible to the weightages of these stocks in the Nifty 50 Index. The investment strategy would revolve around reducing the tracking error to the least possible through rebalancing of the portfolio, taking into account the change in weights of stocks in the index as well as the incremental collections/redemptions from the Scheme. It is proposed to manage the risks by placing limit orders for basket trades and other trades, proactive follow-up with the service providers for daily change in weights in the Nifty 50 Index as well as monitor daily inflows and outflows to and from the Fund closely. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated Market cap: Large Cap Sector Bias: Diversified	
IDFC Balanced Fund	The asset allocation under the scheme will be as follows: <u>Under normal circumstances</u>	Being a new scheme, this data is not available.

Instruments	Indicative Allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity and Equity related instruments	30%	60%	Medium to High
Net Equity Arbitrage Exposure*	5%	15%	Medium to High
Debt Securities and Money	35%	60%	Low to

Name of the scheme	What is the Fund about / Investment Strategy	AUM & Folio count of the Scheme as on October 31, 2016

Market Instruments			Medium

* Equity exposure would be hedged with corresponding equity derivatives of 5% - 15%. The idea is not to increase equity exposure by using derivatives. Arbitrage will have fully set-off position with Zero Net Market Exposure. To the extent of arbitrage allocations, the Scheme would hold spot market positions only for the purpose of arbitrage opportunities and not to benefit from any upside potential that stocks may provide in the present or in future.

Under Defensive circumstances (i.e., when the arbitrage opportunities in the market are not adequate, in view of the fund manager):

Instruments	**Indicative Allocation (% of total assets)**		**Risk Profile**
	Minimum	Maximum	
Equity and Equity related instruments	40%	60%	Medium to High
Debt Securities and Money Market Instruments	40%	60%	Low to Medium

Investment in Securitised Debt - up to 15% of the net assets
Investment in Foreign securities - up to 50% of the net assets
Investment in Securities lending – up to 20% of the net assets with maximum single party exposure restricted to 5% of the net assets.
Investment in Derivatives – up to 50% of the net assets
Gross Exposure to Repo of Corporate Debt Securities – up to 10% of the net assets
The Scheme may engage in short selling of securities in accordance with the applicable guidelines / regulations.

The Scheme may also invest in units of debt and liquid mutual fund schemes and Equity ETFs within the above limits. The portfolio may hold cash depending on the market conditions.

Whenever the equity and equity derivative investment strategy (arbitrage strategy) is not likely to give return comparable with the fixed income securities portfolio, the fund manager will invest in fixed income securities.

The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme. Cash or cash equivalents with residual maturity of less than 91 (ninety one) days will be treated as not creating any market exposure.

The scheme shall not invest in Credit Default Swaps (CDS).

Investment Strategy:

Fund has an open mandate for allocation between debt and equity. It does not follow any defined model for determining the allocation. Equity allocation will be across market cap and sectors. Debt allocation would be across various money market and fixed income Securities of various maturities and ratings with the objective of providing liquidity and achieving optimal returns.

The Differentiation:

Name of the scheme	What is the Fund about / Investment Strategy	AUM & Folio count of the Scheme as on October 31, 2016
	The AMC currently has no funds in the Balanced category.	

How is the scheme different from other debt schemes of idfc mutual fund:

The AMC currently has no funds in the Balanced category.

III. UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

NEW FUND OFFER (NFO) DETAILS

New Fund Offer *(This is the period during which a new scheme sells its units to the investors)*

NFO opens on: December 12, 2016
NFO closes on: December 26, 2016

The Trustees reserve the right to extend the closing date, subject to the condition that subscription list shall be kept open for not more than 15 days. Any extension to the subscription list (not exceeding the NFO period limit of 15 days) shall be notified by giving notice in two newspapers and a suitable display of the notice at official points of acceptance of transactions. The AMC also reserve the right to close the subscription list earlier by giving at least one day's prior notice in one English daily newspaper having nation wide circulation as well as a newspaper published in the language of the region where the head office of the mutual fund is situated.

New Fund Offer Price (This is the period during which a new scheme sells its units to the investors.):

Rs 10/- per unit.

Minimum Amount for Application in the NFO and during the ongoing offer

The minimum application amount shall be Rs.5,000/- and any amount thereafter. There would be no maximum limit.

Minimum Target Amount during the NFO: Rs. 20,00,00,000/-

In accordance with the Regulations, if the scheme fails to collect the minimum subscription amount as specified above, the Fund shall be liable to refund the money to the applicants.

In addition to the above, refund of subscription money to applicants whose applications are invalid for any reason whatsoever will commence immediately after the allotment process is completed. Refunds will be completed within 5 Business Days of close of New Fund Offer. If the Fund refunds the amount after 5 Business Days, interest @ 15% per annum shall be paid by the AMC. Refund orders will be marked 'Account Payee Only' and drawn in the name of applicant in the case of sole applicant and in the name of first applicant in all other cases.

Maximum Amount to be raised (if any)

Not Applicable. The AMC reserves the right to specify maximum amount to be raised, at the time of New Fund Offer.

PLANS AND OPTIONS OFFERED

Under the scheme, investors may choose either the following plans:

Regular Plan: Regular plan is for investors purchasing / subscribing units in this scheme through distributors.

Direct Plan: Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.

Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" in the application form e.g. "IDFC Balanced Fund - Direct Plan". Investors should also indicate "Direct" in the ARN column of the application form. However, in case Distributor code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name, the Distributor code will be ignored and the application will be processed under Direct Plan and no commission will be paid to the distributor. Further, where application is received for Regular Plan without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan.

Both the Plans will have a common portfolio. The face value of the Units is Rs.10 per unit.

Both the plans shall have the following options:
- Growth Option
- Dividend Option

(i) Growth Option

The scheme will generally not declare any dividend under this option. The income attributable to units under this option will continue to remain invested in the scheme and will reflected in the Net Asset Value of units under this option

(ii) Dividend Option

Under this option, the Fund will endeavour to declare dividends as and when deemed fit by the Fund and/or on &/or before the closure of the scheme. In case no dividend is declared during the tenure of the scheme or at closure, the net surplus, if any, will remain invested and be reflected in the NAV.

Dividends, if declared, will be paid out of the net surplus of the Scheme to those Unitholders whose names appear in the Register of Unitholders on the record date. The actual date for declaration of dividend will be notified suitably to the Registrar. Unitholders are entitled to receive dividend within 30 days of the date of declaration of the dividend. However, the Mutual Fund will endeavour to make dividend payments sooner to Unitholders. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor that dividends will be paid, though it is the intention of the Mutual Fund to make dividend distributions.

Dividend Option under both the Plans further offers **Payout, Reinvestment & Sweep facility**.

For details on taxation of dividend, please refer to the section on 'Tax Benefits of Investing in the Mutual Fund' in the Statement of Additional Information.

The Investors should note that NAVs of the Dividend Option and the Growth Option will be different after the declaration of dividend under the Scheme.

Dividend Re investment facility:
Investors opting for the Dividend Option may choose to re-invest the dividend to be received by them in additional Units of the Scheme. Under this provision, the dividend due and payable to the Unitholders will compulsorily and without any further act by the Unitholders, be re-invested in the same option (at the first ex-dividend NAV). The dividends so re-invested shall constitute a constructive payment of dividends to the Unitholders and a constructive receipt of the same amount from each Unitholder for re-investment in Units.

On re-investment of dividends, the number of Units to the credit of the Unitholder will increase to the extent of the dividend re-invested divided by the NAV applicable as explained above. There shall, however, be no entry load on the dividends so re-invested

Dividend Payout facility:
Under this Facility, the unit holders would receive payout of their dividend in the Option.
Please note that where the Unitholder has opted for Dividend Payout option and in case the amount of dividend payable to the Unitholder is Rs.100/- or less under a Folio, the same will be compulsorily reinvested in the Scheme.

Dividend sweep option:
The investor has the option to sweep dividend declared in the Scheme into any other open-ended scheme of IDFC Mutual Fund. The transfer shall be effected at the applicable NAV of the next business day.
If the amount of dividend is less than Rs 1/- the dividend shall be re-invested in the same scheme and not transferred to the desired other scheme.

Dividend Policy

Dividend declaration and distribution shall be in accordance with SEBI Regulations as applicable from time to time. The AMC reserves the right to declared dividend from time to time, depending on availability of distributable surplus.

Default option: The investors must clearly indicate the Option/facility (Growth or Dividend / Reinvestment or Payout or Sweep) in the relevant space provided for in the Application Form. In case the investor does not select any Option, the default shall be considered as **Growth Option**. Within dividend Option if the investor does not select any facility, then default facility shall be **Dividend Reinvestment**.

Allotment

Full allotment will be made to all valid applications received during the New Fund Offer Period. Allotment of Units, shall be completed not later than 5 business days from the close of the New Fund Offer Period.

Option to hold Units in dematerialized (demat) form

Unit holder has an option to subscribe in dematerialized (demat) form the units of the Scheme in accordance with the provisions laid under the Scheme and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) 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.
Units held in demat form will be transferable subject to the provisions laid under the scheme and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

ACCOUNT STATEMENTS

For NFO allotment and fresh purchase during ongoing sales with creation of a new Folio:
- The AMC shall allot the units to the applicant whose application has been accepted and also send confirmation specifying the number of units allotted to the applicant by way of email and/or SMS's to the applicant's registered email address and/or mobile number within five working days from the date of closure of the NFO / transaction.
- The AMC shall issue to the investor whose application has been accepted, an account statement specifying the number of units allotted within five business days of closure of NFO/transaction. For allotment in demat form the account statement shall be sent by the depository / depository participant, and not by the AMC.
- For NFO allotment in demat form, the AMC shall issue an intimation of allotment.
- For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail instead of physical statement.
- The unitholder may request for an account statement by writing / calling us at any of the ISC and the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

Pursuant to sub regulation (1), (2) and (4) of Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circulars no. Cir/ IMD/DF/16/ 2011 dated September 08, 2011, no. Cir/MRD/D9/31/2014 dated November 12, 2014, no. SEBI/HO/IMD/DF2/CIR/P/2016/42dated March 18, 2016 and no. SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, investors are requested to note the following regarding dispatch of account statements:

A) Consolidated Account Statement (CAS) - for Unitholders who have registered their PAN / PEKRN with the Mutual Fund:

<u>Investors who hold demat account and have registered their PAN with the mutual fund:</u>

For transactions in the schemes of IDFC Mutual Fund, a Consolidated Account Statement, based on PAN of the holders, shall be sent by Depositories to investors holding demat account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month.

Due to this regulatory change, AMC has now ceased sending account statement (physical / e-mail) to the investors after every financial transaction including systematic transactions.

The CAS shall be generated on a monthly basis. AMCs/ RTAs shall share the requisite information with the Depositories on monthly basis to enable generation of CAS. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be the PAN of the first holder and pattern of holding. Based on the PANs provided by the AMCs/MF-RTAs, the Depositories shall match their PAN database to determine the common PANs and allocate the PANs among themselves for the purpose of sending CAS. For PANs which are common between depositories and AMCs, the Depositories shall send the CAS.

In case investors have multiple accounts across the two depositories, the depository having the demat account which has been opened earlier shall be the default depository which will consolidate details across depositories and MF investments and dispatch the CAS to the investor. However, option shall be given to the demat account holder by the default depository to choose the depository through which the investor wishes to receive the CAS.

In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send the account statement to the investor as specified under the regulations applicable to the depositories.

Consolidated account statement sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and transaction in dematerialised securities across demat accounts of the investors and holding at the end of the month. The CAS shall also provide the total purchase value / cost of investment in each scheme.

Further, a consolidated account statement shall be sent by Depositories every half yearly (September/March), on or before 10th day of succeeding month, providing the following information:

- holding at the end of the six month
- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as service tax (wherever applicable, as per existing rates), operating expenses, etc.
- The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS. Investors are therefore requested to ensure that their folio(s)/demat account(s) are updated with PAN.

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

Investors who do not wish to receive CAS sent by depositories have an option to indicate their negative consent. Such investors may contact the depositories to opt out.

<u>Other investors:</u>

The Consolidated Account Statement (CAS) for each calendar month shall be issued on or before tenth day of succeeding month to the investors who have provided valid Permanent Account Number (PAN) / PAN Exempt KYC Registration Number (PEKRN).

Due to this regulatory change, AMC has now ceased sending physical account statement to the investors after every financial transaction including systematic transactions.

The CAS shall be generated on a monthly basis. The Consolidated Account Statement issued is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month. The CAS shall also provide the total purchase value / cost of investment in each scheme.

Further, a consolidated account statement shall be issued every half yearly (September/March), on or before 10th day of succeeding month, providing the following information:

- holding at the end of the six month
- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as service tax (wherever applicable, as per existing rates), operating expenses, etc.
- The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

The CAS will be sent via email (instead of physical statement) where any of the folios consolidated has an email id or to the email id of the first unit holder as per KYC records.

B) For Unitholders who have not registered their PAN / PEKRN with the Mutual Fund:

For folios not included in the Consolidated Account Statement (CAS):

- The AMC shall allot the units to the applicant whose application has been accepted and also send confirmation specifying the number of units allotted to the applicant by way of email and/or SMS's to the applicant's registered email address and/or mobile number within five working days from the date of transaction.
- The AMC shall issue account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before tenth day of succeeding month. The account statement shall contain the details relating to all financial transactions made by an investor during the month, the holding as at the end of the month and shall also provide the total purchase value / cost of investment in each scheme.
- For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail instead of physical statement.
- The unitholder may request for an account statement by writing / calling us at any of the ISC and the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

Further, an account statement shall be sent by the AMC every half yearly (September/March), on or before 10th day of succeeding month, providing the following information:

- holding at the end of the six month
- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as service tax (wherever applicable, as per existing rates), operating expenses, etc.
- The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly account statement shall be issued to all investors, excluding those investors who do not have any holdings in IDFC MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

C) For all Unitholders

In case of a specific request received from the unit holder, the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

UNIT CERTIFICATES

Normally no Unit Certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transfer able Unit Certificate to the applicant within 6 weeks of the receipt of request for the certificate. A Unit Certificate if issued must be duly discharged by the Unitholder(s) and surrendered along with the request for redemption/switch or any other transaction of Units covered therein.

Refund

In accordance with the Regulations, if the Scheme fails to collect the minimum subscription amount as specified above, the Fund shall be liable to refund the money to the applicants.

In addition to the above, refund of subscription money to applicants whose applications are invalid for any reason whatsoever will commence immediately after the allotment process is completed. Refunds will be completed within five business days of the close of the New Fund Offer Period. If the Fund refunds the amount after five business days, interest @ 15% per annum shall be paid by the AMC. Refund orders will be marked "Account Payee only" and drawn in the name of the applicant in the case of the sole applicant and in the name of the first applicant in all other cases.

WHO CAN INVEST?

THE FOLLOWING PERSONS MAY APPLY FOR SUBSCRIPTION TO THE UNITS OF THE SCHEME (SUBJECT, WHEREVER RELEVANT, TO PURCHASE OF UNITS OF MUTUAL FUNDS BEING PERMITTED UNDER RESPECTIVE CONSTITUTIONS, RELEVANT STATUTORY REGULATIONS AND WITH ALL APPLICABLE APPROVALS):

- Resident adult individuals either singly or jointly
- Minor through parent/lawful guardian
- Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions).
- Trustee(s) of Religious and Charitable and Private Trusts under the provision of Section 11(5) (xii) of the Income Tax Act, 1961 read with Rule 17C of Income Tax Rules, 1962 (subject to receipt of necessary approvals as “Public Securities” where required)
- The Trustee of Private Trusts authorised to invest in mutual fund Schemes under their trust deed.
- Partner(s) of Partnership Firms.
- Karta of Hindu Undivided Family (HUF).
- Banks (including Co-operative Banks and Regional Rural Banks), Financial Institutions and Investment Institutions.
- Non-resident Indians/Persons of Indian origin residing abroad (NRIs) on full repatriation basis or on non-repatriation basis.
- Foreign Portfolio Investors (FPIs) duly registered under applicable SEBI regulations on full repatriation basis.
- Army, Air Force, Navy and other para-military funds.
- Scientific and Industrial Research Organizations.
- Mutual fund Schemes.
- Provident/Pension/Gratuity and such other Funds as and when permitted to invest.
- International Multilateral Agencies approved by the Government of India.
- Others who are permitted to invest in the Scheme as per their respective constitutions
- Other Schemes of IDFC Mutual Fund subject to the conditions and limits prescribed in SEBI Regulations and/or by the Trustee, AMC or sponsor may subscribe to the units under this Scheme.

WHO CAN NOT INVEST

The following persons are not eligible to subscribe to the Units of the Scheme:

1) Residents in Canada
2) United States Persons (U.S. Persons) shall not be eligible to invest in the schemes of IDFC Mutual Fund and the Mutual Fund / AMC shall not accept subscriptions from U.S. Persons, except for lump sum subscription and switch transactions requests received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC/Mutual Fund from time to time.
   The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/Mutual Fund. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC/Mutual Fund reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC/Mutual Fund, which are not in compliance with the terms and conditions prescribed in this regard.
   The term "U.S. Person" shall mean any person that is a United States Person within the meaning of Regulation 'S' under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.
3) Any entity who is not permitted to invest in the Scheme as per their respective constitutions and applicable regulations

The Fund reserves the right to include / exclude new / existing categories of investors to invest in this Scheme from time to time, subject to regulatory requirements, if any. This is an indicative list and investors are requested to consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.

Neither the Statement of Additional Information; nor this Scheme Information Document, nor the Application for the Units, nor the Units ("these Documents") have been registered in any jurisdiction. The distribution of these Documents in certain jurisdictions may be prohibited or restricted or subject to registration requirements and accordingly, persons who come into possession of any of these Documents are required to inform themselves about and to observe, any such restrictions. No person receiving a copy of any of these Documents in such jurisdiction may act or treat these Document or any part/portion thereof as constituting an invitation to him to subscribe for Units, nor should he in any event use any such Documents, unless in the relevant jurisdiction such an invitation could lawfully be made to him and such Documents could lawfully be used without compliance with any registration or other legal requirements.

Where can you submit the filled up applications.

Filled up applications can be submitted at the Offices of the CAMS Transaction points and ISC's as per the details given on the last few pages of this document including the back cover page.

HOW TO APPLY?

Please refer to the SAI and Application form for the instructions.

Mode of Payment

Investors may make payments for subscription to the Units of the Scheme at the bank collection centres by local Cheque/Pay Order/Bank Draft, drawn on any bank branch, which is a member of Bankers Clearing House located in the Official point of acceptance of transactions where the application is lodged or by giving necessary debit mandate to their account or by any other mode permitted by the AMC.

Cheques/Pay Orders/Demand Drafts should be drawn as follows:

1. The Cheque/DD/Payorder should be drawn in favour of **"IDFC Balanced Fund "** as mentioned in the application form/addendum at the time of the launch.
Please note that all cheques/DDs/payorders should be crossed as "Account payee". In order to prevent frauds and misuse of payment instruments, the investors are mandated to make the payment instrument (cheque, demand draft, pay order, etc.) favouring either of the following (Investors are urged to follow the order of preference in making the

payment instrument favouring as under):

- "IDFC Balanced Fund A/c Permanent Account Number"
- "IDFC Balanced Fund A/c First Investor Name" or
- "IDFC Balanced Fund A/c Folio number"

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

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

At present, applications for investing in scheme through cash are not accepted by IDFC AMC. The AMC, at a later date, may decide to accept investment in cash subject to implementation of adequate systems and controls. Information in this regard will be provided to investors as and when the facility is made available.

Treatment of applications under "Direct" / "Regular" Plans:

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

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

Applications Supported by Blocked Amount (ASBA) facility:

ASBA facility will be provided to the investors subscribing to NFO of each Series of the Scheme. It shall co-exist with the existing process, wherein cheques/demand drafts are used as a mode of payment. Detailed provision of such facility will be provided in SAI.

MANDATORY QUOTING OF BANK MANDATE BY INVESTORS

As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications and therefore, investors are requested to fill-up the appropriate box in the application form failing which applications are liable to be rejected.

PAN & KYC REQUIREMENTS

It is mandatory for all investors (including joint holders, NRIs, POA holders and guardians in the case of minors) to furnish such documents and information as may be required to comply with the Know Your Customers (KYC) policies under the AML Laws. Applications without such documents and information may be rejected.

In terms of SEBI circulars dated April 27, 2007, April 03, 2008 and June 30, 2008 read with SEBI letter dated June 25, 2007, Permanent Account Number (PAN) would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction, except (a) investors residing in the state of Sikkim; (b)

Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and (c) investors participating only in micro-pension. SEBI, in its subsequent letters dated June 19, 2009 and July 24, 2012 has conveyed that systematic investment plans (SIP) and lumpsum investments (both put together) per mutual fund up to Rs.50,000/- per year per investor shall be exempted from the requirement of PAN.
Accordingly, investments in IDFC Mutual Fund (including SIP investment where the aggregate of SIP installments in a rolling 12 months period or in a financial year i.e April to March) of upto Rs 50,000/- per investor per year shall be exempt from the requirement of PAN.

However, eligible Investors (including joint holders) should comply with the KYC requirement through registered KRA by submitting Photo Identification documents as proof of identification and the Proof of Address [self-attested by the investor / attested by the ARN Holder/AMFI distributor]. These exempted investors will have to quote the "PERN (PAN exempt KYC Ref No) in the application form. This exemption of PAN will be applicable only to investments by individuals (including NRIs but not PIOs), joint holders, Minors and Sole proprietary firms. PIOs, HUFs and other categories of investors will not be eligible for this exemption.

Thus, submission of PAN is mandatory for all other investors existing as well as prospective investors (except the ones mentioned above) (including all joint applicants/holders, guardians in case of minors, POA holders and NRIs but except for the categories mentioned above) for investing with mutual funds from this date. Investors are required to register their PAN with the Mutual Fund by providing the PAN card copy (along with the original for verification which will be returned across the counter). All investments without PAN (for all holders, including Guardians and POA holders) are liable to be rejected.

Application Forms without quoting of PERN shall be considered incomplete and are liable to be rejected without any reference to the investors. The procedure implemented by the AMC and the decisions taken by the AMC in this regard shall be deemed final.

LISTING AND TRANSFER OF UNITS

The Units of the Scheme are presently not proposed to be listed on any stock exchange and no transfer facility is provided. However, the Fund may at its sole discretion list the Units under the Scheme on one or more Stock Exchanges at a later date, and thereupon the Fund will make a suitable public announcement to that effect.

In accordance with SEBI circular number CIR/IMD/DF/10/2010 dated August 18, 2010 units of all IDFC Corporate Bond Fund which that are held in electronic (demat) form, will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Fund subject to production of satisfactory evidence.

PLEDGE OF UNITS FOR LOANS

The Units can be pledged by the Unitholders as security for raising loans subject to the conditions of the lending institution. The Registrar will take note of such pledge (by marking a lien etc.) / charge in its records. Disbursement of such loans will be at the entire discretion of the lending institution and the fund assumes no responsibility thereof.

The pledgor will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorisation to the fund that the pledge/lien charge may be removed. As long as Units are pledged, the pledgee will have complete authority to redeem such Units. Decision of the AMC shall be final in all cases of lien marking.

RIGHT TO RESTRICT REDEMPTION OR SUSPEND REDEMPTION IN THE SCHEME

The AMC/Trustee, at its sole discretion, reserves the right to impose restriction on redemption (including switches) or suspend redemption (including switches) from the Scheme in the general interest of the Unitholders of the Scheme and keeping in view the unforeseen circumstances/unusual market conditions.

Imposition of such restriction will be subject to following conditions:

a) Restriction on redemption may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:
    i. Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security;
    ii. Market failures, exchange closures;
    iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures.

b) Restriction on redemption may be imposed for a period not exceeding 10 working days in any 90 days period.

c) When restriction on redemption is so imposed, the following procedure shall be applied:
    i. No redemption requests of value up to Rs.2 lakhs shall be subject to such restriction.
    ii. For redemption request of value above Rs.2 lakhs, the first Rs.2 lakhs shall be redeemed without such restriction and the restriction shall apply for the redemption amount exceeding Rs.2 lakhs.

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

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

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

PHONE TRANSACT

This facility is currently available to all existing Individual investors in the schemes of IDFC Mutual Fund. Individual investors applying on “Sole” or “Anyone or Survivor” basis in their own capacity shall be eligible to avail of phone transact facilities for permitted transactions; inter alia, on the terms and conditions specified by the AMC for use of this facility from time to time. All such investors also need to have completed the KYC process and bank mandate registration as specified by the AMC from time to time. This facility is currently not available to a first time investor in the schemes of IDFC Mutual Fund.

Currently, only purchase, switch and redemption transactions are accepted through this facility. Eligible investors can make additional purchase in the scheme in which they are currently invested or make fresh purchase in any other scheme (except Liquid scheme) of IDFC Mutual Fund. Additionally, in case of open-ended schemes offering SIP facility, investors can register a SIP using Phone Transact. Requests like change in bank mandate, change of nomination, change in mode of holding, change of address or such other requests as the AMC may decide from time to time will not be permitted using the phone transact facility.

The Unit holder desirous to make purchase and SIP registration over this facility shall register to avail the Phone Purchase facility by submitting the “One Time Debit Mandate Form for Phone Purchase” and submit the same to the AMC/ISC. The form can be downloaded from www.idfcmf.com. The terms and conditions for Phone Purchase are mentioned on the reverse of the Application Form.

At present, only five (5) transactions per folio per scheme per day are accepted on this facility. For purchase and SIP transactions, the amount of each transaction should be less than Rs.2 lacs.

The AMC may, if deemed fit, extend this facility to other categories of investors at a future date. The AMC/Mutual Fund reserves the right to modify the terms and conditions of this Facility from time to time as may be deemed expedient or necessary.

“Terms and Conditions” mean the terms and conditions set out below by which the Facility shall be used/availed by the Unit holder and shall include all modifications and supplements made by AMC thereto from time to time.

In order to access the Facility, the Unit holder shall be required to give Basic Identification Data (BID) to IDFC Asset Management Company Pvt. Ltd. (AMC) based on which the AMC may allow access to the Facility. The BID may be enhanced / modified by the AMC from time to time. The unitholder must provide additional BID as & when required by the AMC.

The AMC has a right to ask such information from the available data of the Unit holder before allowing him/her access to avail of the Facility. If for any reason, the AMC is not satisfied with the replies of the Unit holder, the AMC has at its sole discretion the right of refusing access without assigning any reasons to the Unit holder.

It is clarified that the Facility is only with a view to accommodate /facilitate the Unit holder and offered at the sole discretion of the AMC. The AMC is not bound and/or obliged in any ways to give access to this Facility to Unit holder. Further, the AMC may refuse access to this Facility to any investor for reasons such as (including but not limited to) attempt to mis-use this facility, attempt to place unauthorised transaction etc.

AMC may periodically provide the Unit holder with a written statement of all the transactions made by the Unit holder on a regular/as & when basis, as is being currently done.

The Unit holder shall check his/her account records carefully and promptly. If the Unit holder believes that there has been a mistake in any transaction using the Facility, or that un authorised transaction has been effected, the Unit holder shall notify AMC immediately. If the Unit holder defaults in intimating the alleged discrepancies in the statement within a period of thirty days of receipt of the statements, he waives all his rights to raise the same in favour of the AMC, unless the discrepancy /error is apparent on the face of it.

By opting for the facility the Unit holder hereby irrevocably authorises and instructs the AMC to act as his /her agent and to do all such acts as AMC may find necessary to provide the Facility.

The Unit holder shall not disclose/divulge the BID to any person and shall ensure that no person gains access to it.

The Unit holder shall at all times be bound by any modifications and/or variations made to these Terms and Conditions by the AMC at their sole discretion and without notice to them.

The Unit holder agrees and confirms that the AMC has the right to ask the Unit holder for an oral or written confirmation of any transaction request using the Facility and/or any additional information regarding the Account of the Unit holder.

The Unit holder agrees and confirms that the AMC may at its sole discretion suspend the Facility in whole or in part at any time without prior notice if (i) the Unit holder does not comply with any of the Terms and Conditions or any modifications thereof, (ii) the AMC has the reason to believe that such processing is not in the interest of the Unit holder or is contrary to Regulation/SIDs/amendments to the SID and (iii) otherwise at the sole discretion of the AMC in cases amongst when the markets are volatile or when there are major disturbances in the market, economy, country, etc.

The Unit holder shall not assign any right or interest or delegate any obligation arising herein.

The Unit holder agrees that it shall be his/her sole responsibility to ensure protection and confidentiality of BID and any disclosures thereof shall be entirely at the Unit holder's risk.

The Unit holder shall take responsibility for all the transactions conducted by using the Facility and will abide by the record of transactions generated by the AMC. Further, the Unit Holder confirms that such records generated by the AMC shall be conclusive proof and binding for all purposes and may be used as evidence in any proceedings and unconditionally waives all objections in this behalf.

The Unit holder shall, in case of accounts opened in the names of minors and being the natural guardian of such minor, give all instructions relating to the operation of the account and shall not, at any point of time disclose the BID to the minor / any other person

AMC shall be notified immediately if a record of the BID, is lost or stolen or if the Unit holder is aware or suspects another person knows or has used his/her BID without authority.

The Unit holder agrees and acknowledges that any transaction, undertaken using the Unit holder's BID shall be deemed to be that of the Unit holder. If any third party gains access to the Facility, the Unit holder agrees to indemnify the AMC and its directors, employees, agents and representatives against any liability, costs, or damages arising out of claims or suits by such other third parties based upon or related to such access or use.

The Unit holder agrees that use of the Facility will be deemed acceptance of the Terms and Conditions and the Unit holder will unequivocally be bound by these Terms and Conditions.

Indemnities in favour of the IDFCAMC:

The Unit holder shall not hold the AMC liable for the following:

For any transaction using the Facilities carried out in good faith by the AMC on instructions of the Unit holder.

For the unauthorized usage/unauthorised transactions conducted by using the Facility.

For any loss or damage incurred or suffered by the Unit holder due to any error, defect, failure or interruption in the provision of the Facility arising from or caused by technical reasons such as telephone lines not functioning, call drop, issues with voice transmission, loss/limitations of connectivity etc., or for any reason(s) beyond the reasonable control of the AMC.

For any negligence / mistake or misconduct by the Unit holder and/or for any breach or non-compliance by the Unit holder of the rules/terms and conditions stated in this Agreement.

For accepting instructions given by any one of the Unit holder in case of joint account/s having mode of operations as "Either or Survivor" or "anyone or survivor".

For not verifying the identity of the person giving the telephone instructions in the unit holder name.

For not carrying out any such instructions where the AMC has reason to believe (which decision of the AMC the Unit holder shall not question or dispute) that the instructions given are not genuine or are otherwise improper, unclear, vague or raise a doubt.

The AMC may assign any of its rights under these terms and conditions without the consent of the Unit holder to any of the AMC's group companies, subsidiary or Associate Company or such other company which the AMC deems suitable for provision of this Facility.

TRANSACTION THROUGH E-MAIL FACILITY

Transaction through e-mail (the facility) is available only to Corporate Investors intending to transact in the Schemes of IDFC Mutual Fund, by sending scan copies of transaction request through e-mail. Operational procedure and requirement specific to this facility is stated in the Application Form. Unitholder will have to mandatorily register mail-ids of authorised signatories, as approved by its Board of Directors/Trustees/partners registered under the Folio. E-mails sent for transaction under this facility have to be sent to amc.etransact@idfc.com, and should be sent only from any of the e-mail ids of the authorised signatories ("Users") registered under this facility. Unitholder who wish to avail this facility has to submit a duly filled in Application Form at AMC branches.The Application Form is available on our website – www.idfcmf.com and also at our branch offices.

Terms & Conditions for availing Transaction through e-mail facility:-

- The Unit holder authorizes IDFC AMC to honour all requests received from the email address(s). In the event of any change in authorized persons/signatories for any reasons whatsoever, the Unit Holder agrees to intimate IDFC AMC about the change.
- Unit holder confirms that particulars provided are correct and confirm that the officials have the necessary power and authority to transact in the Schemes of IDFC Mutual Fund. If the transactions are delayed or not effected for reasons such as incomplete or incorrect or inaccurate information, the Unit holder agrees not to hold IDFC AMC responsible for any consequences arising thereof.
- In the event of delay in processing of transaction(s) for reason not attributable to AMC, the Unit holder agrees not to hold IDFC AMC responsible for non-creation of units or for any consequences arising thereof.
- The Unit holder agrees that allotment of units will be effected as per the terms and conditions mentioned in the Statement of Additional Information / Key Information Memorandum of eligible schemes.
- The Unit holder agrees that IDFC AMC shall not be liable for, nor be in default by reason of, any failure or delay in execution of a transaction request, where such failure or delay is caused by force majeure events, or any other cause of peril which is beyond IDFC AMC's reasonable control and which has the effect of preventing IDFC AMC to perform the services contemplated by this facility.
- The Unit holder agrees to ensure that the standing instruction to IDFC AMC remains valid at all times and may be revoked only through a written letter signed by authorized signatories and after giving prior notice of 30 days to IDFC AMC to effect such withdrawal.
- The Unit Holder agrees that IDFC AMC will not be liable to the Unit holder for any damages whether direct or indirect, consequential or special, exemplary or punitive losses, costs or injury suffered, by the Unit holder, or by others, related to the use or cancellation of this facility.
- The Unit holder agrees, at all times, to be bound by any modifications and/or variations made to these Terms and Conditions by IDFC AMC as considered appropriate at their sole discretion and without notice to them.
- Unit holder confirms that the scan copy of transaction provided by e-mail will be held on records by IDFC AMC and the same shall be conclusive proof and binding for all the purposes and may be used as evidence in any proceeding and unconditionally waive all objections in this behalf.
- Unit holder agrees that it shall be its sole responsibility to ensure protection, access control and confidentiality of e-mailbox of the user and any breach / compromise thereof shall be entirely at the Unit holder's risk :-

(a) The Unit holder agrees and acknowledges that any transaction, undertaken using the User's e-mailbox shall be deemed to be that of the Unit holder.

(b) If any third party gains access to the Facility, the Unit holder agrees to indemnify the AMC and its directors, employees, agents and representatives against any liability, costs, or damages arising out of claims or suits by such other third parties based upon or related to such access or use.

- Unit holder agrees and acknowledges that the transaction submitted through scan copy carries risk. IDFC AMC may act upon the instruction received under this facility and shall not be held responsible if the transaction is unauthorised, fraudulent or mistakenly sent.
- The Unit holder agrees and confirms that the AMC may at its sole discretion suspend the Facility in whole or in part at any time without prior notice if (i) the Unit holder does not comply with any of the Terms and Conditions or any modifications thereof, (ii) the AMC has the reason to believe that such processing is not in the interest of the Unit holder or is contrary to Regulation/SIDs/amendments to the SID and (iii) otherwise at the sole discretion of the AMC in cases amongst when the markets are volatile or when there are major disturbances in the market, economy, country, etc.
- The Unit holder shall take responsibility for all the transactions conducted by using the Facility and will abide by the record of transactions generated by the AMC. The Unit holder hereby confirms, acknowledges and undertakes to make payments for Subscription of Units of the Scheme from their respective bank account(s) in Compliance with applicable provisions relating to third party payments detailed in the SID / SAI and that the payment will be will be through legitimate sources only.

- The transaction received at IDFC AMC through the transaction through email platform would be printed and time stamped at IDFC AMC. Applicable NAV for the transactions will be dependent upon the scan copy of the application being time stamped and receipt of funds into the IDFC Collection Account whichever is later, and will be subject to applicable cutoff time for acceptance of transaction.
- IDFC AMC shall endeavor to make a confirmation call to the registered number for confirming the transaction.
- This facility is only a mode of submission of application. The investor needs to instruct its banker separately and appropriately for transfer of funds to the Mutual Fund’s account.
- The AMC shall not be obligated to instruct or other liaise with the investor’s bank for the same.
- The Unit holder agrees that use of the Facility will be deemed acceptance of the Terms and Conditions and the Unit holder will unequivocally be bound by these Terms and Conditions.

Indemnities in favour of IDFC AMC:
The Unit holder shall not hold IDFC AMC liable for the following:

- For any transactions carried out in good faith by IDFC AMC on the instructions of the Unit holder’s authorized signatories.
- For any loss or damage incurred or suffered by the Unit holder due to any error, delay, defect, failure or interruption in the provision of the Facility arising from or caused by technical reasons such as issues in functioning of computer and other systems at investor’s end, issues in functioning of computer and other systems at investor’s bank, issues with e-mail transmission, loss/limitations of internet connectivity etc., or for any reason(s) beyond the reasonable control of the AMC.
- For any negligence / mistake/ /unauthorised usage/unauthorised transaction or misconduct by the Unit holder and/or for any breach or noncompliance by the Unit holder of the rules/terms and conditions stated in this Form.
- For not carrying out any such instructions where IDFC AMC has reason to believe (which decision of the AMC the Unit holder shall not question or dispute) that the instructions given are not genuine or are otherwise improper, unclear, vague or raise a doubt/for transaction sent or purported to be sent is not processed on account of the fact that it is not received by IDFC AMC.

ADDITIONAL FACILITY FOR PURCHASE / REDEMPTION OF UNITS THROUGH STOCK EXCHANGE(S)

The Board of IDFC Asset Management Co. Ltd (AMC) & IDFC AMC Trustee Co. Ltd (Trustee) had introduced the facility for purchase / redemption of units of eligible schemes through the MFSS platform/ BSE star platform.

Pursuant to the requirement of SEBI Circular No. CIR/IMD/DF/17/2010 dated November 9, 2010, the Board of Director of IDFC Asset Management Co. Ltd (AMC) & IDFC AMC Trustee Co. Ltd (Trustee) have decided that:
(i) units of mutual fund schemes shall be permitted to be transacted through clearing members of the registered Stock Exchanges.
(ii) to permit Depository participants of registered Depositories to process only redemption request of units held in demat form.

I. Subscription / redemption of units

The following provisions shall be applicable with respect to investors having demat account and purchasing/redeeming mutual fund units through stock exchange brokers and Clearing members:

(i) Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through broker/ clearing member's pool account. IDFC Mutual Fund / IDFC Asset Management Co. Ltd. shall pay proceeds to the broker/clearing member (in case of redemption) and broker/clearing member shall make payment to the investor. The units shall be credited by the AMC/ Mutual Fund into broker/ clearing member's pool account (in case of purchase) and broker/clearing member shall credit the units to the respective investor's demat account.

(ii) The AMC / Mutual Fund shall be discharged of its obligation of payment to the investors immediately on making payment of the redemption proceeds to the broker/clearing members. In case of purchase of units, crediting units into broker/clearing member pool account shall discharge AMC/Mutual Fund of its obligation to allot units to individual investor.

II. Participants to be Official Points of Transaction

Participant (Clearing members and Depository participants) intending to extend the transaction in eligible schemes of IDFC Mutual Fund through stock exchange mechanism shall be required to comply with the requirements specified in SEBI circular No. SEBI /IMD / CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund. All such participants will be eligible to be considered as Official Points of acceptance as per SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 for limited purposes of subscription and redemption transactions.

The transactions carried out on the above platform shall be subject to SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued hereunder from time to time.

Mutual Fund Distributors

Mutual Fund Distributors (MF Distributors) are permitted to use recognised StockExchange infrastructure to purchase/redeem units directly from Mutual Fund/AMC on behalf of their clients.

Following guideline shall be applicable for transactions executed through MF Distributors through the Stock Exchange Mechanism:

1. MF Distributor registered with Association of Mutual Funds in India (AMFI) and permitted by the concerned recognized stock exchanges shall be eligible to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units (Demat / Non Demat) on behalf of their clients, directly from IDFC Mutual Fund (IDFC MF).

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

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

Facility to transact in the schemes of IDFC Mutual Fund through MF Utility infrastructure:

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

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

IDFC AMC hereby declares all the authorised MFUI POS designated by MFUI from time to time as the Official Points of Acceptance of Transactions ("OPAT") of IDFC MF effective February 06, 2015 (Friday) in respect of the transactions in the schemes of IDFC MF routed through MFU by the investors / distributors. Additionally, the online transaction portal of MFUI (www.mfuonline.com) will also be an OPAT of IDFC MF from the date the transaction facility is made available by MFUI on the said portal.

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

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

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

The transactions routed through the MFU shall be subject to the terms & conditions as may be stipulated by MFUI / IDFC AMC / IDFC MF from time to time. Further, investments in the schemes of IDFC MF routed through MFU shall continue to be governed by the terms and conditions stated in the Scheme Information Document of the respective scheme(s).

Investor Servicing

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

For any escalations and post-transaction queries pertaining to the schemes of IDFC MF, the investors should contact IDFC AMC.

About MFU

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

WEB TRANSACTIONS:

The Mutual Fund may allow subscriptions of Units by electronic mode through the various web sites with whom the AMC would have an arrangement from time to time. Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the designated bank collection account of the Scheme. The intermediary will aggregate the data and forward the same to the AMC / ISC for processing. Unit holders may request for change of address/ bank account etc. through this mode provided, such website(s) provide for this facility. The investor is required to send the signature card with the specimen signatures of all the applicants, to the AMC / ISC. In the case of signatures not being made available, any request received, whether financial / nonfinancial, including request for Redemption of Units, shall not be processed till such time that the specimen signature cards duly signed by the applicants are received by the AMC / ISC. As and when regulatory authorities permit the use of digital signatures, the Mutual Fund may implement the same in lieu of the physical signature cards. The Applicable NAV for subscriptions / redemptions of Units through Electronic Mode will be in accordance with the SEBI (MF) guidelines for Time Stamping and Cut-off Timings for subscriptions / redemptions made on ongoing basis. The Mutual Fund, the AMC, the Trustee, alongwith its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of the web-site or its non-use including non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information. The Mutual Fund may introduce a facility for distributors to transact on the web on behalf of their clients, provided the client has authorised the distributors to do so by executing a Power of Attorney in favour of the distributor for this purpose. In such event, the Power of Attorney should be submitted to the Mutual Fund. It shall be the responsibility of the distributor, to ensure that the Power of Attorney is valid and subsisting to carry out the transaction.

ELECTRONIC SERVICES

This facility enables investors to transact online on www.idfcmf.com, Unitholders can execute transactions online for purchase*, switch and also register for Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) of units of schemes of IDFC Mutual Fund and other services as may be introduced by IDFC Mutual Fund from time to time. Unitholders can also view account details and portfolio valuation online, download account statements and request for documents via email, besides other options.

*facility available with select banks and subject to submission of Permanent Account Number (PAN) and Know Your Customer (KYC) compliance proof.

SUBSCRIPTION OF UNITS THROUGH ELECTRONIC MODE

Subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar ("Recipient") may accept transactions through any electronic mode ("fax/web/electronic transactions") as permitted by SEBI or other regulatory authorities. The acceptance of the fax / web /electronic transactions will be solely at the risk of the transmitter of the fax / web / electronic transactions and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such transactions including where a fax / web /electronic transactions sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient. Facility of online transactions is available on the official website of IDFC Mutual Fund i.e. www.idfcmf.com. Consequently the said website is declared to be an "official point of acceptance" for applications for subscriptions, switches and other facilities. The Uniform Cut -off time as prescribed by SEBI and as mentioned in the Scheme Information Documents of the Scheme shall be applicable for applications received on the website.

The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions / transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. The transmitter's request to the Recipient to act on any fax / web / electronic transmission is for the transmitter's convenience and the Recipient is not obliged or bound to act on the same.

The transmitter authorizes the recipient to accept and act on any fax / web / electronic transmission which the recipient believes in good faith to be given by the transmitter and the recipient shall be entitled to treat any such fax / web / electronic transaction as if the same was given to the recipient under the transmitter's original signature. The transmitter agrees that security procedures adopted by the recipient may include signature verification, telephone call backs or a combination of the same, which may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the recipient to enable confirmation of such fax/web/ electronic transaction requests. The transmitter accepts that the fax / web / electronic transactions shall not be considered until time stamped as a valid transaction request in the Scheme in line with SEBI (MF) regulations. In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any fax / web / electronic transaction request received / purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax / web / electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time.

B. ONGOING OFFER DETAILS

Ongoing Offer Period

The Schem shall re-open for ongoing subscription and redemption within five business days of allotment. The Date of allotment will be within five business days from the closure of the NFO.

The Schem shall re-open for ongoing subscription and redemption on **Janury 02, 2017**.

Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors:

During the continuous offer of the scheme, the units will be available at the applicable NAV based prices. This is the price that an investor will pay for purchase / switch in.

Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors:

At the applicable NAV subjects to prevailing exit load. This is the price you will receive for redemptions/switch outs.

Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:
Rs. 10 (1-0.02) = Rs. 9.80*

The Redemption Price will not be lower than 93% of the Applicable NAV and the Purchase Price will be the Applicable NAV, provided that the difference between the Redemption Price and the Purchase Price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time, which is currently 7% calculated on the Purchase Price.

SWITCH FACILITY

a) Inter - Scheme switching option

Unit holders under the Scheme have the option to Switch part or all of their Unit holdings in the Scheme to any other Scheme offered by the Mutual Fund from time to time. The Mutual Fund also provides the Investors the flexibility to switch their investments from any other scheme(s) / plan (s) offered by the Mutual Fund to this Scheme. This option will be useful to Unit holders who wish to alter the allocation of their investment among the scheme(s) / plan(s) of the Mutual Fund in order to meet their changed investment needs.

The switch will be effected by way of a redemption of units from the scheme at Applicable NAV, subject to Exit Load, if any and reinvestment of the Redemption proceeds into another Scheme offered by the Mutual Fund at Applicable NAV and accordingly the switch must comply with the redemption rules of the switch out scheme and the subscription rules of the switch in scheme.

b) Intra -Scheme Switching option

Unit holders under the Scheme have the option to switch their Units holding from one option to another option (i.e. Growth to Dividend and vice-a-versa). The Switches would be done at the Applicable NAV based prices. Switching shall be subject to the applicable "Cut off time and Applicable NAV" stated elsewhere in the Scheme Information Document.

In case of "Switch" transactions from one scheme to another, the allocation shall be in line with Redemption payouts.

Investors so desiring to switch may submit a switch request, already available with them along with an application form of the Scheme indicating therein the details of the scheme to which the switch is to be made. Applications for switch as above should specify the amount/Units to be switched from out of the Units held in any of the existing Schemes of the Fund. The switch request will be subject to the minimum application size and other terms and conditions of the SID of this Scheme and the scheme from which the amount is switched out.

Note:

The switch will be effected by redeeming Units from the Scheme in which the Units are held and investing the net proceeds in the other Scheme(s)/Plan(s), subject to the minimum balance applicable for the respective Scheme(s)/ Plan(s).

The price at which the Units will be switched out of the Scheme(s) will be based on the Applicable NAV of the relevant Scheme(s)/ Plan(s) and after considering any exit/entry/ combination of entry and exit loads that the Trustee may approve from time to time

Cut off timing for subscriptions/ redemptions/ switches

The Scheme is an open ended income scheme. Subscription facility is available on a continuous basis.

For subscriptions / switch – ins less than Rs 2 lakhs:

1. In respect of valid applications received upto 3.00 p.m on a Business Day by the Fund along with a local cheque or a demand draft payable at par at the official point(s) of acceptance where the application is received, the closing NAV of the day on which application is received shall be applicable.
2. In respect of valid applications received after 3.00 p.m on a Business day by the Fund along with a local cheque or a demand draft payable at par at the official point(s) of acceptance where the application is received, the closing NAV of the next Business day shall be applicable.
3. However, in respect of valid applications, with outstation cheques/demand drafts not payable at par at the official point(s) of acceptance where the application is received, closing NAV of the day on which cheque/demand draft is credited shall be applicable.

For subscriptions / switch – ins equal to or more than Rs 2 lakhs:

1. In respect of valid applications received for an amount equal to or more than Rs. 2 lakhs upto 3.00 p.m on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Scheme before the cut-off time i.e available for utilization before the cut-off time - the closing NAV of the day shall be applicable
2. In respect of valid applications received for an amount equal to or more than Rs. 2 lakhs after 3.00 p.m on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Scheme before the cut-off time of the next Business Day i.e available for utilization before the cut-off time of the next Business Day- the closing NAV of the next Business Day shall be applicable
3. Irrespective of the time of receipt of application for an amount equal to or more than Rs. 2 lakhs at the official point(s) of acceptance, where funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Scheme before the cut-off time on any subsequent Business Day - i.e available for utilization before the cut-off time on any subsequent Business Day the closing NAV of such subsequent Business Day shall be applicable.
4. The aforesaid provisions shall also apply to systematic transactions i.e Systematic Investment Plan (SIP), Systematic Transfer Plan (STP).

Applicable NAV (for sales/Redemption/Switch out)

Where the application is received upto 3.00 pm, closing NAV of the day on which the application is received shall be applicable and if the application is received after 3.00 pm closing NAV of the next business day shall be applicable.

Where can the applications for purchase/redemption switches be submitted?

The redemption/ repurchase requests can be made on the transaction slip for redemption available at the Official point of acceptance of transactions or the office of the Registrar or the offices of the AMC on any business day (as per details given in the last few pages and the back cover page of this document).

In case the Units are standing in the names of more than one Unitholder, where mode of holding is specified as 'Jointly', redemption requests will have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unitholders will have the power to make redemption requests, without it being necessary for all the Unitholders to sign. However, in all cases, the proceeds of the redemption will be paid only to the first-named holder.
The Unitholder may either request for mailing of the redemption proceeds to his/her address or the collection of the same from the Official point of acceptance of transactions.

Minimum Application Amount (subscription):

Fresh Purchase - Rs.5,000/- and any amount thereafter
Additional Purchase - Rs.1,000/- and any amount thereafter

Minimum amount for redemption:
Rs.500/- and any amount thereafter. If the balance in the folio/account available for redemption is less than the minimum amount prescribed above, the entire balance available for redemption will be redeemed.

Minimum balance to be maintained and consequences of non maintenance : Re.1/-. The Fund may close a Unitholder's account if, as a consequence of redemption/ repurchase, the balance falls below Re.1/-. In such a case, entire Units to the Unitholder's account will be redeemed at the Applicable NAV with the applicable Load, if any, and the account will be closed.

With respect to the redemption request received through Bombay Stock Exchange Limited (BSE) / National Stock Exchange India Limited (NSE) - Mutual Fund Service System (MFSS), after processing of redemption requirement, if the number of units/balance units falls below the minimum balance amount to be maintained, the residual units shall not be auto redeemed but shall continue to remain in the investors account. These residual units shall be redeemed only after receipt of redemption request from the investor.

Special Products / facilities available during the New Fund offer and the ongoing offer

SYSTEMATIC INVESTMENT PLAN (SIP)

Unitholders of the scheme/s can invest through Systematic Investment Plan. SIP allows the unitholder to invest a specified sum of money each month with a minimum amount of Rs.1,000 with minimum 6 instalments. Unitholders have an option to invest on monthly basis and choose any date of the month for the instalments except 29th, 30th and 31st day of the month.

The unitholder wish to opt for monthly SIP, has to commit investment by providing the Registrar with at least six post dated cheques/debit mandate/mandate form for Electronic Clearing System (ECS)/ such other instrument as recognized by AMC from time to time for a block of 6 months in advance. SIP can commence on any date as desired and specified by the unitholder in SIP application form. Cheques/debit mandate/ mandate form for Electronic Clearing System (ECS)/ such other instrument as recognized by AMC from time to time should be drawn in favour of the Scheme.

The AMC reserves the right to introduce SIPs at such other frequencies such as weekly / quarterly / half-yearly etc. as the AMC may feel appropriate from time to time.

OTHER SIP FACILITIES:

- **Perpetual SIP:** Under this SIP facility the investor need not mention the maximum installment. The SIP shall end on December 31, 2099 automatically. In case there is no mention of the number of installments; the SIP shall be registered under the Perpetual SIP facility.
- **Differential SIP:** Under this facility the investor has a choice of registering the SIP in such a manner that the 1st SIP installment will be lower / higher than the subsequent installments.
- In case of existing folio's, there is no requirement of registering the 1st installment, all 6 installments shall be considered as SIP transactions.
- An Investor can register a SIP along with ECS mandate without providing the initial cheque. The SIP installment shall get activated/triggered in the scheme for the amount opted by the investor in the SIP form. The gap between the SIP registration date and the first installment shall be minimum 30 days.
- **SIP Top-up facility –**
    - This facility is not available under Micro-SIP.
    - Top-up facility has to be opted at the time of SIP registration. Existing SIPs cannot be converted into this facility;
    - Minimum SIP amount for opting this facility is Rs.500/- and in multiples of Rs.500/- thereafter;
    - Top up facility can be registered only for investments through ECS;
    - Frequency for increasing the amount of instalment – Half-yearly and Annual. Default frequency – Annual;
    - Once registered under this facility, for any modification to the details registered, Investors will have to cancel the existing SIP registration and re-register;
    - All other terms & Conditions applicable for regular SIP will be applicable to this facility;
    - Registration under this facility is subject to Investor's Bankers accepting the mandate for SIP Top- up.

For all the SIP facilities the minimum investment amounts/ minimum no of installments shall be applicable.

NATIONAL AUTOMATED CLEARING HOUSE FACILITY (NACH)

Investors can enroll for investments in Systematic Investment Plan (SIP) through National Automated Clearing House (NACH) Platform. NACH is a centralised system,launched by National Payment Corporation of India (NPCI) for consolidation of multiple Electronic Clearing Service system. NACH facility can be availed only if the Investor's Bank is a participating Bank in NACH Platform and subject to Investors Bank accepting NACH Registration mandate. Registration Forms are available on www.idfcmf.com and at our Branch Offices. For registration under NACH, investors are required to submit registration form (mandatorily to be printed on 8 inches*3.75 inches paper size) and requisite documents atleast 31days prior to the first SIP installment date. Existing Investors, who wish to invest in SIP through NACH, will have to cancel th existing ECS/DD mandate and register under NACH. Once registered under this facility, for any modification to the mandate registered, Investors will have to cancel the existing SIP registration and re-register.

Auto Termination of Systematic Investment Plan (SIP)Transactions:

SIP transactions shall be auto terminated on account of six continuous failures including but not limited to below stated reasons :

i) Insufficient funds/payment stopped by Investor;
ii) Electronic Clearing Service (ECS) mandate not received;
iii) Bank Account provided by the investor does not exist;
iv) Bank Account closed or transferred by the investor;
v) Investors account description does not tally with the description maintained by RTA/Mutual Fund;
vi) In case of specific court order.

SYSTEMATIC WITHDRAWAL PLAN (SWP)

Unitholders of the Scheme have the benefit of enrolling themselves in the Systematic Withdrawal Plan. The SWP allows the Unitholder to withdraw a specified sum of money periodically from his investments in the Scheme. SWP is ideal for investors seeking a regular inflow of funds for their needs. It is also ideally suited to retirees or individuals who wish to invest lumpsums and withdraw from the investment over a period of time.

The Unitholder may avail of this plan by sending a written request to the Registrar. This facility is available in the growth and dividend option.

SWP is available in following options of withdrawal amount and frequencies:

Fixed Amount SWP:

A fixed amount specified by the investor will be redeemed on the SWP date.
Withdrawal amount - Minimum Rs. 500/- and any amount thereafter.
Withdrawal frequency – Monthly, Quarterly, Half yearly and Annual
Dates - 1st, 10th & 20th day.

Capital Appreciation SWP:

The entire capital appreciation as on the date of withdrawal will be redeemed on the SWP date.
Withdrawal frequency – Monthly, Quarterly, Half yearly, Annual and March Payout
Dates - 1st, 10th & 20th day (except for March Payout option). In March Payout option, the redemption will be processed on the fourth last Business Day of the financial year (ending 31st March every year)

For the purpose of determining the month of processing redemption in monthly / quarterly / half yearly / annual payout option of the SWP, the same shall be calculated from the month of registration of the SWP.

SYSTEMATIC TRANSFER PLAN (STP)

Investors can opt for the Systematic Transfer Plan by investing a lumpsum amount in one scheme of the fund and providing a standing instruction to transfer sums with a minimum amount of Rs.1000/- and any amount thereafter, at monthly intervals (for a minimum period of 6 months) into any other scheme of IDFC Mutual Fund. Investors could also opt for STP from an existing account by quoting their account / folio number. Investors could choose to specify a fixed sum to be transferred every month. Alternatively, in the Growth Option(s) / sub-options under the Scheme(s) of IDFC Mutual Fund, investors could opt to automatically transfer the capital appreciation (between the immediately preceding STP date and the present STP date) in the value of their investments to the Scheme(s) of IDFC Mutual Fund. In the event that such a day is a holiday, the transfer would be effected on the next business day.

STP can be effected as per following frequencies chosen by Investor –
a) Monthly : any day of the month except 29th, 30th and 31st day of the month
b) Fortnightly : 1st & 16th
c) Weekly : Date option - 7th, 14th, 21st, 28th day of every month; or Day option - every Monday of the week
d) Daily : all business days

If STP day falls on non-business day, the STP transaction shall be processed on the next business day.

The AMC reserves the right to introduce STPs at such other frequencies such as quarterly / half-yearly etc. or on any dates as the AMC may feel appropriate from time to time.

PE STP FACILITY:

This facility allows the investors to transfer amount from the source scheme to the target scheme based on the PE level on the date of respective transfer.

Salient features of the PE STP facility are as follows:

- Frequency of transfer – The investors have option of Weekly, Fortnightly and Monthly frequency for transfer of funds from the eligible source schemes to eligible target schemes. The minimum amount and tenure of PE STP will be as applicable to normal Systematic Transfer Plan (STP) facility in the respective scheme.
- Eligible source and target schemes will be:
  - Source schemes – IDFC Cash Fund, IDFC Ultra Short Term Fund, IDFC Money Manager Fund – Treasury Plan, IDFC Arbitrage Fund and IDFC Arbitrage Plus Fund
  - Target schemes – IDFC Premier Equity Fund, IDFC Sterling Equity Fund, IDFC Classic Equity Fund, IDFC Imperial Equity Fund, IDFC Equity Fund, IDFC Infrastructure Fund, IDFC Dynamic Equity Fund, IDFC Nifty Fund, IDFC Balanced Fund and IDFC Tax Advantage (ELSS) Fund.
- The dates available for the transfer under PE STP would be:
  - For Monthly Frequency: Investor can opt for "Any Day" of the month (except 29th, 30th & 31st) for the transfer under PE STP facility.
  - For Weekly Frequency:
    - Day-wise – Investor can transfer on every Monday of the month.
    - Date-wise – Investor can transfer on 7th/ 14th/ 21st/ 28th of the month.
  - For Fortnightly Frequency: Investor can transfer on 1st/ 16th of the month.
- In case the investor does not specify the options in the Application Form, the Defaults will be:
  - STP Date – 5th
  - Source scheme - IDFC Money Manager Fund – Treasury Plan
  - Target scheme - IDFC Premier Equity Fund
  - Plans/options – As per the default specified in the Scheme Information Document of respective Scheme(s).
- Other terms & conditions of the Systematic Transfer Plan (STP) facility being currently offered in the respective schemes will continue to apply.
- Amount to be transferred per STP instalment (to be specified at the time of STP registration in the application form) shall only be Fixed amount in Rupees (and not in number of units). If the Target scheme is IDFC Premier Equity Fund, the amount of STP instalment shall not exceed Rs.10 lacs.
  The amount to be transferred on each STP date will be determined basis the PE level on the date of respective transfer as explained below.
- PE will be calculated as – Daily Closing Value of S&P BSE Sensex on the date of STP / Consolidated Earnings Per Share of S&P BSE sensex on the date of STP (as sourced from Bloomberg).
- On determination of PE levels on the STP date, the transfer will be carried out as follows as the default option:

PE level	Amount Transferred* (X being the registered STP Instalment amount as stated by the Investor)
>19	X
16-19	2 times X
<16	5 times X

* If the outstanding balance in the source scheme in investor's folio is less than the amount to be transferred on the date of STP, the amount so transferred will be restricted to the balance available. Further, if the Target scheme is IDFC Premier Equity Fund, the maximum amount transferred will be restricted to Rs.10 lacs per STP date, irrespective the PE level.

Alternatively, the investors, at the time of registration of PE STP, will have an option to specify the amount to be transferred at the PE levels of 16-19 and <16. Such transfer amount can be specified in terms of multiples of the registered STP instalment amount (multiples in fraction not permitted) in lieu of the default option. Please note that the amount to be transferred at PE level >19 shall remain equal to the registered STP instalment amount and cannot be changed.

In case the investor does not specify the amount(s), the default amounts as mentioned in the table above shall apply.

Please note that the PE level bands are fixed and cannot be varied.

E.g., Assume that the STP instalment amount as specified by the investor in the STP Registration Form is Rs.1,000 per month and he has opted for the Default option for amount to be transferred. On a given STP date, if the PE level is 20, the amount transferred from source scheme to target scheme will be Rs.1,000. Similarly, on another STP date, if the PE level is 12, the amount transferred will be Rs.5,000.

Auto Termination of SWP and STP (including PE STP) Transactions:

SWP and STP (including PE STP) transactions shall be auto terminated in case of
i) Six continuous failures to process the instalment on account of insufficient balance maintained by the investor in the source scheme or any other reason attributable to the investor; or
ii) Specific court order.

Dividend

The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.

Redemption

The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.

Delay in payment of redemption / repurchase proceeds and dividend warrants

The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

C. PERIODIC DISCLOSURES

Net Asset Value

This is the value per unit of the scheme on a particular day. You can ascertain the value of your investment by multiplying the NAV with your unit balance.

NAV of units under the Scheme shall be calculated as shown below: **NAV (Rs.) =**

Market or Fair Value of Scheme's investments	+	Current Assets including Accrued Income	-	Current Liabilities and Provisions including accrued expenses

No. of Units outstanding under Scheme

The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and shall be subject to such regulations as may be prescribed by SEBI from time to time.

NAV will be determined for every Business Day except in special circumstances and published in two daily newspapers. NAV calculated upto four decimal places.The first NAV shall be calculated and disclosed within 5 business days of allotment.

NAV of the Scheme shall be made available on the website of AMFI (www. amfiindia.com) and the Mutual Fund (www.idfcmf.com) by 9.00 p.m. on all business days. In case the NAV is not uploaded by 9.00 p.m it shall be explained in writing to AMFI for non adherence of time limit for uploading NAV on AMFI's website. If the NAVs are not available before the commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV. The NAV shall also be are available on the call free number 1800 26666 88 and on the website of the Registrar CAMS (www.camsonline.com).

Monthly portfolio disclosure:

The Mutual fund shall disclose portfolio (along with ISIN) as on the last day of the month for this scheme on www.idfcmf.com on or before the tenth day of the succeeding month.

Half yearly Portfolio Disclosures:
(*This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.*)

The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, publish the portfolios of the Scheme in in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated. The said portfolios shall also be hosted on the website of IDFC Mutual Fund i.e. www.idfcmf.com.

The mutual fund may opt to send the portfolio to all unit holders in lieu of the advertisement (if applicable).

Half Yearly Results

The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on their website and shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated.

Annual Report

Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unitholders within four months from the date of closure of the relevant accounts year i.e. 31st March each year as under:
(i) by e-mail to the Unit holders whose e-mail address is available with the Fund,
(ii) in physical form to the Unit holders whose email address is not available with the Fund and/or to those Unit holders who have opted / requested for the same.

The physical copy of the scheme wise annual report or abridged summary shall be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary shall be displayed prominently on the website of the Fund.

Associate Transactions

Please refer to Statement of Additional Information (SAI).

TAXATION

Taxation on investing in mutual funds

As per the taxation laws in force as at the date of this document, some broad income tax implications of investing in the units of the various schemes of the Fund are stated below. The information so stated is based on the Fund's understanding of the tax laws in force as of the date of this document.

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

Category of this Scheme:
"*Equity oriented fund*" is defined to mean a fund -

- where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such fund; and
- which has been set up under a scheme of a Mutual Fund specified in section 10 (23D) of the Act.

Please note that IDFC Balanced Fund will be categorised as an 'equity oriented fund' as currently defined under the Income Tax Act, 1961 so long it has invested more than 65% of its total proceeds in equity shares in domestic companies (for this purpose, as per the prevailing provisions of the Income Tax Act, the percentage of equity shareholding in domestic companies shall be computed with reference to the annual average of the monthly averages of the opening and closing figures).

Taxation of Equity oriented funds:
(applicable when this Scheme is categorized as an 'Equity oriented fund')

Particulars	Resident Investors	Mutual Fund
Tax on Dividend	Nil	Nil
Capital Gains: Long Term Short Term	 *Nil* *15%*	 Nil Nil

Note: Equity scheme will also attract securities transaction tax (STT) at applicable rates. Surcharge and Education cess will be payable in addition to the applicable taxes, wherever applicable.

As per the provisions of section 2(42A) of the Act, units of equity oriented fund held by the investor as a capital asset, is considered to be a short-term capital asset, if it is held for 12 months or less from the date of its acquisition by the unit holder. Accordingly, if such assets are held for a period of more than 12 months, it is treated as a long-term capital asset.

1) Long-term capital gains

As per Section 10(38) of the Act, long-term capital gains arising from the sale of unit of an equity oriented fund entered into in a recognized stock exchange or sale of such unit of an equity oriented fund to the mutual fund would be exempt from income tax, provided such transaction of sale is chargeable to securities transaction tax. Companies would be required to include such long term capital gains in computing the book profits and minimum alternate tax liability under section 115JB of the Act.

2) Short-term Capital Gains

As per Section 111A of the Act, short-term capital gains from the sale of unit of an equity oriented fund entered into in a recognised stock exchange or sale of such unit of an equity oriented fund to the mutual fund is taxed at 15 per cent, provided such transaction of sale is chargeable to securities transaction tax.

As per the Finance Act, 2016, the said tax rate would be increased by a surcharge of:

- In case of resident corporate unit holders:
  - NIL where the total income does not exceed Rs. 10 million
  - 7 per cent where the total income exceeds Rs. 10 million but up to Rs. 100 million; and
  - 12 per cent where the total income exceeds Rs. 100 million.

- In case of non-resident corporate unit holders:
  - NIL where the total income does not exceed Rs. 10 million;
  - 2 per cent where the total income exceeds Rs. 10 million but up to Rs. 100 million; and
  - 5 per cent where the total income exceed Rs. 100 million.
- In case of all other assesses (other than corporate), including non-residents :
  - NIL where the total income does not exceed Rs. 10 million;
  - 15 per cent where the total income exceeds Rs. 10 million w.e.f 1 April 2017

Further, an additional surcharge of 3 per cent by way of education cess would be charged in all cases on amount of tax plus surcharge, if any.

In case of resident individual, if the income from short term capital gains is less than the maximum amount not chargeable to tax, then there will be no tax payable.

Further, in case of individuals/ HUFs, being residents, where the total income excluding short-term capital gains is below the maximum amount not chargeable to tax[1], then the difference between the current maximum amount not chargeable to tax and total income excluding short-term capital gains, shall be adjusted from short-term capital gains. Therefore only the balance short term capital gains will be liable to income tax at the rate of 15 percent plus education cess[2].

3) No income distribution tax is payable by the Fund, in respect of schemes in the nature of equity oriented fund, in terms of section 115R of the Act, which deals with tax on income distributable to unit holders of mutual funds. However, schemes other than equity oriented fund schemes, are required to pay income distribution tax under section 115R of the Act at various rates ranging from 5 per cent to 30 per cent (plus surcharge at the rate of 12[3] per cent or 15 percent[3] and education cess at the rate of 3 per cent on tax plus surcharge).

4) Any income, including gains from redemption of units of scheme of Mutual Fund, received by any person for, or on behalf of, the New Pension System Trust[7], is exempt in the hands of such person under section 10(44) of the Act.

5) Securities transaction tax will apply at the following rates in case of units of equity oriented fund purchased or sold:

Nature of Transaction	Payable by	Value on which tax shall be levied	Rates (%)
Delivery based purchase transaction in units of equity oriented fund entered in a recognized stock exchange	Purchaser	Value at which the units are purchased	NIL

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[1] The maximum amounts of total income, not chargeable to tax are be as under:

Type of person	Maximum amount of income not chargeable to tax
Senior citizens, of 60 years but below 80 years , being residents	Rs. 300,000
Senior citizens, of 80 years or more, being residents	Rs. 500,000
Other individuals and HUFs	Rs. 250,000

[2] An individual resident whose total income does not exceed Rs. 500,000 shall be eligible for a rebate of lower of – income tax payable on the total income or Rs. 5000 w.e.f. 1 April 2017.

[3] In case of other persons (firms, cooperative societies, local authorities and companies) as per the Finance Act, 2016. 15 percent of the base tax in case of individuals, HUF, AOP, BOI and artificial judicial person, as per the Finance Act 2016.

Delivery based sale transaction in units of equity oriented fund entered in a recognized stock exchange	Seller	Value at which the units are sold	0.001
Non-delivery based sale transaction in units of equity oriented fund entered in a recognised stock exchange.	Seller	Value at which units are sold	0.025
Sale of units of an equity oriented fund to the mutual fund	Seller	Value at which units are sold	0.001

Taxation of Other than Equity oriented funds:
(applicable when this Scheme is categorized as 'Other than Equity oriented fund')

	Resident Investors	**Mutual Fund**
Tax on Dividend/ Income	Nil	(Refer note 3 below)
Capital Gains: Long Term	*20 % (Please refer note below)*	N.A.
Short Term	*Slab/30%/40%*	

Note: Surcharge and Educational cess will be payable in addition to the applicable taxes, wherever applicable.

As per the provisions of section 2(42A) of the Act, mutual fund units (other than equity oriented funds) held by the investor as a capital asset is considered as short term capital asset if it is held for a period of up to 36 months. Accordingly, if such unit is held for a period of more than 36 months, it is treated as a long-term capital asset.

1) Long-term capital gains

For resident as well as non- resident investors, as per section 112 of the Act, long term capital gains on transfer of units, are liable to tax at the rate of 20 per cent (with indexation benefits).

Further, in case of individuals/HUF's, being residents, where the total income excluding long term capital gains is below the maximum amount not chargeable to tax[4], then the difference between the maximum amount not chargeable to tax and total income excluding long term capital gains, shall be adjusted from long term capital gains. Therefore only the balance long term capital gains will be liable to income tax at the rate of 20 per cent.

2) Short-term Capital Gains

Short-term capital gains arising to domestic companies are taxable as under:

Income	**Rate of tax**
in case where the income is less than or equal to Rs. 10 million in a year	30.90 % (30% tax plus surcharge of 3% by way of education cess on the tax)
in case where the income exceeds 10 million but up to Rs. 100 million in a	33.063% (30% tax plus 7% surcharge thereon plus additional surcharge of 3% by way of education cess on

[4] The maximum amounts of total income, not chargeable to tax are as under:

Type of person	**Maximum amount of income not chargeable to tax**
Senior citizens, of 60 years but below 80 years, being residents	Rs. 300,000
Senior citizens, of 80 years or more, being residents	Rs. 500,000
Other individuals and HUFs	Rs. 250,000

year	the tax plus surcharge)
in case where the income exceeds 100 million in a year	34.608% (30% tax plus 12% surcharge thereon plus additional surcharge of 3% by way of education cess on the tax plus surcharge)

Short-term capital gains arising to partnership, including LLPs are taxable as under:

Income	Rate of tax
in case where the income is less than or equal to Rs. 10 million in a year	30.90 % (30% tax plus surcharge of 3% by way of education cess on the tax plus surcharge)
in case where the income exceeds 10 million in a year	34.608% (30% tax plus 12% surcharge thereon plus additional surcharge of 3% by way of education cess on the tax plus surcharge)

Short-term capital gains arising to FPIs, being foreign companies, are taxable as under:

Income	Rate of tax
in case where the income is less than or equal to Rs. 10 million in a year	30.90 % (30% tax plus surcharge of 3% by way of education cess on the tax plus surcharge)
in case where the income exceeds Rs. 10 million but up to Rs. 100 million in a year	31.518% (30% tax plus 2% surcharge thereon plus additional surcharge of 3% by way of education cess on the tax plus surcharge)
in case where the income exceeds Rs. 100 million in a year	32.445% (30% tax plus 5% surcharge thereon plus additional surcharge of 3% by way of education cess on the tax plus surcharge)

Short-term capital gains arising to FPIs, other than foreign companies, are taxable as under:

Income	Rate of tax
in case where the income is less than or equal to Rs. 10 million in a year	30.90 % (30% tax plus surcharge of 3% by way of education cess on the tax plus surcharge)
in case where the income exceeds Rs. 10 million in a year	35.535% (30% tax plus 15% surcharge thereon plus additional surcharge of 3% by way of education cess on the tax plus surcharge) w.e.f. 01 April 2017

Short-term capital gains arising to individuals and HUFs – residents as well as non residents are taxable on progressive basis given below:

In case of persons other than resident senior citizens:

Where total income for a tax year (April to March) is less than or equal to Rs. 2,50,000	Nil
Where such total income is more than Rs. 250,000 but is less than or equal to Rs. 500,000	10 per cent of the amount by which the total income exceeds Rs. 2,50,000
Where such total income is more than Rs. 500,000 but is less than or equal to Rs. 10,00,000	Rs. 25,000 plus 20 per cent of the amount by which the total income exceeds Rs. 500,000
Where such total income is more than Rs. 10,00,000	Rs. 1,25,000 plus 30 per cent of the amount by which the total income exceeds Rs. 10,00,000

In case of resident senior citizens of 60 years but below 80 years of age:

Where total income for a tax year (April to March) is less than or equal to Rs. 300,000	Nil
Where such total income is more than	10 per cent of the amount by which the total income

Rs. 300,000 but is less than or equal to Rs. 500,000	exceeds Rs. 300,000.
Where such total income is more than Rs. 500,000 but is less than or equal to Rs. 10,00,000	Rs.20,000 plus 20 per cent of the amount by which the total income exceeds Rs. 500,000
Where such total income is more than Rs. 10,00,000	Rs. 1,20,000 plus 30 per cent of the amount by which the total income exceeds Rs. 10,00,000

In case of resident senior citizens of 80 years of age or more:

Where total income for a tax year (April to March) is less than or equal to Rs. 500,000	Nil
Where such total income is more than Rs. 500,000 but is less than or equal to Rs. 1,000,000	20 per cent of the amount by which the total income exceeds Rs. 500,000
Where such total income is more than Rs. 1miliion	Rs. 100,000 plus 30 per cent of the amount by which the total income exceeds Rs. 1 million

An individual resident, whose total income does not exceed Rs. 500,000, shall be eligible for a rebate of lower of - amount income-tax payable or Rs. 5000 w.e.f. 01 April 2017.

As per the Finance Act, 2016, surcharge of 15 per cent is payable on the amount of tax payable, in case where the income exceeds 10 million.

An additional surcharge, by way of education cess, is payable at the rate of 3 per cent on the amount of tax payable plus surcharge, if any, as calculated above.

3) Income of the Mutual Fund (including dividend income) is exempt from income tax. However the scheme needs to pay distribution tax on the dividend paid by it to the investors as under:

Particulars	Rate in %
On income distributed to any individual or a Hindu Undivided family by a money market mutual fund or a liquid fund	39.483 **[**aggregate of base tax: net tax 25% (to be grossed up), surcharge[5] and education cess[6]]
On income distributed to any other person, for instance, corporates, by a money market mutual fund or a liquid fund	49.44 [aggregate of base tax: net tax 30% (to be grossed up), surcharge[2] and education cess[3]]
On income distributed to any individual or a Hindu Undivided family by a debt fund other than a money market mutual fund or a liquid fund	39.483 **[**aggregate of base tax: net tax 25% (to be grossed up), surcharge[2] and education cess[3]]
On income distributed to any other person, for instance, corporates, by a debt fund other a money market mutual fund or a liquid fund and infrastructure debt fund	49.44 [aggregate of base tax: net tax 30% (to be grossed up), surcharge[2] and education cess[3]]
On income distributed to a non resident (not being a Company) by an infrastructure debt fund	6.234 [aggregate of base tax: net tax 5% (to be grossed up), surcharge[2] and education cess[3]]
On income distributed to a foreign company by an infrastructure debt fund	6.072 [paggregate of base tax: net tax 5% (to be grossed up), surcharge[2] and education cess]

4) Any income, including gains from redemption of units of scheme of Mutual Fund, received by any person for, or on behalf of, the New Pension System Trust[7], is exempt in the hands of such person under section 10(44) of the Act.

[5] Surcharge is 15% of the base tax, as per the Finance Act, 2016 in case of individuals, HUF, AOP, BOI and artificial judicial person, and 12 percent in case of other persons (firms, cooperative societies, local authorities and companies)
[6] Education cess is 3 percent on base tax plus surcharge

For further details on taxation please refer to the Section on 'Tax Benefits of investing in the Mutual Fund' provided in 'Statement of Additional Information ('SAI')'.

Investor services

Investor Relations Officers:

Name	Region	Address and Contact Number	E-Mail
Neeta Singh	West- Maharashtra	Ramon House, 169, Backbay Reclamation, H.T Parekh Marg, Churchgate, Mumbai 400020. Tel.: 43422876	neeta.singh@idfc.com
Bansari Soni	Gujarat and rest of West	B Wing, 3rd Floor, Chandan House, Opp Gruh Finance, Mithakhali Six Roads, Law Garden, Ahmedabad 380006. Tel.:+9179-26460923 -26460925, 64505881 , 64505857	bansari.soni@idfc.com
Additi Bhardwaj	North- Delhi	4th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi 110 001. Tel: 011-47311323 Fax: 011-43523626, 41524332.	additi.bhardwaj@idfc.com
Baldev Shandil	Rest of North	SCO:2475-76,1St Floor, Sector-22-C Chandigarh 160022. Tel:+911725071922, Ext-17205, Mobile: 8146388668	baldev.shandil@idfc.com
Vijith Raghavan	East	Oswal Chambers, 1st Floor, 2 Church Lane, Kolkata 700001. Phone: +91 33 4017 1000 to 1004; Fax: +91 33 3024 9793	vijith.raghavan@idfc.com
Vithya Kumar	South (including Tamil Nadu & Kerala)	8th Floor, KRM Towers, No.1, Harrington Road, Chetpet, Chennai 600031 Tel.:+914445644000 Extn:44211	vithya.kumar @idfc.com
Dipesh K. Shah	South – Andhra Pradesh and Karnataka	6th Floor, East Wing, Raheja Towers, #26 & 27, M. G. Road, Bangalore - 560 001. Tel.: +91-80-66111504/ 05/ 06	Dipesh.kshah@idfc.com
Ramya Adepu	South- Hyderabad	6-3-885/7/C/2/S2, 2nd Floor, Amit Plaza, Somajiguda, Hyderabad 500082. Phone +40 42014646.	ramya.adepu@idfc.com

D. COMPUTATION OF NAV

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time.

All expenses and incomes accrued up to the valuation date shall be considered for computation of NAV. For this purpose, major expenses like management fees and other periodic expenses would be accrued on a day to day basis. The minor expenses and income will be accrued on a periodic basis, provided the non-daily accrual does not affect the NAV calculations by more than 1%.
Any changes in securities and in the number of units be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the Net Asset Value disclosure, the recording may be delayed upto a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%.

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

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

(i) If the investors are allotted units at a price higher than Net Asset Value or are given a price lower than Net Asset Value at the time of sale of their units, they shall be paid the difference in amount by the scheme.

(ii) If the investors are charged lower Net Asset Value at the time of purchase of their units or are given higher Net Asset Value at the time of sale of their units, asset management company shall pay the difference in amount to the scheme.

The asset management company may recover the difference from the investors.

NAV of units under the Scheme shall be calculated as shown below:

NAV (Rs.) =

Market or Fair Value of Scheme's investments	+	Current Assets including Accrued Income	-	Current Liabilities and Provisions including accrued expenses

No. of Units outstanding under Scheme

The NAV of the Scheme will be calculated upto four decimal places and will be declared on each business day. The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and shall be subject to such regulations as may be prescribed by SEBI from time to time.
The NAV shall be published atleast in two daily newspapers and shall be calculated and announced on a daily basis. The NAVs of Growth Option and Dividend Option will be different after the declaration of the first dividend.

IV. FEES AND EXPENSES (This section outlines the expenses that will be charged to the Scheme)

As per the provisions of the Regulations, read with the amendments thereto, the following fee and expenses will be charged to the plans under the scheme.

A. NEW FUND OFFER (NFO) EXPENSES (These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc)

New fund offer expenses will be borne by the AMC.

B. ANNUAL SCHEME RECURRING EXPENSES

(These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below):

As per SEBI (MF) Regulations, 1996, recurring expenses will not exceed the following limits :

<u>When the fixed income (debt & money market) component in the scheme is upto 65%</u>

1. on the first Rs. 100 crore of the Scheme's daily net assets, will not exceed 2.50%
2. on the next Rs. 300 crore of the Scheme's daily net assets, will not exceed 2.25%
3. on the next Rs. 300 crore of the Scheme's daily net assets, will not exceed 2.00% and
4. on the balance of the Scheme's daily net assets, will not exceed 1.75%.

In addition to the recurring expense mentioned above, additional expenses of 0.20% of daily net assets of the scheme shall be chargeable.

The total fees and expenses for operating the scheme as listed hereunder would be 2.70% (2.50% plus 0.20%) of the daily net assets which includes expenses towards management fees, commission, marketing expense and other expense relating to operating the scheme.

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.50%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps) ^	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
Service tax on expenses other than investment and advisory fees	
Service tax on brokerage and transaction cost [@]	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)[&]	**Upto 2.50%**
Additional expenses under regulation 52 (6A) (c)	Upto 0.20%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

The scheme can charge upto 2.70% of the daily net assets as management fees[&].

[&] Provided that, if there are no suitable equity and arbitrage opportunities and due to this exposure in fixed income securities exceeds 65% of net assets (which is again subject to 30 days' rebalancing period) such recurring expenses shall be lesser by at least 0.25% of the daily net assets, as described below:

<u>When the fixed income (debt & money market) component in the scheme exceeds 65%</u>

1. on the first Rs. 100 crore of the Scheme's daily net assets, will not exceed 2.25%
2. on the next Rs. 300 crore of the Scheme's daily net assets, will not exceed 2%
3. on the next Rs. 300 crore of the Scheme's daily net assets, will not exceed 1.75% and
4. on the balance of the Scheme's daily net assets, will not exceed 1.50%.

In addition to the recurring expense mentioned above, additional expenses of 0.20% of daily net assets of the scheme shall be chargeable.

The total fees and expenses for operating the scheme as listed hereunder would be 2.45% (2.25% plus 0.20%) of the daily net assets which includes expenses towards management fees, commission, marketing expense and other expense relating to operating the scheme.

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.25%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	

Expense Head	% of daily Net Assets
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps) ^	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
Service tax on expenses other than investment and advisory fees	
Service tax on brokerage and transaction cost @	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	**Upto 2.25%**
Additional expenses under regulation 52 (6A) (c)	Upto 0.20%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

The scheme can charge upto 2.45% of the daily net assets as management fees.

^ In terms of SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC / Mutual Fund shall annually set apart at least 2 basis points (i.e. 0.02%) on daily net assets of the scheme within the maximum limit of Total Expense Ratio as per Regulation 52 of the SEBI (MF) Regulations for investor education and awareness initiatives.

@ Brokerage and transaction costs incurred for the execution of trades and included in the cost of investment, not exceeding 0.12 per cent of the value of trades of cash market transactions. Thus, in terms of SEBI circular CIR/IMD/DF/24/2012 dated November 19, 2012, it is hereby clarified that the brokerage and transaction costs incurred for the execution of trades may be capitalized to the extent of 0.12 per cent of the value of trades of cash market transactions. Any payment towards brokerage and transaction costs (including service tax, if any) incurred for the execution of trades, over and above the said 0.12 per cent for cash market transactions may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (MF) Regulations.

The expense of 30 bps shall be charged if the new inflows from such cities as specified from time to time are at least - (i) 30 per cent of gross new inflows in the scheme, or; (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:
Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub- clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.

Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities. Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

In case inflows from beyond top 15 cities is less than the higher of (i) or (ii) above, additional TER on daily net assets of the scheme shall be charged as follows:

$$\frac{\text{Daily net assets X 30 basis points X New inflows from beyond top 15 cities}}{\text{365* X Higher of (i) or (ii) above}}$$

* 366, wherever applicable.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

At least 0.10% of the TER is charged towards distribution expenses/ commission in the Regular Plan. The TER of the Direct Plan will be lower to the extent of the above mentioned distribution expenses/ commission (at least 0.10%) which is charged in the Regular Plan. For example, in the event that the TER of the Regular Option is 2.50% p.a., the

TER of the Direct Option would not exceed 2.40% p.a.

Disclosure on service tax:

Service tax on investment management and advisory fees shall be in addition to the above expense.

Further, with respect to service tax on other than management and advisory fees:
- Service tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per regulation 52 of the Regulations.
- Service tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the scheme.
- Service tax on brokerage and transaction cost paid for asset purchases, if any, shall be within the limit prescribed under regulation 52 of the Regulations.

For the actual current expenses being charged, the investor should refer to the website of the mutual fund at www.idfcmf.com

As per the Regulations, the total recurring expenses that can be charged to the Scheme in this Scheme information document shall be subject to the applicable guidelines. Expenses over and above the permitted limits will be borne by the AMC. The total recurring expenses of the Scheme, will however be limited to the ceilings as prescribed under Regulation 52(6) of the Regulations.

Impact of Expense on the performance of the Scheme

Particulars		**Dates**	
		1-Apr-16	**2-Apr-16**
Opening Net Assets	a	100,000.00	100,119.62
Income earned during the day	b	25.00	20.00
Incremental Portfolio gain	c	100.00	-80
Net Assets before expenses	a+b+c	100,125.00	100,059.62
Units Balance	d	1,000.00	1,000.00
NAV before charging expenses	(a+b+c)/d	100.125	100.0596
Expenses charged @ 2% p a	e	5.38	5.38
Net Assets after expenses	a+b+c-e	100,119.62	100,054.25
NAV after charging expenses	(a+b+c-e)/d	100.1196	100.0542
i.e. final NAV			
Returns before expenses		46%	-22%
Returns after expenses		44%	-24%
expenses charged =e =(a+b+c)*expense ratio/(100+ expense ratio)/365 days			

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.idfcmf.com) or may call at (toll free no.1-800-26666 88) or your distributor.

Entry load: Nil
Exit Load: In respect of each purchase of Units:
- For 10% of investment : Nil
- For remaining investment : 1% if redeemed/switched out within 12 months from the date of allotment

It is clarified that the redemptions/switches of Units will be considered on First-in-First-Out (FIFO) basis.

All switches will be treated as redemption in the source scheme and subscription in the destination scheme, with the entry and exit load as may be applicable.

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/switches accepted by the Mutual Fund. Similarly, no entry load will be charged with respect to applications for registrations under the Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) accepted by the Mutual Fund.

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI registered distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

Exit load (if any) charged to the unit holders by the Mutual Fund on redemption (including switch-out) of units shall be credited to the respective scheme net of service tax. Service tax on exit load, if any, shall be paid out of the exit load proceeds.

Load on bonus/dividend re-investment units: In terms of SEBI circular SEBI/IMD/CIR No.14/120784/08 dated March 18, 2008, no entry and exit load shall be charged on bonus units or units allotted on reinvestment of dividend.

The Trustee / AMC reserves the right to introduce a Load and change the Load structure any time in future if they so deem fit on a prospective basis. The investor is requested to check the prevailing load structure of the scheme before investing.

In case of changes/modifications of load, the AMC will endeavour to do the following:

1. An addendum will be attached to the Scheme Information Documents and Key Information Memorandum. The same may be circulated to brokers/distributors so that the same can be attached to all SIDs and abridged SID in stock. Further the addendum will be sent along with a newsletter to unitholders immediately after the changes.
2. Arrangement will be made to display the changes/modifications in the SID in the form of a notice in all the official point of acceptance of transactions and distributor's/broker's office.
3. The introduction of the exit load alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load .
4. A public notice shall be given in respect of such changes in one English Daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head office of the Mutual Fund is situated.

Transaction charges

In accordance with SEBI circular no. CIR/ IMD/ DF/ 13/ 2011 dated August 22, 2011, Transaction Charge per subscription of Rs.10, 000/ – and above shall be charged from the investors and shall be payable to the distributors/ brokers (who have opted in for charging the transaction charge for this scheme) in respect of applications routed through distributor/ broker relating to Purchases / subscription / new inflows only (lump sum and SIP), subject to the following:

- **For Existing / New investors: Rs.100 / Rs.150 as applicable per subscription of Rs. 10,000/ – and above**
- **Transaction charge for SIP shall be applicable only if the total commitment through SIP amounts to Rs.10,000/ – and above. In such cases the transaction charge would be recovered in maximum 4 successful installments.**
- **There shall be no transaction charge on subscription below Rs.10,000/-.**
- **There shall be no transaction charges on direct investments.**

The Transaction Charge as mentioned above shall be deducted by the AMC from the subscription amount of the Unit Holder and paid to the distributor and the balance shall be invested in the Scheme. 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.

The requirement of minimum application amount shall not be applicable if the investment amount falls below the minimum amount required due to deduction of transaction charges from the subscription amount.

The AMCs shall be responsible for any malpractice/mis-selling by the distributor while charging transaction costs.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

1. *Penalties and action(s) taken against foreign Sponsor(s) limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Also, top 10 monetary penalties of foreign sponsor(s) during the last three years.:*

   None

2. *In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.*

   - The National Securities Clearing Corporation Ltd. informed that IDFC Enterprise Equity Fund had an open interest in stock futures segment in one of the securities where the exposure quantity which was in excess of 1% of the free float market capitalization (in terms of shares) and that the exposure was also in excess of 5% of open interest (in terms of number of shares) in all futures and option contracts in the underlying security. In accordance with the NSCCL circular dated June 17, 2003, the MF was levied a penalty of Rs. 1 Lakh, which was paid.
   - In case of IDFC Ltd., sponsor of IDFC Mutual Fund, there was one instance of SGL bounce for which the RBI has imposed penalty of Rs.500,000/- during the year ended March 31, 2013. The Sponsor has paid the penalty to the RBI.

3. *Details of all enforcement actions(Including the details of violation, if any) taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party.*

   None

4. *Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party.*

   None

5. *Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or notified by any other regulatory agency.*

The Clearing Corporation of India Limited, Mumbai imposed a penalty on the AMC under CCIL's Bye – Laws, Rules & Regulation on account of short fall in CCIL securities segment margin. The penalty charged to the AMC amounted to approx. Rs 49,000, which was paid. The AMC has taken adequate steps to ensue that no further breach shall take place

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

The Scheme Information Document containing details of the Scheme of IDFC Mutual Fund, had been approved by the Board of IDFC AMC Trustee Company Limited on October 21, 2015. The Board of Directors of IDFC AMC Trustee Company Limited have ensured that the scheme approved by them is a new product offered by the Mutual Fund and is not a minor modification of the existing scheme/fund/ product.

For IDFC Asset Management Company Limited

Vishal Kapoor
CEO

Name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc.

REGISTRAR:

Computer Age Management Services Private Limited (CAMS)
7th Floor, Tower II, Rayala Towers,
No.158, Anna Salai,
Chennai 600 002
Tel. + 91 – 44 – 30407263/7262

E-Mail ID: p_madhu@camsonline.com
Website: www.camsonline.com

Official Points of Acceptance of Transactions, CAMS

Agartala: Advisor Chowmuhani (Ground Floor), Krishnanagar, Agartala, Tripura - 799001. • Agra : No.8, II Floor, Maruti Tower, Sanjay Place, Agra, Uttar Pradesh - 282002. • Ahmedabad :111-113, 1st Floor,, Devpath Building, Off C. G. Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad, Gujarat - 380006. • Ajmer: AMC No.423/30, Near Church Brahampuri, Opp. T.B.Hospital, Jaipur Road, Ajmer, Rajasthan - 305001. • Akola: Opp.RLT Science College, Civil Lines, Akola, Maharashtra - 444001. • Aligarh: City Enclave, Opp.Kumar Nursing Home, Ramghat Road, Aligarh, Uttar Pradesh - 202001. • Allahabad : 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, Allahabad, Uttar Pradesh - 211001. • Alleppey : Doctor'sTower Building, Door No.14/2562, 1st floor, North of Iorn Bridge, Near Hotel Arcadia Regency, Alleppey, Kerala - 688011. • Alwar : 256A,Scheme No.1, Arya Nagar, Alwar, Rajasthan -301001. • Amaravati : 81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati, Maharashtra - 444601. • Ambala : Opposite PEER, Bal Bhavan Road, Ambala, Haryana - 134003.• Amritsar : SCO-18J, 'C'BLOCK, RANJIT AVENUE, Amritsar, Punjab - 140001. • Anand : 101, A.P.Tower, B/H Sardhar Gunj, Next to Nathwani Chambers, Anand, Gujarat - 388001. •Anantapur : 15-570-33, I Floor, Pallavi Towers, Anantapur, Andhra Pradesh - 515001. • Andheri : CTS No.411, Citipoint, Gundavali, Teli Gali, Above C.T.Chatwani Hall, Andheri, Maharashtra -400069. • Ankleshwar : Shop No.F-56, First Floor, Omkar Complex, Opp.Old Colony, Nr. Valia Char Rasta, GIDC,Ankleshwar-Bharuch, Gujarat - 393002. • Asansol:Block–G, 1st Floor,P.C.Chatterjee Market Complex, Rambandhu Talab P O Ushagram, Asansol, West Bengal - 713303. • Aurangabad:Office No.1, 1st Floor, Amodi Complex, Juna Bazar, Aurangabad,Maharashtra - 431001. • Balasore:B.C.Sen Road, Balasore, Orissa - 756001. • Bangalore: Trade Centre, 1st Floor, 45, Dikensen Road, Next to Manipal Centre, Bangalore, Karnataka - 560042. • Bareilly:F-62-63, Butler Plaza, Civil Lines, Bareilly, Uttar Pradesh - 243001. • Belgaum:1st Floor, 221/2A/1B, Vaccine Depot Road, Near 2nd Railway gate, Tilakwadi, Belgaum,Karnataka - 590006. • Bellary:60/5, Mullangi Compound, Gandhinagar Main Road (Old Gopalswamy Road), Bellary, Karnataka - 583101. • Berhampur: Kalika Temple Street, Beside SBI Bazar Branch, Berhampur- 760 002, Ganjanm (Odisha). • Bhagalpur:Krishna, I Floor, Near Mahadev Cinema, Dr.R.P.Road, Bhagalpur, Bihar - 812002. • Bhatinda:2907 GH,GT Road, Near Zila Parishad, Bhatinda, Punjab - 151001. • Bhavnagar:305-306, Sterling Point, Waghawadi Road, Opp.HDFC BANK, Bhavnagar, Gujarat - 364002. • Bhilai: First Floor, Plot No. 3, Block No. 1, Priyadarshini Parisar West, Behind IDBI Bank, Nehru Nagar, Bhilai, District Durg - 490020. • Bhilwara:Indraparstha Tower, Second floor, Shyam ki sabji mandi, Near Mukharji garden, Bhilwara, Rajasthan - 311001. • Bihar Sharif (Nalanda); R – C Palace, Amber Station Road, Opp.: Mamta Complex, Bihar Sharif (Nalanda), Bihar – 803101 • Bhopal: Plot no.10, 2nd Floor, Alankar Complex, Near ICICI Bank, MP Nagar, Zone II, Bhopal, Madhya Pradesh - 462011. • Bhubaneswar:Plot No. 111,Varaha Complex Building, 3rd Floor, Station Square, Kharvel Nagar Unit 3, Bhubaneswar, Orissa - 751001. • Bhuj:Data Solution, Office No.17, Ist Floor, Municipal Building, Opp. Hotel Prince, Station Road, Bhuj-Kutch, Gujarat - 370001. • Bikaner: Behind Rajasthan Patrika, In front of Vijaya Bank, 1404, Amar Singh Pura, Bikaner, Rajasthan - 334001. • Bilaspur:Beside HDFC Bank, Link Road, Bilaspur, Chattisgarh -495001. • Bokaro:Mazzanine Floor, F-4, City Centre, Sector 4, Bokaro Steel City, Bokaro, Jharkhand - 827004. • Burdwan:399, G.T.Road, Basement of Talk of the Town, Burdwan, West Bengal - 713101. • Calicut:29/97G 2nd Floor, Gulf Air Building, Mavoor Road, Arayidathupalam, Calicut, Kerala - 673016. • Chandigarh:Deepak Tower, SCO 154-155, 1st Floor, Sector 17-C, Chandigarh, Punjab - 160017. • Chennai No. 158, Anna Salai, 7th Floor, Tower II, Rayala Towers, Chennai 600002 • Chennai:Ground Floor,No.178/10, Kodambakkam High Road, Opp.Hotel Palmgrove, Nungambakkam, Chennai, Tamil Nadu - 600034. • Cochin:Ittoop's Imperial Trade Center, Door No. 64/5871–D, 3rd Floor, MG. Road(North), Cochin, Kerala - 682035. • Coimbatore:Old #66 New #86, Lokamanya Street (West), Ground Floor, R.S.Puram, Coimbatore, Tamil Nadu - 641002. • Cuttack:Near IndianOverseas Bank, Cantonment Road, Mata Math, Cuttack, Orissa - 753001. • Davenegere:13, Ist Floor, Akkamahadevi Samaj Complex, Church Road, P.J.Extension, Devengere, Karnataka - 577002. • Dehradun:204/121 Nari Shilp Mandir Marg, Old Connaught Place, Dehradun, Uttaranchal - 248001. • Deoghar:SSM Jalan Road, Ground floor, Opp.Hotel Ashoke, Caster Town,Deoghar, Jharkhand - 814112. • Dhanbad:Urmila Towers, Room No.111(1st Floor), Bank More, Dhanbad, Jharkhand - 826001. • Durgapur: Plot No. 3601, Nazrul Sarani, City Centre, Durgapur-713216. • Erode:197, Seshaiyer Complex, Agraharam Street, Erode, Tamil Nadu - 638001. • Faridhabad:B-49, Ist Floor, Nehru Ground, Behind Anupam SweetHouse, NIT, Faridhabad, Haryana - 121001. • Faizabad: Amar Deep Building, 3/20/14, 2nd Floor, Niyawan, Faizabad-224001. Mobile :9235406436 • Ghaziabad:113/6, I Floor, Navyug Market, Gazhiabad, Uttar Pradesh - 201001. • Goa: Lawande Sarmalkar Bhavan, 1st Floor, Office No. 2, Next to Mahalaxmi Temple, Panaji, Goa - 403 001.• Firozabad: 53, 1st

Floor, Shastri Market, Sadar Bazar, Firozabad - 283 203• Gorakhpur:Shop No.3, Second Floor, The Mall, Cross Road, A.D.Chowk, Bank Road, Gorakhpur, Uttar Pradesh - 273001. • Guntur:Door No.5-38-44, 5/1BRODIPET, Near Ravi Sankar Hotel, Guntur, Andhra Pradesh - 522002. • Gurgaon:SCO-16, Sector-14, First floor, Gurgaon, Haryana - 122001. • Guwahati:A.K.Azad Road, Rehabari,Guwahati, Assam - 781008. • Gwalior: G-6 Global Apartment, Kailash Vihar Colony, Opp.Income Tax Office, City Centre, Gwalior, Madhya Pradesh - 474002. • Hazaribag:Municipal Market Annanda Chowk, Hazaribagh, Jharkhand - 825301. • Hisar:12, Opp.Bank of Baroda, Red Square Market, Hisar, Haryana - 125001. • Hubli:No.204-205, 1st Floor, 'B' Block, Kundagol Complex, Opp. Court, Club Road, Hubli, Karnataka - 580029. • Hyderabad:208, II Floor, Jade Arcade, Paradise Circle, Secunderabad, Andhra Pradesh - 500003. • Indore:101, Shalimar Corporate Centre, 8-B, South Tukogunj, Opp.Greenpark, Indore, Madhya Pradesh - 452001. • Jabalpur:8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town,Jabalpur, Madhya Pradesh - 482001. • Jaipur:R-7, Yudhisthir Marg, C-Scheme, Behind Ashok Nagar Police Station, Jaipur, Rajasthan - 302001. • Jalandhar:367/8, Central Town,Opp.Gurudwara Diwan Asthan, Jalandhar, Punjab - 144001. • Jalgaon:Rustomji Infotech Services, 70, Navipeth, Opp.Old Bus Stand, Jalgaon, Maharashtra - 425001. • Jalna:Shop No.6,Ground Floor, Anand Plaza Complex, Bharat Nagar, Shivaji Putla Road, Jalna, Maharashtra - 431203. • Jammu: JRDS Heights, Lane Opp. S&S Computers, Near RBI Building, Sector 14,Nanak Nagar, Jammu, J&K - 180004. • Jamnagar: 217/218, Manek Centre, P.N.Marg, Jamnagar, Gujarat - 361008. • Jamshedpur: Millennium Tower, "R" Road, Room No.15 First Floor,Bistupur, Jamshedpur, Jharkhand - 831001. • Jhansi:Opp.SBI Credit Branch, Babu Lal Kharkana Compound, Gwalior Road, Jhansi, Uttar Pradesh - 284001. • Jodhpur:1/5, Nirmal Tower, IstChopasani Road, Jodhpur, Rajasthan - 342003. • Junagadh:202-A, 2nd Floor, Aastha Plus Complex, Opp.Jhansi Rani Statue Near Alkapuri, Sardarbaug Road, Junagadh, Gujarat - 362001. •Kadapa:Bandi Subbaramaiah Complex, D.No.3/1718, Shop No.8, Raja Reddy Street, Kadapa, Andhra Pradesh - 516001. • Kakinada:No.33-1, 44 Sri Sathya Complex, Main Road, Kakinada,Andhra Pradesh - 533001. • Kalyani:A - 1/50, Block-A, Dist Nadia, Kalyani, West Bengal - 741235.• Kannur:Room No.14/435, Casa Marina Shopping Centre, Talap, Kannur, Kerala -670004. • Kanpur:I Floor, 106 to 108, CITY CENTRE Phase II, 63/ 2, THE MALL, Kanpur, Uttar Pradesh - 208001. • Karimnagar:HNo.7-1-257, Upstairs SBH Mangammathota, Karimnagar,Andhra Pradesh - 505001. • Karur:126 G, V.P.Towers, Kovai Road, Basement of Axis Bank, Karur, Tamil Nadu - 639002. • Kharagpur:H.NO.291/1, ward no.15, malancha main road,opposite UCO bank, Kharagpur, West Bengal – 721301 • Kobra - Shop No. 6, Shriram Commercial Complex, Infront of Hotel Blue Diamond, Ground Floor, T. P. Nagar, Korba, Chhattisgarh - 495677 • Kolhapur:2B, 3rd Floor, Ayodhya Towers, Station Road, Kolhapur, Maharashtra - 416001. • Kolkata:Saket Building, 44 ParkStreet, 2nd Floor, Kolkata, West Bengal - 700016. • Kollam:Kochupilamoodu Junction, Near VLC, Beach Road, Kollam, Kerala - 691001. • Kota:B-33 Kalyan Bhawan, Triangle Part, VallabhNagar, Kota, Rajasthan - 324007. • Kottayam: Jacob Complex , Building No - Old No-1319F, New No - 2512D , Behind Makkil Centre , Good Sheperd Road , Kottayam – 686001. • Kumbakonam:JailaniComplex, 47, Mutt Street, Kumbakonam, Tamil Nadu - 612001. • Kurnool: Shop Nos. 26 & 27, Door No. 39/265A & 39/265B, Second Floor, Skanda Shopping Mall, Old Chad Talkies, Vaddageri, 39th Ward, Kurnool - 518001, Andhra Pradesh.• Lucknow:Off #4,1st Floor,Centre Court Building, 3/c, 5-Park Road, Hazratganj, Lucknow, Uttar Pradesh - 226001. • Ludhiana:U/GF, Prince Market, Green Field, Near Traffic Lights, Sarabha Nagar, Pulli PakhowalRoad, Ludhiana, Punjab - 141002. • Madurai:Ist Floor, 278, North Perumal Maistry street, Nadar Lane, Madurai, Tamil Nadu - 625001. •Mangalore:No.G4 & G5, Inland Monarch, Opp.Karnataka Bank, Kadri Main Road, Kadri, Mangalore, Karnataka - 575003. • Goa: B-301, Reliance Trade Center, opp. Grace Nursing Home, near Cafe Tato V.V. Road (Varde Valaulikar), Margao, Goa - 403 601 • Meerut:108 Ist Floor Shivam Plaza, Opposite Eves Cinema, Hapur Road, Meerut, Uttar Pradesh - 250002. • Mehsana:1st Floor, Subhadra Complex, UrbanBank Road, Mehsana, Gujarat - 384002. • Moradabad: H 21-22, 1st Floor, Ram Ganga Vihar Shopping Complex, Opposite Sale Tax Office, Moradabad, Uttar Pradesh - 244001. • Mumbai:Rajabahdur Compound, Ground Floor, Opp. Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort, Mumbai, Maharashtra - 400023. • Muzzafarpur:Brahman toli, Durgasthan, Gola Road, Muzaffarpur, Bihar - 842001. •Mysore:No.1, 1st Floor, CH.26 7th Main, 5th Cross(Above Trishakthi Medicals), Saraswati Puram, Mysore, Karnataka - 570009. • Nagpur:145 Lendra, New Ramdaspeth, Nagpur,Maharashtra - 440010. • Nasik:Ruturang Bungalow, 2 Godavari Colony, Behind Big Bazar, Near Boys Town School, Off College Road, Nasik, Maharashtra - 422005. • Navsari:Dinesh Vasani& Associates. 103-Harekrishna Complex, above IDBI Bank, Nr.Vasant Talkies, Chimnabai Road, Navasari, Gujarat - 396445. • Nellore:97/56, I Floor Immadisetty Towers, RanganayakulapetRoad, Santhapet, Nellore, Andhra Pradesh - 524001. • New Delhi:7-E, 4th Floor, Deen Dayaal Research Institute Building, Swami Ram Tirath Nagar, Near Videocon Tower JhandewalanExtension, New Delhi - 110055. • Noida:C-81, 1st floor, Sector-2, Noida - 201301. • Palakkad:10/688, Sreedevi Residency, Mettupalayam Street, Palakkad, Kerala - 678001. • Panipat:83,Devi Lal Shopping Complex, Opp.ABN Amro Bank, G.T.Road, Panipat, Haryana - 132103. • Patiala:35, New lal Bagh Colony, Patiala, Punjab - 147001. • Patna:G-3, Ground Floor, Om ViharComplex, SP Verma Road, Patna, Bihar - 800001. • Pondicherry:S-8, 100, Jawaharlal Nehru Street(New Complex, Opp.Indian Coffee House), Pondicherry - 605001. • Pune:Nirmiti Eminence, Off No.6, I Floor, Opp.Abhishek Hotel Mehandale Garage Road, Erandawane, Pune, Maharashtra - 411004. • Raipur:HIG,C-23, Sector-1, Devendra Nagar, Raipur, Chhattisgarh -492004. • Rajahmundry:Door No.6-2-12, 1st Floor, Rajeswari Nilayam, Near Vamsikrishna Hospital, Nyapathi Vari Street, T Nagar, Rajahmundry, Andhra Pradesh - 533101. • Rajkot:Office207-210, Everest Building, Harihar Chowk, Opp.Shastri Maidan, Limda Chowk, Rajkot, Gujarat - 360001. • Ranchi:4, HB Road, No.206, 2nd Floor Shri Lok Complex, H.B.Road Near Firayalal, Ranchi, Jharkhand - 834001. • Rohtak:205, 2ND Floor, Blg. No.2, Munjal Complex, Delhi Road, Rohtak, Haryana - 124001. • Rourkela:1st Floor, Mangal Bhawan, Phase II, Power HouseRoad, Rourkela, Orissa - 769001. • Saharanpur:I Floor, Krishna Complex, Opp.Hathi Gate, Court Road, Saharanpur, Uttar Pradesh - 247001. • Salem:No.2, I Floor Vivekananda Street, NewFairlands, Salem, Tamil Nadu - 636016. • Sambalpur:C/o Raj Tibrewal & Associates, Opp.Town High School, Sansarak, Sambalpur, Orissa - 768001. • Sangli:Diwan Niketan, 313,Radhakrishna Vasahat, Opp. Hotel Suruchi, Near S.T.Stand, Sangli, Maharashtra - 416416. • Satara:117/A/3/22, Shukrawar Peth, Sargam Apartment, Satara, Maharashtra - 415002. •Shillong: 3rd Floor, RPG Complex, Keating Road, Shillong, Meghalaya - 793 001 •Shimla:I Floor, Opp.Panchayat Bhawan Main gate, Bus stand, Shimla, Himachal Pradesh - 171001. •

Shimoga:Nethravathi, Near Gutti Nursing Home, Kuvempu Road, Shimoga, Karnataka -577 201. • Siliguri:No 7, Swamiji Sarani, Ground Floor, Hakimpara, Siliguri, West Bengal - 734001. • Solapur:Flat No.109, 1st Floor, A Wing, Kalyani Tower, 126 Siddheshwar Peth, NearPangal High School, Solapur, Maharashtra - 413001. • Sriganganagar:18 L Block, Sri Ganganagar, Rajasthan - 335001. • Surat:Plot No.629, 2nd Floor, Office No.2-C/2-D Mansukhlal Tower,Beside Seventh Day Hospital, Opp.Dhiraj Sons, Athwalines, Surat, Gujarat - 395001. • Thane:3rd Floor, Nalanda Chambers, "B" Wing, Gokhale Road, Near Hanuman Temple, Naupada,Thane, Maharashtra - 400602. • Thiruppur:1(1), Binny Compound, II Street, Kumaran Road, Thiruppur, Tamil Nadu - 641601. • Thiruvalla:Central Tower, Above Indian Bank, Cross Junction,Thiruvalla, Kerala - 689101. • Tirunelveli:1 Floor, Mano Prema Complex 182 / 6, S.N High Road, Tirunelveli, Tamil Nadu - 627001. • Tirupathi:Door No.18-1-597, Near Chandana RameshShowroom, Bhavani Nagar, Tirumala Bypass Road, Tirupathi, Andhra Pradesh - 517501. • Trichur:Room No.26 & 27, DEE PEE PLAZA, Kokkalai, Trichur, Kerala - 680001. • Trichy:No.8, IFloor, 8th Cross West Extn, Thillainagar, Trichy, Tamil Nadu - 620018. • Trivandrum:RS Complex, Opposite of LIC Building, Pattom PO, Trivandrum, Kerala - 695004. • Udaipur: Shree Kalyanam, 50, Tagore Nagar, Sector - 4, Hiranmagri,Udaipur - 313 001. • Vadodara:103, Aries Complex, BPC Road, Off R.C.Dutt Road, Alkapuri, Vadodara, Gujarat - 390007. • Valsad:3rd floor, Gita Nivas,opp.Head Post Office, Halar Cross Lane, Valsad, Gujarat - 396001. • Vapi:215-216, Heena Arcade, Opp.Tirupati Tower, Near G.I.D.C, Char Rasta, Vapi, Gujarat - 396195. • Varanasi:C-28/142-2A, Near Teliya Bagh Crossing, Teliya Bagh, Varanasi, Uttar Pradesh - 221002. • Vellore:No.1, Officer's Line, 2nd Floor, MNR Arcade, Opp.ICICI Bank, Krishna Nagar, Vellore, TamilNadu - 632001. • Vijayawada:40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M.G.Road, Labbipet, Vijayawada, Andhra Pradesh - 520010. • Visakhapatnam: Door No 48-3-2, Flat No 2, 1st Floor, Sidhi Plaza, Near Visakha Library, Srinagar, Visakhapatnam-530 016. • Warangal:A.B.K Mall, Near Old Bus Depot road, F-7, Ist Floor, Ramnagar Hanamkonda, Warangal, AndhraPradesh - 506001. • Yamuna Nagar:124-B/R, Model Town, Yamunanagar, Haryana - 135001.

IDFC AMC OFFICES:

- **Agra:** IDFC Asset Management Company Limited, Office No. 307A, 3rd Floor, Block # 38/4A Sumriddhi Business Suites, Sanjay Place, Agra – 282002 Tel.:+91 562 4064889.
- **Ahmedabad:** B Wing, 3rd Floor, Chandan House, Opp Gruh Finance, Mithakhali Six Roads, Law Garden, Ahmedabad 380006.Tel.:+9179-26460923 -26460925, 64505881 , 64505857.
- **Amritsar:** 6-FUF, 4th Floor, Central Mall,32, Mall Road, Amritsar - 143 001. Mobile: 09356126222, Tel.: +91-183-5030393.
- **Bangalore:** 6th Floor, East Wing, Raheja Towers, #26 & 27, M. G. Road, Bangalore - 560 001. Tel.: +91-80-43079000.
- **Bhilai:** 26, Commercial Complex, Nehru Nagar (E), Bhilai, Chhattisgarh- 490020. Tel.: 0788 4060065
- **Bhopal:** Plot No. 49, 1st floor, Above Tata Capital Ltd., Zone - II, M.P Nagar, Bhopal (M.P.) - 462011 Tel.: +91- 0755 - 428 1896.
- **Bhubaneswar:** Rajdhani House, 1st Floor, 77 Kharvel Nagar, Janpath, Bhubaneswar - 751001. Tel.: 0674 6444252 /0674 2531048 / 0674 2531148.
- **Chandigarh:** SCO 2475-76, 1st Floor, Sector 22 C, Chandigarh - 160 022. Tel.: +91-172-5071918/19/21/22, Fax: +91-172-5071918.
- **Chennai:** KRM Tower, 8th floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031. Tel.: +91-44-45644201/202.
- **Cochin:**39/3993 B2, Gr. Floor, Vantage Point, VRM Rd, Ravipuram, Cochin - 682 016. Tel: +91- 484-3012639/4029291, Fax: +91-484-2358639.
- **Coimbatore:** A2 Complex , No. 49, Father Randy Street, Azad Road, R. S. Puram, Coimbatore - 641 002. Tel.: +91-422-2542645, 2542678.
- **Dehradun:** G-12 B NCR Plaza, Ground Floor, 24 A, 112/28, Ravindranath Tagore Marg, New Cantt Road, Dehradun - 248 001. Tel.: +91-9897934555, 8171872220
- * **Durgapur**: 6/2A, Suhatta, 6th Floor, City Centre, Durgapur - 713216. Tel.: +91 8537867746.
- **Goa:** F-27 & F-28, 1st Floor, Alfran Plaza, M.G Road, Opp.Don Bosco High School, Panjim, Goa - 403 001. Tel.: +91-832-6650403/2231603.
- **Guwahati:** 4E, 4th Floor, Ganapati Enclave, G. S. Road, Ulubari, Opp. Bora Service Station, Guwahati - 781 007. Tel.: 0361-2132178/88.
- **Hyderabad:** 6-3-885/7/C/2/S2, 2nd Floor, Amit Plaza, Somajiguda, Hyderabad - 500 082. Tel.: +91- 40-42014646/47, Fax: +91-40-40037521.
- **Indore:** 405, 4th Floor, 21/ 1, D. M. Tower, Race Course Road, Indore - 452 001. Tel.: +91-731-4206927/ 4208048. Fax: +91-731-4206923.
- **Jaipur:** 301-A, 3rd Floor, Ambition Tower, Agersen Circle, Malan Ka Chaurah, Subash Marg, C-Scheme, Jaipur-302001. Tel.: +91-0141-2360945, 0141-2360947, 0141-2360948.
- **Jalandhar:** 1st Floor, Satnam Complex, BMC Chowk, G.T.Road, Jalandhar-144001. Punjab-India. Tel. : 01815018264 / 01815061378/88.
- **Jamshedpur:** Room No - 111,1st Floor, Yash Kamal Complex, Main Road, Bistupur, Jamshepdur – 831 001. Tel.: 0657-2230112/111/222.
- **Kanpur:** Office No. 214-215, IInd Floor, KAN Chambers, 14/113, Civil Lines, Kanpur - 208 001. Tel.: +91 512-2331071, 2331119.
- **Kolkata:** Oswal Chambers, 1st Floor, 2 Church Lane, Kolkata - 700 001. Tel.: +91-33-40171000/1/2/3/4/5.

- **Lucknow:** 1st Floor, Aryan Business Park, Exchange cottage, 90MG Marg, Park Road, Lucknow-226 001. Tel.:+915224928100/106.
- **Ludhiana:** SCO 122, 2nd Floor, Feroze Gandhi Market, Ludhiana - 140 001. Tel.: +91-161-5022155, 5022156.
- * **Madurai:** No.278, 1st Floor, Nadar Lane, North Perumal Maistry Street, Madurai-625 001. Tel. No. : 0452 -6455530.
- * **Mangalore**: Raj Business Centre, 4th floor, Raj Towers, Balmatta Road, Mangalore – 575001. Tel.: +91 9845287279.
- **Mumbai:** 2nd Floor, Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Opp. Aakash Wani, Churchgate, Mumbai - 400 020. Tel.: +91-22-22021413/22020748.
- * **Mysore:** CH 26, 2nd Floor, Veta Building, 7th Main, 5th Cross, Saraswathipuram, Mysore – 570009. Tel no.: (0821) 4262509
- **Nagpur:** P. N. 6, First Floor, Vasant Vihar, West High Court Road, Shankar Nagar, Nagpur-440010. Tel.: +91-712-6451428/ 2525657.
- **Nashik:** Shop No - 6, Rajvee Enclave, New Pandit Colony, Off. Sharanpur Road, Nashik - 422002. Tel. No. : 0253-2314611 / 9823456183.
- **New Delhi:** 4th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi - 110 001. Tel.: +91-11-47311301/ 02/ 03/ 04/ 05.
- **Patna:** 406, Ashiana Hariniwas, New Dakbanglow Road, Patna - 800 001. Tel.: +91-612-6510353.
- **Pune:** 1st Floor, Dr. Herekar Park Building, Next to Kamala Nehru Park, Off. Bhandarkar Road, Pune - 411 004. Tel.: +91-20-66020965/ 4.
- **Raipur:** Office No:T-19, III Floor, Raheja Tower, Near Hotel Celebration, Jail Road, Raipur (C.G.) - 492 001.Tel: +91-0771-4218890.
- **Rajkot:** "Star Plaza", 2nd Floor, Office No. 201, Phulchab Chowk, Rajkot - 360 001. Tel.: +91-281-6626012.
- **Ranchi:** 306, Shrilok Complex,4 H.B. Road,Ranchi – 834001. Tel.: 0651-2212591/92.
- **Surat:** U 15/16, Jolly Plaza, Athvagate, Surat - 395 001. Tel.: +91-261-2475060, 2475070.
- ***Trivandrum:** T.C.2/3262(6), 1st Floor, RS Complex, Opposite LIC Building, Pattom P O, Trivandrum - 695 004. Tel.: 0471-4010105
- **Vadodara:** 301 2nd Floor, Earth Complex, opposite Vaccine Ground, Above Indian Overseas Bank, Old Padra Road, Vadodara – 390015. Tel.: +91-0265-2339623/2339624/2339325.
- **Varanasi:** 3rd Floor, Kuber Complex Rathyatra, Varanasi-221 010. Tel.:0542-2226527/6540214.

Please note that the IDFC Branch offices at • **Madurai** • **Mangalore** • **Mysore** • **Trivandrum** • **Durgapur** will not be an Official Point of Acceptance of transactions. Accordingly, no transaction applications / investor service requests shall be accepted at these branch offices and the same will continue to be accepted at Investor Service Centre (ISC) of Computer Age Management Services Pvt. Ltd. (CAMS), the Registrar of IDFC Mutual Fund.

Point of Service locations ("POS") of MF Utilities India Private Limited ("MFUI")

All the authorised MFUI POS designated by MFUI from time to time shall be the Official Points of Acceptance of Transactions. In addition to the same, investors can also submit the transactions electronically on the online transaction portal of MFUI (www.mfuonline.com). To know more about MFU and the list of authorised MFUI POS, please visit the MFUI website (www.mfuindia.com).