kotak® Mutual Fund

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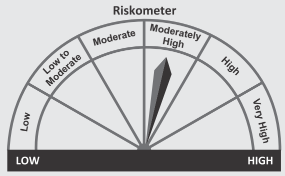
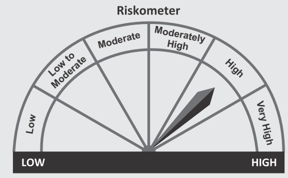
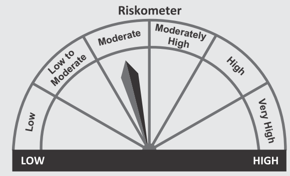
SCHEME INFORMATION DOCUMENT (SID)

Kotak Medium Term Fund

(An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years. A relatively high interest rate risk and relatively high credit risk.)

Continuous Offer for Units at NAV based prices

Product Label	Fund	Benchmark	Benchmark
This product is suitable for investors who are seeking: • Income over a medium term investment horizon • Investment in debt, government securities & money market instruments with portfolio Macaulay duration between 3 years & 4 years	 Investors understand that their principal will be at moderately high risk	 Investors understand that their principal will be at high risk TIER 1 - NIFTY Medium Duration Debt Index C-III	 Investors understand that their principal will be at moderate risk TIER 2 - NIFTY Medium Duration Debt Index

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

(The above risk-o-meter is based on the scheme portfolio as on September 30, 2023. An addendum may be issued or updated in accordances with provisions of Para 17.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, on an ongoing basis on the website viz. www.kotakmf.com)

Potential Risk Class ("PRC") Matrix of the Scheme

Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low			
Moderate			
Relatively High			C - III

Scheme Re-opened for Continuous Sale & Repurchase on or before: March 25, 2014

Name of Mutual Fund	**Kotak Mahindra Mutual Fund**
Name of Asset Management Company	**Kotak Mahindra Asset Management Company Ltd** **CIN: U65991MH1994PLC080009**
Name of Trustee Company	**Kotak Mahindra Trustee Company Ltd** **CIN: U65990MH1995PLC090279**
Registered Address of the Companies	**27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051**
Corporate Office Address of Asset Management Company	**2nd Floor, 12-BKC, Plot No. C-12, G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051**
Website	**www.kotakmf.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 Kotak Mahindra Mutual Fund, Tax and Legal issues and general information on www.kotakmf.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 October 31, 2023.

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I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Name of the Scheme	Kotak Medium Term Fund
Type of the Scheme	An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years
Scheme Code	KOTM/O/D/MDF/13/09/0030
Investment Objective	The investment objective of the scheme is to generate regular income and capital appreciation by investing in a portfolio of medium term debt and money market instruments. There is no assurance or guarantee that the investment objective of the scheme will be achieved
Liquidity	The Scheme offers Units for Subscription and Redemption at NAV based prices on each Business Days on an ongoing basis. As per SEBI (MF) Regulations, read with para 14.1 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 the redemption or repurchase proceeds shall be dispatched within 3 working days from the date of receipt of redemption requests or repurchase requests. A penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time, shall be paid in case the redemption or repurchase proceeds are not transferred within the prescribed timelines. In case of exceptional situations listed in AMFI Circular No. AMFI/35P/MEM-COR/74/2022-23 dated January 16, 2023, the scheme shall be allowed additional timelines for transfer of redemption or repurchase proceeds to the unitholders.
Benchmark	Tier 1 Benchmark - NIFTY Medium Duration Debt Index C-III Tier 2 Benchmark - NIFTY Medium Duration Debt Index
NAV Information	The NAVs of the Scheme will be calculated and disclosed on every Business day on the website of the Kotak Mahindra Mutual Fund viz www.kotakmf.com and AMFI's website www.amfiindia.com by 11.00 p.m. In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day, NAV declaration timing for the Scheme holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day. Unitholders may avail the facility to receive the latest available NAVs through SMS by submitting a specific request in this regard to the AMC/Mutual Fund. Also, information regarding NAVs can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC. Delay in uploading of NAV beyond 11.00 p.m. on every Business Day shall be explained in writing to AMFI. In case the NAVs are not

	available before the commencement of business hours on the following Business Day due to any reason, a press release for revised NAV shall be issued. In terms of SEBI regulations, a complete statement of the Scheme portfolio will be sent to all unitholders, within 5 days of each fortnight and within ten days from the close of each month / half-year whose email addresses are registered with the Mutual Fund. The portfolio of the scheme (alongwith ISIN) shall also be disclosed on the website of Mutual Fund (kotakmf.com) and on the website of AMFI (www.amfiindia.com) on a monthly, fortnightly and half-yearly basis within 5 days of every fortnight & within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format.
Load Structure	**Entry Load:** NIL In terms of Para 10.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, no entry load will be charged on purchase / additional purchase / switch-in. The commission as specified in the aforesaid circular, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor. **Exit Load: Nil** No exit load will be chargeable in case of switches made between different plans/options of the scheme. The AMC reserves the right to change / modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations
Plans available	**There will be two plans under the Scheme namely Direct Plan and Regular Plan** Direct Plan: This 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. Regular Plan: This Plan is for investors who wish to route their investment through any distributor. The portfolio of both plans will be unsegregated.

<table>
<tr>
<td>Options available under each Plan</td>
<td>

Growth
Payout of Income Distribution cum capital withdrawal (IDCW)
Reinvestment of Income Distribution cum capital withdrawal (IDCW)

<table>
<tr><th>Option</th><th>Frequency</th><th>Record Date</th></tr>
<tr><td>Growth</td><td>Nil</td><td>N.A.</td></tr>
<tr><td>IDCW</td><td>Standard</td><td>At discretion of trustees</td></tr>
</table>
Under the IDCW option, the Trustee may at any time decide to distribute by way of IDCW, the surplus by way of realized profit and interest, net of losses, expenses and taxes, if any, to Unitholders if, in the opinion of the Trustee, such surplus is available and adequate for distribution. The Trustee’s decision with regard to such availability and adequacy of surplus, rate, timing and frequency of distribution shall be final. The Trustee may or may not distribute surplus, even if available, by way of IDCW.
The NAVs of the above option under each plan of the scheme will be different and separately declared; the portfolio of the investments remaining the same.
Investors are requested to note that, where the actual amount of IDCW payout is less than Rs. 500/-, then such IDCW will be compulsorily reinvested.
</td>
</tr>
</table>

<table>
<tr><td>Default Plan</td><td>Investors subscribing under Direct Plan of the Scheme will have to indicate “Direct Plan” against the Scheme name in the application form e.g. “Kotak Medium Term Fund – Direct Plan”.

Investors should also indicate “Direct” in the ARN column of the application form.
If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:

<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>
<tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr>
</table>

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.</td></tr>
<tr><td>Minimum application amount</td><td>
<table>
<tr><td>Initial Purchase (Non-SIP)</td><td>Rs. 100/- and any amount thereafter</td></tr>
<tr><td>Additional Purchase (Non- SIP)</td><td>Rs. 100/- and any amount thereafter</td></tr>
<tr><td>SIP Purchase</td><td>`100/- and any amount thereafter (Subject to a minimum of 10 SIP installments)</td></tr>
</table></td></tr>
<tr><td>SIP/SWP/STP/Transfer of IDCW Plan/ Variable Transfer Plan (VTP)/ SIP Pause Facilities/ Smart STP (SSTP)</td><td>Available</td></tr>
<tr><td>SIP Frequency & Dates</td><td>Investors can select SIP date as any date from 1st to 31st of a given month/ quarter. In case the chosen date is not available on account being a non-business day, the SIP will be processed on the immediate next Business Day</td></tr>
<tr><td>STP Dates</td><td>Any Business Day</td></tr>
</table>

VTP Frequency and Dates	Every Business Day for Daily frequency, Any day of the Week (except Saturday & Sunday) for Weekly, Any Date, Monthly and Any Date Quarterly	
Minimum Redemption Amount	In Rupees (Non- SWP/STP)	Rs. 1000/-
	In Units (Non-SWP/STP)	100 units
Minimum balance to be maintained and consequences of non maintenance	There is no minimum balance requirement	
Accepting of cash transactions	At present, applications for investing in scheme through cash are not accepted by Kotak AMC. The AMC is in process of implementing adequate systems and controls to accept Cash Investment in the Scheme. Information in this regard will be provided to Investors as and when the facility is made available.	
Dematerialization (Demat)	Unit holders will have an Option to hold the units by way of an Account Statement or in Dematerialized ('Demat') form. Unit holders opting to hold the units in Demat form must provide their Demat Account details in the specified section of the application form/transaction feed. The Applicant intending to hold the units in Demat form are required to have a beneficiary account with a Depository Participant (DP) registered with NSDL / CDSL and will be required to indicate in the application the DP's name, DP ID Number and the Beneficiary Account Number of the applicant held with the DP at the time of purchasing Units. Unitholders are requested to note that request for conversion of units held in Account Statement (non-demat) form into Demat (electronic) form or vice versa should be submitted to their Depository Participants. The demat request to depository must be submitted for all units in a folio. In case Unit holders do not provide their Demat account details or the Demat details provided in the application form are incomplete / incorrect or do not match with the details with the Depository records, the Units will be allotted in account statement mode provided the application is otherwise complete in all respect and accordingly an account statement shall be sent to them	

II. INTRODUCTION

A. Risk Factors

Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down. The value of investments may be affected, inter-alia, by changes in the market, interest rates, changes in credit rating, trading volumes, settlement periods and transfer procedures; the NAV is also exposed to Price/Interest-Rate Risk and Credit Risk and may be affected inter-alia, by government policy, volatility and liquidity in the money markets and pressure on the exchange rate of the rupee
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- Kotak Medium Term Fund is only name of the scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs.2,50,000 made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme.

Scheme Specific Risk Factors

The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. The Scheme may also be exposed to price risk in case of government securities and corporate bonds arising out of the interest rate risk. The investments in corporate bonds could also lead to a credit risk.

Risks Associated with Fixed Income and Money Market Instruments:

1) **Price-Risk or Interest-Rate Risk:**

From the perspective of coupon rates, Debt securities can be classified in two categories, i.e., Fixed Income bearing Securities and Floating Rate Securities. In Fixed Income Bearing Securities, the Coupon rate is determined at the time of investment and paid/received at the predetermined frequency. In the Floating Rate Securities, on the other hand, the coupon rate changes - 'floats' - with the underlying benchmark rate, e.g., MIBOR, 1 yr. Treasury Bill.

Fixed Income Securities (such as Government Securities, bonds, debentures and money market instruments) where a fixed return is offered, run price-risk. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, the payment-frequency of such coupon, days to maturity and the increase or decrease in the level of interest rates. The prices of Government Securities (existing and new) will be influenced only by movement in interest rates in the financial system. Whereas, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced not only by the change in interest rates but also by credit rating of the security and liquidity thereof.

Floating rate securities issued by a government (coupon linked to treasury bill benchmark or a real return inflation linked bond) have the least sensitivity to interest rate movements, as compared to other securities. The Government of India has already issued a few such securities and the Investment Manager believes that such securities may become available in future as well. These securities can play an important role in minimizing interest rate risk on a portfolio.

2) Credit Risk

Securities carry a Credit risk of repayment of principal or interest by the borrower. This risk depends on micro-economic factors such as financial soundness and ability of the borrower as also macro-economic factors such as Industry performance, Competition from Imports, Competitiveness of Exports, Input costs, Trade barriers, Favourability of Foreign Currency conversion rates, etc.

Credit risks of most issuers of Debt securities are rated by Independent and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from "AAA" (read as "Triple A" denoting "Highest Safety") to "D" (denoting "Default"), with about 6 distinct ratings between the two extremes.

The highest credit rating (i.e. lowest credit risk) commands a low yield for the borrower. Conversely, the lowest credit rated borrower can raise funds at a relatively higher cost. On account of a higher credit risk for lower rated borrowers lenders prefer higher rated instruments further justifying the lower yields.

3) Liquidity or Marketability Risk

The corporate debt market is relatively illiquid vis- a- vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Liquidity in a scheme therefore may suffer. Even though the Government Securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described in the Statement of Additional Information (SAI).

1. Risk of Rating Migration:

The following table illustrates the impact of change of rating (credit worthiness) on the price of a hypothetical AA rated security with a maturity period of 3 years, a coupon of 10.00% p.a. and a market value of Rs. 100. If it is downgraded to A category, which commands a market yield of, say, 11.00% p.a., its market value would drop to Rs. 97.53 (i.e. 2.47%) If the security is up-graded to AAA category which commands a market yield of, say, 9.00% p.a. its market value would increase to Rs102.51 (i.e. by 2.51%). The figures shown in the table are only indicative and are intended to demonstrate how the price of a security can be affected by change in credit rating.

Rating	Yield (% p.a.)	Market Value (Rs.)
AA	10.00	100.00
If upgraded to AAA	9.00	102.51
If downgraded to A	11.00	97.53

4) Basis Risk:

During the life of floating rate security or a swap the underlying benchmark index may become less active and may not capture the actual movement in the interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio. Where swaps are used to hedge an underlying fixed income security, basis risk could arise when the fixed income yield curve moves differently from that of the swap benchmark curve.

5) **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 NAV.

6) **Re-investment 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.

7) **Sovereign Risk**

The Federal Government of a country (i.e. Central Govt. in case of India) is the issuer of the local currency in that country. The Government raises money to meet its Capital and Revenue expenditure by issuing Debt or Discounted Securities. Since payment of interest and principal amount has a sovereign status implying no default, such securities are known as securities with sovereign credit. For domestic borrowers and lenders, the credit risk on such Sovereign credit is near zero and is popularly known as "risk-free security" or "Zero-Risk security". Thus Zero-Risk is the lowest risk, even lower than a security with "AAA" rating and hence commands a yield, which is lower than a yield on "AAA" security.

Risks associated with Securitised Debt:

The Schemes may from time to time invest in domestic securitised debt, for instance, in asset backed securities (ABS) or mortgage backed securities (MBS). Typically, investments in securitised debt carry credit risk (where credit losses in the underlying pool exceed credit enhancement provided, (if any) and the reinvestment risk (which is higher as compared to the normal corporate or sovereign debt). The underlying assets in securitised debt are receivables arising from automobile loans, personal loans, loans against consumer durables, loans backed by mortgage of residential / commercial properties, underlying single loans etc.

ABS/MBS instruments reflect the proportionate undivided beneficial interest in the pool of loans and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. Investments in securitised debt is largely guided by following factors:

- Attractive yields i.e. where securitised papers offer better yields as compared to the other debt papers and also considering the risk profile of the securitised papers.
- Diversification of the portfolio
- Better performance

Broadly following types of loans are securitised:

a) **Auto Loans**

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. i.e. 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.

b) 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.

c) 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.

d) 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 no ready database available 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.

e) Single Loan PTC

A single loan PTC is a securitization transaction in which a loan given by an originator (Bank/ NBFC/ FI etc.) to a single entity (obligor) is converted into pass through certificates and sold to investors. The transaction involves the assignment of the loan and the underlying receivables by the originator to a trust, which funds the purchase by issuing PTCs to investors at the discounted value of the receivables. The PTCs are rated by a rating agency, which is based on the financial strength of the obligor alone, as the PTCs have no recourse to the originator.

The advantage of a single loan PTC is that the rating represents the credit risk of a single entity (the obligor) and is hence easy to understand and track over the tenure of the PTC. The primary risk is that of all securitized instruments, which are not traded as often in the secondary market and hence carry an illiquidity risk. The structure involves an assignment of the loan by the originator to the trustee who then has no interest in monitoring the credit quality of the originator. The originator that is most often a bank is in the best position to monitor the credit quality of the originator. The investor then has to rely on an external rating agency to monitor the PTC. Since the AMC relies on the documentation provided by the originator, there is a risk to the extent of the underlying documentation between the seller and underlying borrower.

f) Bankruptcy of the originator or seller:

Investment decisions are primarily based on the underlying borrowers and also of the originator or seller. Once the originator or seller sells the assets to a special purpose vehicle, the subsequent bankruptcy of seller / originator should not affect the receivables of the fund.

g) Bankruptcy of the Investors Agent:

The underlying special purpose vehicle acts as the Collection and paying agent for the investors. The SPV's are normally trusts and are set up as "bankruptcy remote". i.e since they merely pass on the monies received in their capacity as trusts, the question of their bankruptcy do not arise. Also the bankruptcy of the sponsor does not affect the specific trusts.

h) Bankruptcy of the underlying borrower.

The risks would be similar to the credit risks and mitigants thereof covered elsewhere in the SID.

Risk Associated with Investment in Derivatives Market

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 investment.

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. There are certain risks inherent in derivatives. These are:

I. **Price Risk**: Despite the risk mitigation provided by various derivative instruments, there remains an inherent price risk which may result in losses exceeding actual underlying.
II. **Default Risk**: This is the risk that losses will be incurred due to default by counter party. This is also known as credit risk or counterparty risk.
III. **Basis Risk –** This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying being hedged for e.g. mismatch between the maturity date of the futures and the actual selling date of the asset
IV. **Limitations on upside:** Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
V. **Liquidity risk** pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.
VI. The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.

Risk
associated with Securities Lending:-

In the case of securities lending the additional risk is that there can be temporary illiquidity of the securities that are lent out and the Fund may not be able to sell such lent-out securities, resulting in an opportunity loss. In case of a default by counterparty, the loss to the Fund can be equivalent to the securities lent.

Risk envisaged and mitigation measures for repo transactions:

Credit risks could arise if the counterparty does not return the security as contracted or interest received by the counter party on due date. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a DVP basis.

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to us. Thus the scheme may in remote cases suffer losses. This risk is normally mitigated by better cash flow planning to take care of such repayments

Risk factors associated with REITS/InvITs:

- **Market Risk** – Units of REITS & InvITs are subject to market and other risks. The value of these units can go up or down because of various factors that affect the capital market in general, such as, but not limited to, changes in interest rates, government policy and volatility in the capital markets
- **Liquidity Risk** - Liquidity in units of REITs & InvITs may be affected by trading volumes, settlement periods and transfer procedures. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities. These factors can also affect the time taken by Kotak Mahindra Mutual 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 redemption requests. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described in the Statement of Additional Information. REITs and InvITs currently only have a nascent primary market. As such, in absence of the secondary market, the invested units cannot be redeemed except where the issuer is offering a buyback or delisting the units.
- **Re-investment Risk** – Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or IDCW pay-outs, etc. Consequently the proceeds may get invested at a lower rate
- **Performance Risk** - InvITs and REITS carry a performance risk by way of repayment of principal or of interest by the borrower. REITs & InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.

The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that a Scheme's investment objectives will be achieved, or that there will be no loss of capital.

Risk factors associated with Imperfect Hedging:
Holders of Debt securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts. However, there is a possibility that the hedge may be an imperfect

- Potential loss associated with imperfect hedge using IRFs – While using such strategy may reduce interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline.
- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.
- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.
- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

- Movement in the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio may lead to basis risk due to imperfect correlation. Thus, the loss on the portfolio may be different from the gain of the hedged position entered using the IRF.

Example:
Date: 17/09/2023
Spot price of G sec 7.26 G sec 2033: Rs. 100.19
Futures price of IRF Contract G sec 7.26 G sec 2033: Rs.100.29
On 17/09/2023 XYZ bought 2000 GOI securities from spot market at Rs100.19. He anticipates that the interest rate will rise in near future. Therefore, to hedge the exposure in underlying market he may sell IRF for7.26 G sec 2033 maturing on 27 Sep 2023 traded Interest Rate Futures contracts at Rs.100.29
On 27/09/2023 the maturity price of the contract and underlying will be same thereby realising the 10p arbitrage gain
Spot price of GOI Security: Rs. 100.19
Futures Price of IRF Contract: Rs. 100.29
Profit /Loss in underlying market will be (100.19-100.19)*2000 = Rs.00
Loss in the Futures market will be (100.29-100.19)*2000 = Rs. 20000
Therefore the fund will earn a total holding period return of 7.23% + (0.10/10*365)= 7.23+3.65=10.88
Not necessary the future is trading above cash for arbitrage to happen.

Risk associated with investment in Government securities and Triparty repo on Government securities or treasury bills:

- The mutual fund is a member of securities segment and Triparty repo on Government securities or treasury bills trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Triparty repo on Government securities or treasury bills trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counter party risks considerably for transactions in the said segments.
- The members are required to contribute towards margin obligation (Initial / Mark to Market etc.) as per bye-laws of CCIL as also an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in discharging their obligation. As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members as determined by CCIL.
- Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).
- CCIL maintains two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty repo on Government securities or treasury bills trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/ default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

Risks associated with Investing in Structured Obligation (SO) & Credit Enhancement (CE) rated securities:

The risks factors stated below for the Structured Obligations & Credit Enhancement are in addition to the risk factors associated with debt instruments.

- Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms such as guarantee, shortfall undertaking, letter of comfort, pledge of shares listed on stock exchanges etc. from the issuers, promoters or another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating.

- SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of loan receivables, securities backed by trade receivables, credit card receivables etc. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.

- Liquidity Risk: SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is low as compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the scheme to sell such debt instruments and generate liquidity for the scheme or higher impact cost when such instruments are sold. Where equity shares are provided as collateral there is the risk of sharp price volatility of underlying securities which may lead to erosion in value of collateral as also low liquidity of the underlying shares which may affect the ability of the fund to enforce collateral and recover capital and interest obligations.

- Credit Risk: The credit risk of debt instruments which are CE rated derives rating based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

Risks associated with segregated portfolio

- Investor holding units of segregated portfolio may not able to liquidate their holding till the time realisable value is recovered.
- Security comprising of segregated portfolio may realise lower value or may realise zero value.
- Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

Risk Factors Associated with investing in Foreign securities:

Subject to necessary approvals and within the investment objectives of the Scheme, the Scheme may invest in overseas markets which carry risks related to fluctuations in the foreign exchange rates, the nature of the securities market of the country, repatriation of capital due to exchange controls and political circumstances.

It is the AMC's belief that investment in foreign securities offer new investment and portfolio diversification opportunities into multimarket 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 Scheme. Since the Scheme may invest only partially in overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme. 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 under the Regulations or by the RBI from time to time.

Overseas investments will be made subject to any/all approvals, conditions thereof as may be stipulated under the Regulations or by 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.

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.

Currency Risk:
In respect of investments in ADRs/GDRs, the risks associated with underlying stocks remain the same except for the additional risk of the exchange rate of the Indian rupee visà- vis the currency in which ADRs/GDRs are denominated. Investments in overseas securities/mutual fund units are subject to currency risk. Returns to investors are the result of a combination of returns from investments and from movements in exchange rates. For example, if the Rupee appreciates vis-à-vis the US $, the extent of appreciation will lead to reduction in the yield to the investor. However, if the Rupee appreciates against the US $ by an amount in excess of the interest earned on the investment, the returns can even be negative. Again, in case the Rupee depreciates vis-à-vis the US $, the extent of depreciation will lead to a corresponding increase in the yield to the investor. Going forward, the Rupee may depreciate (lose value) or appreciate (increase value) against the currencies of the countries where the Scheme will invest.

Exhaustion of overseas limit Risk
The Scheme can make overseas investments subject to a maximum of US $ 1 billion per Mutual Fund, within the overall industry limit of US $ 7 billion or such limits as may be prescribed by SEBI/RBI from time to time. The Scheme therefore may or may not be able to utilise the limit of USD 1 billion due to the USD 7 billion limit being exhausted by other Mutual Funds. Further, the scheme can make investments in overseas Exchange Traded Fund (ETF(s) subject to a maximum of US $ 300 million per Mutual Fund, within the overall industry limit of US $ 1 billion.

As and when the investment limits at Mutual Fund level/Industry level are exhausted or nearing exhaustion, the scheme may temporarily suspend deployment of funds in overseas funds/securities.

Risk factors associated with investments in Perpetual Debt Instrument / Other Subordinated Debt Instruments

a) Perpetual Debt Instrument

Perpetual debt instruments/bonds are issued by Banks, NBFCs (Non-Bank finance companies) and Corporates to improve their capital profile. Perpetual bonds issued by Banks which are governed by the RBI guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). NBFCs also issue such instruments as per guidelines issued by RBI. There are no regulatory guidelines for issuance of such bonds by Corporates. These instruments do not have a fixed maturity date. These instruments generally have call option after fixed interval from date of issuance. The key risks associated with these instruments are highlighted below:

1. Risk on coupon servicing

<u>Banks</u>
As per the terms of the instruments, Banks have discretion at all times to cancel distributions/ payment of coupons.
<u>NBFCs</u>
While NBFCs have discretion at all times to cancel payment of coupon, coupon can also be deferred (instead of being cancelled), in case paying the coupon leads to breach of capital ratios.
<u>Corporates</u>
Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the Perpetual.

2. Risk of write-down or conversion into equity

<u>Banks</u>
As per extant RBI guidelines, banks have to maintain a Common Equity Tier-1 (CET-1) ratio of minimum 5.5% (to be increase to 6.125%) of Risk Weighted Assets (RWAs), failing which the AT-1 bonds can get written down. Further, AT-1 Bonds are liable to be written down or converted to common equity, at the discretion of RBI, in the event of Point of Non Viability Trigger (PONV). PONV is a point determined by RBI, when a bank is deemed to have become non-viable unless there is a write off/ conversion to equity of AT-1 Bonds or a public sector capital injection happens. The write off/conversion has to occur prior to public sector injection of capital.
This risk is not applicable in case of NBFCs and Corporates.

3. Risk of instrument not being called by the Issuer

<u>Banks</u>
The issuing banks have an option to call back the instrument after minimum period of 5 years from the date of issuance and typically annually thereafter, subject to meeting the RBI guidelines. However, if the bank does not exercise the call on first call date, the Scheme may have to hold the instruments for a period beyond the first call exercise date.

<u>NBFCs</u>
The NBFC issuer has an option to call back the instrument after minimum period of 10 years from date of issuance and typically annually thereafter, subject to meeting the RBI guidelines. However, if the NBFC does not exercise the call option the Scheme may have to hold the instruments for a period beyond the first call exercise date.
<u>Corporates</u>
There is no minimum period for call date. However, if the corporate does not exercise the call option, the Scheme may have to hold the instruments for a period beyond the call exercise date.

b) Other Subordinated Debt Instruments (OSDI)

Other Subordinated Debt Instruments (OSDI) are issued by Banks and NBFCs. This instruments are also referred as Tier 2 bonds. These bonds are subordinated to other senior claims of issuing entity. These instruments have a fixed maturity date.

1. Risk of write-down or conversion into equity

<u>Banks</u>
Tier 2 Bonds issued by Banks - under Basel III guidelines of Reserve Bank of India, have a risk of either written off or conversion into common equity, when the PONV trigger is invoked, at the option of the RBI.
This clause is not there in case of NBFCs

Risk associated with investing in Mutual fund units

Investment in units of Mutual Fund scheme involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. As the price / value / interest rates of the underlying securities in which the mutual fund scheme invests fluctuates, the value of units of mutual fund scheme may go up or down. The value of underlying securities may be affected, inter-alia, by changes in the market, interest rates, changes in credit rating, trading volumes, settlement periods and transfer procedures; the NAV is also exposed to Price/Interest-Rate Risk and Credit Risk and may be affected inter-alia, by government policy, volatility and liquidity in the money markets and pressure on the exchange rate of the rupee. Investment in units of mutual fund scheme is also exposed to risk of suspension of subscriptions / redemptions of the units, change in fundamental attributes etc. Since the Scheme may invest in schemes of Mutual Funds, scheme specific risk factors of each such mutual fund schemes will be applicable to the Scheme portfolio.

All the above factors may not only affect the prices of securities but also 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 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, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described elsewhere in the SAI.

<u>**Backstop facility in form of investment in Corporate Debt Market Development Fund (CDMDF):**</u>
CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. Access to the Fund shall be in proportion to the contribution made to the Fund at a Mutual Fund level (i.e., in the ratio of total units of CDMDF held by all specified debt schemes of each Mutual Fund).
The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus this backstop facility will help fund managers of the schemes to better generate liquidity during market dislocation to help the schemes fulfil liquidity obligations under stress situation.
The scheme/s shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made

every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF.
Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF. Also, for calculation of asset allocation limits of mutual fund schemes, investment in units of CDMDF shall be excluded from base of net assets.
Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF. CDMDF shall follow the loss waterfall accounting as specified in SEBI circulars and the risk of first loss shall rest with the scheme selling to the CDMDF.

Risk Control/Risk Mitigation:

Type of Risks	Measures/ Strategies to control risks
Debt and Money Market instruments	• Credit Risk: Management 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. • Price-Risk or Interest-Rate Risk: The Scheme may primarily invest the debt portion of the portfolio in short term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the price volatility due to interest rate changes generally associated with long-term securities. • Risk of Rating Migration: The Scheme may primarily invest the debt portion of the portfolio in short-term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of rating migration generally associated with long-term securities • Basis Risk: The debt allocation of scheme is primarily as a cash management strategy and such strategy returns are expected to reflect the very short term interest rate hence investment is done in short term debt and money market instruments. • Spread Risk: The Scheme may primarily invest the debt portion of the portfolio in short-term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of spread expansion which is generally associated with long-term securities • Reinvestment Risk: The debt allocation of scheme is primarily as a cash management strategy and such strategy returns are expected to reflect the very short term interest rate hence investment is done in short term debt and money market instruments. Reinvestment risks will be limited to the extent of debt instruments, which will be a very small portion of the overall portfolio value. • Liquidity Risk: The Scheme may, however, endeavor to minimize liquidity risk by primarily investing the debt portion of the portfolio in relatively liquid short-term debt & money market instruments, units of Liquid and Overnight schemes.
Derivatives	The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Equity Derivatives will be used in the form of Index Options, Index Futures, Stock Options and Stock Futures and other instruments as may be permitted by SEBI. Derivatives can be either exchange

	traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on stock exchanges whereas OTC derivative transactions are generally structured between two counterparties. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID.
Securities Lending	The SLB shall be operated through Clearing Corporation/Clearing House of stock exchanges having nation-wide terminals who are registered as Approved Intermediaries (AIs)." The risk is adequately covered as Securities Lending & Borrowing (SLB) is an Exchange traded product. Exchange offers an anonymous trading platform and gives the players the advantage of settlement guarantee without the worries of counter party default. However, the Fund may not be able to sell such lent securities during contract period or have to recall the securities which may be at higher than the premium at which the security is lent.
Currency	The scheme subject to applicable regulations shall have the option to enter into forward contracts for the purposes of hedging against the foreign exchange fluctuations. The Schemes may employ various measures (as permitted by SEBI/RBI) including but not restricted to currency hedging (such as currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), to manage foreign exchange movements arising out of investment in foreign securities. All currency derivatives trade, if any will be done only through the stock exchange platform.
Repo Transactions	This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a DVP basis. In the event the counterparty is unable to pay back the money to the scheme as contracted on maturity, the scheme may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to the counterparty
Securitized Debt	In addition to careful scrutiny of credit profile of borrower/pool additional security in the form of adequate cash collaterals and other securities may be obtained
REITs and InvITS	The fund will comply with the prescribed SEBI limits on exposure. The scheme will endeavour to invest in liquid REITs & InvITs.
Structured Obligation (SO) & Credit Enhancement (CE) rated securities	Scheme wise investments as prescribed by the regulations limits the exposure to such securities. Additionally, covenants of such structured papers are reviewed periodically for adequate maintenance of covers as prescribed in the Information Memorandum of such papers.
Government securities and Triparty repo on Government securities or treasury bills:	As a member of securities segment and Triparty repo segment, maintenance of sufficient margin is a mandatory requirement. CCIL monitors these on a real time basis and requests the participants to provide sufficient margin to enable the trades etc. Also there are stringent conditions / requirements before registering any participants by CCIL in these segments. Since settlement is guaranteed the loss on this account could be minimal though there could be an opportunity loss.
Units of mutual fund schemes	Mutual Fund portfolios are generally well diversified and typically endeavor to provide liquidly on a T+1/T+2 basis and aim to mitigate any risks arising out of underlying investments. Commodity ETF's are quite liquid as they can either be created / redeemed with the fund house or traded on the exchange.

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.

The measures mention above is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change.in response to the same

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. In case the Scheme does not have a minimum of 20 investors, 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 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 25% limit. Failure on the part of the said investor to redeem his exposure over 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. Definitions

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

Applicable NAV	Unless stated otherwise in the SID, 'Applicable NAV' is the Net Asset Value at the close of a Business Day as of which the purchase or redemption is sought by an investor and determined by the Fund.
Asset Management Company or AMC or Investment Manager	Kotak Mahindra Asset Management Company Limited, the Asset Management Company incorporated under the Companies Act, 1956, and authorised by SEBI to act as Investment Manager to the Schemes of Kotak Mahindra Mutual Fund.
Business Day	A day other than: 1. Saturday and Sunday 2. A day on which the banks in Mumbai and RBI are closed for business/clearing 3. A day on which Purchase and Redemption is suspended by the AMC 4. A day on which the money markets are closed/not accessible. Additionally, the days when the banks in any location where the AMC's Investor service center are located, are closed due to local holiday, such days will be treated as non-business days at such centers for the purpose of accepting subscriptions. However, if the Investor service center in such location is open on such local holidays, only redemption and switch request will be accepted at those centers provided it is a business day for the scheme. The AMC reserves the right to change the definition of Business Day. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all ISCs.
Consolidated Account Statement(CAS)	An account statement containing details relating to: (a) all the transactions (which includes purchase, redemption, switch, payout of IDCW, reinvestment of IDCW, systematic investment plan, systematic withdrawal plan, systematic transfer plan) carried out by the investor across all schemes of all mutual funds during a specified period; (b) holding at the end of the

	specified period; and (c) transaction charges, if any, deducted from the investment amount to be paid to the distributor.
Custodian	Deutsche Bank AG acting as Custodians to the Scheme, or any other Custodian appointed by the Trustee.
Depository	A depository as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL).
Entry Load	The charge that is paid by an Investor when he invests an amount in the Scheme.
Exit Load	The charge that is paid by a Unitholder when he redeems Units from the Scheme.
Foreign Portfolio Investor or (FPI)	Means a person who satisfies the eligibility criteria prescribed under regulation 4 of SEBI (Foreign Portfolio Investors) Regulations, 2014 and has been registered under Chapter II of these regulations, which shall be deemed to be an intermediary in terms of the provisions of the Securities and Exchange Board of India Act, 1992. Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
Gilts / Government Securities / G.Secs	Securities created and issued by the Central Government and / or State Government.
Income Distribution cum capital withdrawal (IDCW) Option	Under the IDCW option, the Trustee may at any time decide to distribute by way of dividend, the surplus by way of realised profit and interest, net of losses, expenses and taxes, if any, to Unitholders if, in the opinion of the Trustee, such surplus is available and adequate for distribution. The Trustee's decision with regard to such availability and adequacy of surplus, rate, timing and frequency of distribution shall be final. The Trustee may or may not distribute surplus, even if available, by way of IDCW. The IDCW will be paid to only those Unitholders whose names appear on the register of Unitholders of the Scheme / Option at the close of the business hours on the record date, which will be announced in advance. The Fund is required to dispatch IDCW payments within seven working days from the record date. In case of dynamic lien the IDCW may be credited to the financier The IDCW Option will be available under two sub options – the Payout Option and the Reinvestment Option. Payout of Income Distribution cum capital withdrawal option (IDCW): Unitholders will have the option to receive payout of their IDCW by way of Payorder / DD any other means which can be enchased or by way of direct credit / electronic payout into their account. Reinvestment of Income Distribution cum capital withdrawal option (IDCW): Under the reinvestment option, IDCW amounts will be reinvested in the Reinvestment of IDCW Option at the Applicable NAV announced immediately following the record date.

	The requirement of giving notice shall not be applicable for IDCW Option having frequency upto one month. However, the Trustees reserve the right to introduce new options and / or alter the IDCW payout intervals, frequency, including the day of payout.
IMA	Investment Management Agreement dated 20th May 1996, entered into between the Fund (acting through the Trustee) and the AMC and as amended up to date, or as may be amended from time to time.
Kotak Medium Term Fund	An Open Ended Debt Scheme
Kotak Bank / Sponsor	Kotak Mahindra Bank Limited.
KMMF / Fund / Mutual Fund	Kotak Mahindra Mutual Fund, a trust set up under the provisions of The Indian Trusts Act, 1882.
KMTCL / Trustee	Kotak Mahindra Trustee Company Limited, a company set up under the Companies Act, 1956, and approved by SEBI to act as the Trustee for the Schemes of Kotak Mahindra Mutual Fund.
Main Portfolio	Scheme portfolio excluding the segregated portfolio. (Portfolio referred herewith will include interest accrued as well)
Money Market Instruments	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.
MIBOR	The Mumbai Interbank Offered Rate published once every day by the National Stock Exchange and published twice every day by Reuters, as specifically applied to each contract.
Mutual Fund Regulations / Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended up to date, and such other regulations as may be in force from time to time.
NAV	Net Asset Value shall mean the value of the units of the Scheme (including options thereunder) computed in the manner provided in sub-regulation (1) of regulation 48 of SEBI (MF) regulations. The NAV will be computed up to four decimal places.
NRI	Non-Resident Indian and Person of Indian Origin as defined in Foreign Exchange Management Act, 1999.
Purchase Price	Purchase Price, to an investor, of Units under the Scheme (including Options thereunder) computed in the manner indicated elsewhere in this SID.
Redemption Price	Redemption Price to an investor of Units under the Scheme (including Options thereunder) computed in the manner indicated elsewhere in this SID.
Registrar	Computer Age Management Services Limited ('CAMS'), acting as Registrar to the Scheme, or any other Registrar appointed by the AMC.
Repo	Sale of securities with simultaneous agreement to repurchase them at a later date.
Reserve Bank of India / RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
Reverse Repo	Purchase of securities with a simultaneous agreement to sell them at a later date.
Scheme	Kotak Medium Term Fund. All references to the Scheme would deem to include the options thereunder unless specifically mentioned.

Standard Information Document (SID)	This document issued by Kotak Mahindra Mutual Fund, offering for subscription of Units of the Scheme.
Statement of Additional Information (SAI)	It contains details of Kotak Mahindra Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document)
SEBI	The Securities and Exchange Board of India.
Segregated portfolio	A portfolio, comprising of debt or money market instrument affected by a credit event that has been segregated in a mutual fund scheme. Note 1: As per Para 4.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 dated May 19, 2023, credit event is considered for creation of segregated portfolio, however as per Para 4.4.3.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, segregated portfolio of unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount. Actual default by the issuer of such instruments shall be considered as credit event for creation of segregated portfolio. Note 2: Portfolio referred herewith will include interest accrued as well
Transaction Points	Centres designated by the Registrar, to accept investor transactions and scan them for handling by the nearest ISC.
Triparty repo on Government securities or treasury bills	Triparty repo on Government securities or treasury bills is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.
Trust Deed	The Trust Deed entered into on 20th May 1996 between the Sponsor and the Trustee, as amended up to date, or as may be amended from time to time.
Trust Fund	The corpus of the Trust, Unit capital and all property belonging to and/or vested in the Trustee.
Total portfolio	Scheme portfolio including the securities affected by the credit event. (Portfolio referred herewith will include interest accrued as well)
Unit	The interest of the investors in the Scheme, which consists of each Unit representing one undivided share in the assets of the Scheme.
Unitholder	A person who holds Unit(s) of the Scheme
Valuation Day	For the Scheme, each Business Day and any other day when the Debt and/or money markets are open in Mumbai.
Words and Expressions used in this SID and not defined	Same meaning as in Trust Deed.

D. Special Consideration

- Prospective investors should review/study SAI along with SID carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscriptions, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or redemption or conversion into money) of units within their jurisdiction/nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase/gift units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting to, purchasing or holding units before making an application for units.
- Neither this SID and SAI, nor the units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration and accordingly, any person who gets possession of this SID is required to inform themselves about, and to observe, any such restrictions. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for units pursuant to this SID to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/NSE/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.
- Kotak Mahindra Mutual Fund/AMC has not authorized any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of units under the Schemes. Prospective investors are advised not to rely upon any information or representations not incorporated in the SAI and SID as the same have not been authorized by the Fund or the AMC. Any purchase or redemption made by any person on the basis of statements or representations which are not contained in this SID or which are not consistent with the information contained herein shall be solely at the risk of the investor. The investor is requested to check the credentials of the individual, firm or other entity he/she is entrusting his/her application form and payment to, for any transaction with the Fund. The Fund shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.
- If the units are held by any person in breach of the Regulations, law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations, the Fund may mandatorily redeem all the units of any Unit holder where the units are held by a Unit holder in breach of the same. The Trustee may further mandatorily redeem units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete.
- In terms of the Prevention of Money Laundering Act, 2002 ("PMLA") the rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML) Laws, all intermediaries, including mutual funds, are required to formulate and implement a client identification programme, and to verify and maintain the record of identity and address(es) of investors.
- If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit holder/any other person.

- The AMC and/ or its Registrars & Transfer Agent (RTA) reserve the right to disclose/share Unit holder's details of folio(s) and transaction details thereunder with the following third parties: a) RTA, Banks and/or authorised external third parties who are involved in transaction processing, dispatching etc., of the Unitholder's investment in the Scheme; b) Distributors or sub-brokers through whom the applications are received for the Scheme; c) Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of the Unitholders for complying with anti-money laundering requirements.

Purchase/ Redemption of units of schemes of Kotak Mahindra Mutual Fund through Stock Exchange Infrastructure

Units of the scheme shall be available for subscription / purchase through stock exchange platform(s) made available by Registered Stock exchange . Under this facility, trading member can facilitate eligible investors (i.e. Resident Individuals, HUF, resident minors represented by guardian and Body corporate or such other class of eligible investors to purchase / subscribe to units of the scheme using their existing network and order collection mechanism as provided by respective stock exchange. Investors availing of this facility shall be allotted units in accordance with the SEBI guidelines issued from time to time and the records of the Depository Participant shall be considered as final for such unitholders. The transactions carried out on the above platform shall be subject to such guidelines as may be issued by the respective stock exchanges and also SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued thereunder from time to time.

The transactions carried out on the above platform shall be subject to SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued thereunder, and also the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) / Stock Exchanges from time to time.

Further in line with Para 16.2 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 it has been decided to allow investors to directly access infrastructure of the recognised stock exchanges to purchase mutual fund units directly from Mutual Fund/ Asset Management Companies. SEBI circular has advised recognised stock exchanges, clearing corporations and depositories to make necessary amendment to their existing byelaws, rules and/or regulations, wherever required.

Systematic Investment Plan (SIP)

- Investor can register SIP transaction through their stock market broker.
- SIP transaction will be registered in the respective platform.

The transactions carried out on the above platform shall be subject to SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued thereunder, and also the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) / Registered Stock Exchanges from time to time

Note for demat holding

- Investors would have to provide the demat account details in the application form/transaction feed along with supporting documents evidencing the accuracy of the demat account. Applications received without supporting documents could be processed under the physical mode.
- Investors of Kotak Mahindra Mutual Fund would also have an option of holding the units in demat form for SIP/STP transactions registered directly through Kotak Mahindra Asset Management Company Ltd. / Registrars & Transfer Agents. The units will be allotted based

on the applicable NAV as per Scheme Information Document (SID) of the scheme. The units will be credited to investors demat Account post realisation of funds.

- The option of holding SIP units in Demat form is available for investments registered through Stock Exchange Platform.
- IDCW options having IDCW frequency of less than a month will not be available for Purchase and Redemption through Stock Exchange Platform.
- The minimum redemption size is 1 unit in case of redemption through Stock Exchange Platform.
- In case of non-financial requests/ applications such as change of address, change of bank details, etc. investors should approach the respective Depository Participant(s) since the units are held in demat mode.
- Investors will be sent a demat statement by Depository Participant showing the credit/debit of units to their account. Such demat statement given by the Depository Participant will be deemed to be adequate compliance with the requirements for dispatch of statement of account prescribed by SEBI.
- Investors will have to comply with Know Your Customer (KYC) norms as prescribed by SEBI Investors should note that the terms & conditions and operating guidelines issued by stock exchanges shall be applicable for purchase/redemption of units through the stock exchange infrastructure.
- Investors should get in touch with Investor Service Centres (ISCs) of Kotak Mahindra Mutual Fund or their respective brokers for further details.

Kotak Mahindra Asset Management Company Ltd. reserves the right to change/modify the features of this facility at a later date.

- The AMC offers portfolio management service. The AMC has renewed its registration obtained from SEBI vide Registration No. – INP000000837 dated November 13, 2018 to act as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993 (Repealed and superceded by SEBI (Portfolio Managers) Regulations, 2020. The said certificate of registration is valid unless it is suspended or cancelled by SEBI. KMAMC received approval from SEBI for acting as an investment manager for Kotak India Renaissance-I Fund under Category III. AMC has received approval for Kotak Credit Opportunities Fund under Category II Alternative Investment Fund. The fund is not yet launched by AMC. The AMC has received No objection from SEBI for providing non-binding offshore advisory services to offshore funds. The AMC has not yet commenced providing non-binding offshore advisory services. The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities.

Any dispute arising out of the Scheme shall be subject to the non-exclusive jurisdiction of the Courts in India. Statements in this SID are, except where otherwise stated, based on the law practiced currently in India, and are subject to changes therein.

E. Due Diligence by the Asset Management Company

DUE DILIGENCE CERTIFICATE

It is confirmed that:

- the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- the disclosures 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.
- 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 Kotak Mahindra Asset Management Company Limited
Asset Management Company for Kotak Mahindra Mutual Fund

Place: Mumbai
Date: October 31, 2023

Jolly Bhatt
Compliance Officer and Company Secretary

III. INFORMATION ABOUT THE SCHEME

A. Type of the scheme

An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years. A relatively high interest rate risk and relatively high credit risk.

B. What is the investment objective of the scheme?

The investment objective of the scheme is to generate regular income and capital appreciation by investing in a portfolio of medium term debt and money market instruments.

There is no assurance or guarantee that the investment objective of the scheme will be achieved.

C. How will the scheme allocate its assets?

The asset allocation under the Scheme, under normal circumstances, is as follows:

Investments	Indicative Allocation	Risk Profile
Debt & Money market instruments including government securities	0-100%	Low – Medium
Units issued by REITs & InvITs	0-10%	Medium to High

The Macaulay duration* of the portfolio would be between 3 years & 4 years.

The Portfolio Macaulay Duration under adverse situation is 1 to 4 years.

* The Macaulay duration of a bond is the weighted average maturity of cash flows, which acts as a measure of a bond's sensitivity to interest rate changes. Bonds with a higher duration will carry more risk, and hence have a greater volatility in prices, when compared to bonds with lower durations. It is calculated as below:

$$\text{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t * C}{(1+y)^t} + \frac{n * M}{(1+y)^n}}{\text{Current Bond Price}}$$

Where:

- t = respective time period
- C = periodic coupon payment
- y = periodic yield
- n = total number of periods
- M = maturity value
- Current Bond Price = Present value of cash flows

Investment in securitized debt shall be upto 50% of the portfolio.

Money Market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.

Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks In accordance with para 12.16 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023. The AMC shall not charge any investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks for the scheme.

The Scheme will invest upto a maximum of 20% of debt portion of the Scheme in foreign securities as specified in the para 12.19 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 and any subsequent amendments thereto specified by SEBI and/or RBI from time to time.
"Foreign Securities" means Securities as specified in the para 12.19of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 and any subsequent amendments thereto specified by SEBI and/or RBI from time to time.

To reduce the risk of the portfolio, the Scheme may use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Subject to the Regulations and the applicable guidelines issued by SEBI, the Trustee may permit the Fund to engage in securities lending and borrowing and short selling. At present, since only lending is permitted, the Fund may temporarily lend securities held with the Custodian to reputed counter-parties or on the exchange, for a fee, subject to prudent limits and controls for enhancing returns. The Fund, as per the current regulations is allowed to lend securities subject to a maximum of 50%, in aggregate, of the net assets of the Scheme and 50% of the net assets of the Scheme in the case of a single intermediary.

The scheme may participate in the corporate bond repo transactions and in accordance with extant SEBI/RBI guidelines and any subsequent amendments thereto specified by SEBI and/or RBI from time to time. The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.

The Scheme shall invest in debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption referred in Para 12.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023. The Scheme shall not invest more than 10% of its NAV of the debt portfolio of the scheme in such instruments and not more than 5% of its NAV of the debt portfolio of the Scheme in such instruments issued by a single issuer having special features or within such limits as permitted by SEBI from time to time.

The scheme shall maintain liquid assets in the form of Redemption at Risk (RaR) and Conditional Redemption at Risk (CRaR) which shall be 10% of their net assets in liquid assets in terms of para 4.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 or as prescribed at Annexure 1 of AMFI Best Practices Guidelines Circular No.93 / 2021-22 dated July 24, 2021, whichever is higher.

The schemes shall maintain the above two ratios at 100% of the requirement on a daily basis. However, to meet redemptions, AMCs may have to periodically dip into their liquid assets which may result in the liquidity ratio dropping below 100% on those days. To factor in such scenarios, the scheme shall ensure that the ratio is restored to 100% of the requirement by ensuring the net inflows (through net subscription/accruals/ maturity & sale proceeds) into the scheme are used for restoring the ratios before making new purchases outside 'Eligible Assets'. In case the ratio remains below 100% for more than

15 consecutive days, then, this information shall be highlighted to Trustees till such time the said ratio is not restored to 100% of the requirement on weekly basis.

The scheme shall ensure that for asset allocation limits as provided in above table, the base shall be considered as net assets excluding the extent of minimum stipulated eligible assets i.e. higher of 10% of net assets or LR-CRaR as prescribed at Annexure 1 of AMFI Best Practices Guidelines Circular No.93 / 2021-22 dated July 24, 2021.

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme(s) shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year starting from December 2023 to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

However, in case of winding up of contributing Scheme, inter-scheme transfers within the same Mutual Fund or across Mutual Funds may be undertaken.
Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF. Also, for calculation of asset allocation limits of mutual fund schemes, investment in units of CDMDF shall be excluded from base of net assets.

Portfolio Rebalancing
Subject to Para 1.14of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, the asset allocation pattern indicated above may change for a short term period on defensive considerations, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. These proportions may vary depending upon the perception of the Fund Manager, the intention being at all times to seek to protect the interests of the Unit holders. In case of any deviation, the portfolio shall be rebalanced within 30 calendar days.

Pursuant to Para 2.9 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, in the event of any deviation from mandated asset allocation mentioned above, due to passive breaches, rebalancing period will be Thirty (30) business days. In case the portfolio is not rebalanced within Thirty (30) business days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if so desired, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. In case the portfolio of the scheme is not rebalanced within the aforementioned mandated plus extended timelines, the AMC shall not launch any new scheme till the time the portfolio is rebalanced and also not levy exit load, if any on the existing investors of the Scheme. However, at all times the portfolio will adhere to the overall investment objective of the Scheme.

Overview of Debt Market and Money Markets.
The Indian Debt Market has grown in size substantially over the years. The Reserve Bank of India has been taking steps to make the Indian Debt Market efficient and vibrant. Broadly, the debt market is divided in two parts viz. the Money Market and the Debt market. Money market instruments have a tenor of less than one year while debt market instruments have a tenor of more than one year. Money

market instruments are typically commercial paper, certificates of deposit, treasury bills, trade bills, repos, interbank call deposit receipts etc. Debt market comprises typically of securities issued by Governments (Central and State), Banks, Financial Institutions, and Companies in the private and public sector, Corporations, Statutory Bodies etc.

The debt securities are mainly traded over the telephone directly or through brokers. The National Stock Exchange of India has a separate trading platform called the Wholesale Debt Market segment where trades put through member brokers are reported.

RBI has introduced the Negotiated Dealing System (NDS) platform for screen-based trading in Government Securities and Money Market instruments. Most of the market participants are now operating through NDS.

Promoted by major banks and financial institutions, The Clearing Corporation of India Ltd. (CCIL) was incorporated on April 30, 2001. The CCIL guarantees the settlement of all trades executed through NDS. The clearing and settlement risks viz., Counter party Credit Risk and Operational Risk are mitigated by CCIL thereby facilitating a smooth settlement process.

The following table gives approximate yields prevailing as on October 12, 2023 on some of the money and debt market instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing.

Instrument	**Yield Range (% per annum)**
Inter-bank Call Money	6.76-6.76
91 Day Treasury Bill	6.87-6.89
364 Day Treasury Bill	7.15 -7.17
P1+ Commercial Paper 90 Days	7.16-7.18
3-Year Government of India Security	7.33-7.35
5-Year Government of India Security	7.32-7.34
10-Year Government of India Security	7.30-7.32

Generally, for instruments issued by a non-Government entity, the yield is higher than the yield on a Government Security with corresponding maturity. The difference, known as credit spread, depends on the credit rating of the entity. Investors must note that the yields shown above are the yields prevailing on October 12, 2023, and they are likely to change consequent to changes in economic conditions and RBI policy.

D. Where will the scheme invest

The amount collected under the scheme will be invested in debt and money market instruments, and government securities. Subject to the Regulations, the amount collected under this scheme can be invested in any (but not exclusively) of the following:

a. Securities created and issued/ guaranteed 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).
b. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee (including but not limited to Indian Government Bond, State Development Loans issued and serviced at the Public Debt Office, Bonds issued by Central & State Government PSU's which are guaranteed by Central or State Governments)
c. Corporate debt (including repo in corporate bonds) (of both public and private sector undertakings) including Non-convertible debentures (including bonds) and non-convertible part of convertible securities.

d. Obligations/ Term Deposits of banks (both public and private sector) and development financial institutions and other bodies corporate as may be permitted by SEBI from time to time
e. Money market instruments permitted by SEBI/RBI, having maturities of up to one year or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
f. Certificate of Deposits (CDs).
g. Commercial Paper (CPs), Triparty repo on Government securities or treasury bills, Bills re-discounting, Reverse repos, & other money market instruments as may be permitted by SEBI from time to time.
h. Repo of corporate debt securities
i. Securitised Debt, not including foreign securitised debt.
j. The non-convertible part of convertible securities.
k. Debentures
l. Investment in units of Real Estate Investment Trust ('REIT') & Infrastructure Investment Trust ('InvIT').
m. Any other domestic fixed income securities as permitted by SEBI / RBI from time to time.
n. Derivative instruments like Interest Rate Swaps, Interest Rate Forwards, Interest Rate Futures, Forward Rate Agreements, Interest Rate Futures (IRFs) (both perfectly and imperfectly hedged) and such other derivative instruments permitted by SEBI/RBI.
o. Foreign securities including ADR/GDR of Indian or foreign Companies
p. Investment in CDMDF- In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM.
q. Any other instruments / securities, which in the opinion of the fund manager would suit the investment objective of the scheme subject to compliance with extant Regulations.

The securities mentioned above could be listed or unlisted, secured or unsecured, rated or unrated and of varying maturities and other terms of issue. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals. The Schemes may also enter into repurchase and reverse repurchase obligations in all securities held by it as per guidelines/regulations applicable to such transactions.

Investment in Derivatives- Interest Rate Futures (IRFs) (both perfectly and imperfectly hedged):

To reduce interest rate risk in a debt portfolio, scheme may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{\text{(Portfolio Modified Duration*Market Value of the Portfolio)}}{\text{(Futures Modified Duration* Futures price/PAR)}}$$

In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:

a) Exposure to IRFs is created ***only for hedging*** the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

b) The scheme is permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio *(excluding the hedged portions, if any)* and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of 12.25.9.3 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023. The correlation should be calculated for a period of last 90 days.

Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:

i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or

ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.

c) At no point of time, the net modified duration of part of the portfolio being hedged should be negative.

d) The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of 12.25.9.3 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023

The basic characteristics of the scheme will not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.

The interest rate hedging of the portfolio will be in the interest of the investors.

Investment in Foreign Securities

The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to the provisions of Para 12.19 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 and as may be amended from time to time an any other requirements as may be stipulated by SEBI/RBI from time to time

The Scheme may, in terms of its investment objectives with the approval of SEBI/RBI invest in following Foreign Securities:

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 grad

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 aggregate ceiling for overseas investments is USD 7 billion as per SEBI Master Circular dated May 19, 2023. Within the overall limit of USD 7 billion, mutual funds can make overseas investments subject to a maximum of USD 1 billion per mutual fund. The overall ceiling for investment in overseas ETFs that invest in securities is US$ 1 billion subject to a maximum of US$ 300 million per mutual fund.
The Mutual Fund may, where necessary appoint intermediaries as sub-managers, 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 as stated under Regulation 52 of SEBI (MF) Regulations.

Participation of schemes of Kotak Mahindra Mutual Fund in repo of corporate debt securities:
In accordance with Para 12.18 SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, SEBI circular No. SEBI/HO/IMD/IMD PoD-2/P/CIR/2023/85 dated June 08, 2023 and SEBI circular No. SEBI/HO/IMD/IMD PoD-2/P/CIR/2023/87 dated June 13, 2023 and any other circulars issued by SEBI/ RBI from time to time, the Scheme shall participate in repo transactions in corporate debt securities subject to following guidelines:

- The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities including Commercial Papers (CPs) and Certificate of Deposits (CDs) shall not be more than 10 % of the net assets of the concerned scheme.
- The cumulative gross exposure through repo transactions in corporate debt securities including Commercial Papers (CPs) and Certificate of Deposits (CDs) along with equity, debt and derivatives, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time shall not exceed 100% of the net assets of the concerned scheme.
- Mutual funds shall participate in repo transactions on following Corporate Debt securities;
    - Listed AA and above rated corporate debt securities and
    - Commercial Papers(CPs) and Certificate of Deposits(CDs).
- In terms of Regulation 44 (2) mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
- 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 including Commercial Papers(CPs) and Certificate of Deposits(CDs). However, for transactions where settlement is guaranteed by a Clearing Corporation, the exposure shall not be considered for the purpose of determination of investment limits for single issuer, group issuer and sector level limits.

The parameters for investment in repos of corporate debt securities as approved by the Board of AMC and Trustee Company are as under:

i) Category of counterparty to be considered for making investment:
All entities (including clearing corporations) eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo transactions.

(ii) Credit rating of counterparty to be considered for making investment
The schemes shall participate in corporate bond repo transactions with counterparties having a minimum investment grade rating and is approved by the Investment Committee on a case-to-case basis. In case there is no rating available, the Investment Committee will decide the rating of the counterparty, and report the same to the Board from time to time.
The requirement for credit rating of the counterparty will not be applicable for transactions where settlement is guaranteed by a Clearing Corporation,

(iii) Tenor of Repo and collateral
As a repo seller, the schemes will borrow cash for a period not exceeding 6 months or as per extant regulations. As a repo buyer, the Schemes are allowed to undertake the transactions for maximum maturity upto one year or such other terms as may be approved by the Investment Committee. There shall be no restriction / limitation on the tenor of collateral.

(iv) Applicable haircuts
RBI in its circular dated July 24, 2018 has prescribed the haircut to be applied for repo transactions as follows:

Haircut/margins will be decided either by the clearing house or may be bilaterally agreed upon, in terms of the documentation governing repo transactions, subject to the following stipulations:

i. Listed corporate bonds and debentures shall carry a minimum haircut of 2% of market value.
ii. CPs and CDs shall carry a minimum haircut of 1.5% of market value.
iii. Securities issued by a local authority shall carry a minimum haircut of 2% of market value.

However, the fund manager may ask for a higher haircut (while lending) or give a higher haircut (while borrowing) depending on the prevailing liquidity situation in the market.

Risk envisaged and mitigation measures for repo transactions:
Credit risks could arise if the counterparty does not return the security as contracted or interest received by the counter party on due date. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Additionally, appropriate haircuts are applied on the market value of the underlying securities based on the tenor and illiquidity of the underlying security. Also operational risks are lower as such trades are settled on a DVP basis.

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to us. Thus the scheme may in remote cases suffer losses. This risk is normally mitigated by better cash flow planning to take care of such repayments.

The above risks will not arise for repo transactions where settlement is guaranteed by a Clearing Corporation.

Investments in securitized debt instruments

How the risk profile of securitized debt fits into the risk appetite of the scheme:

The scheme investment pattern permits investments in debt and money market instruments with extended maturities. Under this the investments could be in the following form of issuances, viz. CPs, CDs, Securitised debt, etc. i.e for the same acceptable levels of risks there could be multiple instruments available to a Fund Manager. Based on the credit assessment of the issuers the Fund Manager may chose to invest in securitized debt.

Our evaluation process for investment in securitized debt is similar to the approach followed for other types of instruments including money market and bonds. We lay emphasis on credit, liquidity and duration risk while evaluating every prospective investment, keeping in mind the investment objectives of the particular scheme.

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

The Fund Manager shall do a comprehensive credit assessment of the structure before investment. This includes originator's credit origination standards, track record on asset quality, more specifically its track record in respect the asset class that is being securitized and also the performance of the pools securitised by the originator in the past. No investments will be made in instruments rated below certain grades as prescribed by the investment committee or in unrated instruments. Prior approval of Trustee will be taken, in case of any investments in unrated instruments.

The securitised paper may pertain to a single asset class e.g., car loans or commercial vehicle loans or a combination of different asset classes i.e. car loans, two wheeler loans and commercial vehicle loans. Investment focus is towards diversification in the asset pool in terms of geography, underlying collateral. Although there is no specific guidelines with respect minimum period for which the originator had held the loans in its books), appropriateness of the seasoning (the period for which the originator has held loans on its books) and also the loan to value and instilment to income profile of the pool are important parameters for making investment decision.

In case of single loan securitization, the originator merely transfers the loan existing in his book by way of a single loan sell down. The obligation to repay and service the debt remains with the underlying obligor and hence, it is the obligor whose standalone business and financial risk profile is evaluated. Therefore, the credit rating of a single loan structure mirrors the credit rating of the obligor.

For pool securitization, where the debt repayment is dependent on the underlying pool of borrowers, it is important to evaluate the characteristics of the pool including the type of loan, loan to value ratio, ticket size of loan, geographic distribution etc. and the track record of the originator in terms of volume of securitization activity, historical losses seen in similar pools, stability in cash flow servicing and utilization level of credit enhancement.

Risk Mitigation strategies for investments with each kind of originator:

Apart from the above, risk assessment process includes examination of the credit enhancements offered under the present PTC structure, utilization of credit enhancement in the previous securitization structures of the originator and the trends in credit enhancement utilization of securitization transactions of similar asset classes of other originators. The size & reach of originators, its infrastructure & follow-up mechanism, quality of MIS & the collection process are also considered for each originator.

The nature of the instrument, underlying risks, underlying risk migration perceptions would decide the tenure of the said investments.

There is clear cut segregation of duties and responsibilities with respect to Investment Function and Sales function. Risk assessment and monitoring of investment in Securities Debt is done by a team comprising of credit analyst, fund manager and Head of Fixed Income. The Investment committee also looks into a first time investment in credit, apart from sanctioning overall limits for the same. Investment Decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objective.

Originator risk can be evaluated and mitigated on the basis of –

(a) Market position and size of the originator and expertise/niche in financing a particular type of asset.
(b) Systems and processes established by the originator to address operational risk relating to disbursement, collection and recovery of loans.
(c) Extent of data disclosed by the originator for the current pool as well as past pools which showcases the data mining capability of the originator.
(d) Credit enhancement provided based on the pool characteristics, historical performance of past pools and the base case losses assumed by the credit agency.

The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments:

Framework that will be applied while evaluating investment decision relating to a pool securitization transaction:

Characteristics/ Type of Pool	Mortgage Loan	CV & CE	Cars	Two Wheelers	Micro Finance	Personal Loans	Single loan sell down
Average maturity (in months)	36m-72m	12m-36m	12m-36m	12m-24m	3m-18m	12m-24m	12m-36m
Collateral margin (including cash, guarantees, excess interest spread, subordination)	5%-25%	10%-25%	10%-25%	Min 15%	Min 20%	Min 20%	NA
Average Loan-to-value	70%-90%	65%-90%	65%-90%	50%-75%	NA	NA	NA
Average Pool Seasoning (in months)	6m-12m	3m-6m	3m-6m	3m-6m	1m-3m	3m-6m	NA
Maximum exposure per ABS transaction	5%-15%	5%-15%	5%-15%	5%-10%	5%-15%	5%-10%	5%-15%

Note - Kindly note that these are indicative ranges and final figures could vary depending upon the overall characteristics of the transaction and market conditions

In respect of single sell down loans the process would be similar to the one adopted for investing in the issuer directly. Similarly the fund in the normal course of business would not be investing in personal / micro finance pools, unless the levels of comfort arising of the transaction structures, satisfy the investment committee.

The above table is prepared after considering the risk mitigating measures such as Size of the loan, Average original maturity of the pool, Average seasoning of the pool, Loan to Value Ratio, Geographical Distribution and Structure of the pool, default rate distribution & credit enhancement facility. The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same. This framework would be used as a reference for evaluation of investment into any securitized debt. However, each investment would also be evaluated on a case to case basis on its own merits apart from these limits.

Other risk mitigation measures
(a) Loan to Value Ratio – is an important parameter which highlights the underwriting standards of the issuer. Also, lower LTV ratios generally result in higher recoveries in case of default.

(b) Average seasoning of the pool - may vary depending on the asset type. Higher seasoning is preferred as it gives better visibility on delinquency levels in the pool.

(c) Default rate distribution – this is studied using empirical data for the originator. This is also a critical data used by the rating agency in determining the credit enhancement levels to be stipulated.

(d) Geographical Distribution – helps in identifying concentration risk in a particular geography and therefore reduces the default risk.

(e) Credit enhancement facility – is provided in pool securitization transactions and is very important as it is used to absorb credit losses stemming from default in the pool assets. The size of credit enhancement is determined on the basis of the issuer's credit risk profile, the type of asset being securitized and past pool performances.

(f) Liquidity facility – in some cases, in addition to the credit enhancement facility there is also a liquidity facility provided which is used to meet any shortfalls arising from delayed collections or delinquencies in the pool.

Minimum retention percentage by originator of debts to be securitized:
Although there is no specific guidelines with respect minimum retention percentage for which the originator had held the loans in its books), appropriateness of the seasoning (the period for which the originator has held loans on its books) and also the loan to value and installment to income profile of the pool are important parameters for making investment decision.

Minimum retention period of the debt by originator prior to securitization
For single loan securitization, there is currently no regulation for minimum retention period of debt by the originator. Our investment decision is driven by the credit quality of the underlying obligor.

For pool securitization, there is currently no regulation for minimum retention period of debt by the originator. Generally the pool assets we acquire in the form of PTCs have a retention period of 3-6 months by the originator. We follow the extant guidelines pertaining to securitization as set out by the regulator.

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. 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. Normally the issuer who is securitizing instrument is in need of money and is unlikely to have long term surplus to invest in mutual fund scheme. Furthermore, there is clear cut segregation of duties and responsibilities with respect to Investment function and Sales function. Investment decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objectives

Our investment decisions are independent of other business functions and are solely based on the assessment of credit risk, liquidity risk and duration risk pertaining to a particular security.

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

Risk assessment and monitoring of investment in Securities Debt is done by a team comprising of credit analyst, fund manager and Head of Fixed Income. The Investment committee also looks into a first time investment in credit, apart from sanctioning overall limits for the same. Investment Decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objective.

Apart from monitoring the credit quality of the underlying obligator / originator, for pool securitization transactions we closely monitor the monthly pool performance report which is sent out by the trustee. The reports are tracked for changes in specific pool characteristics which can impact the collection performance and loss levels in the pool.

Interest Rate Swap (IRS)
IRS is a widely used derivative product in the financial markets to manage interest rate risk. A typical transaction is a contract to exchange streams of interest rate obligation/income on a notional principal amount with a counter party, usually a bank. The two interest streams are, fixed rate on one side and floating rate on the other.

Example: Suppose the Fund holds a fixed rate bond of maturity 5 years carrying a fixed interest rate (YTM) of 7.25% p.a. payable half yearly. Such an investment runs the risk of depreciation if interest rates rise. To manage this risk, the Fund can enter into an IRS with another market participant, here the Fund contracts to pay fixed rate, say 6.85% p.a., and receive a floating rate (say overnight MIBOR). This transaction is done for a notional principal amount equal to the value of the investment. By such a contract a fixed rate income is offset by a fixed rate payment obligation leaving only a floating rate income stream. Thus, without actually investing in a floating rate asset, the Fund starts earning a floating rate income, reducing the risk of depreciation associated with the fixed rate investment. Following table summarises the cash flow streams:

Original investment	7.25% p.a.
Pay (Fixed rate)	6.85% p.a. (IRS)
Receive (Floating rate)	MIBOR
Net Flow	MIBOR + 0.40% p.a. (*)

* (7.25% p.a. – 6.85 % p.a.)
The floating rate reference is defined in the swap agreement.

The above example illustrates a case of fixed to floating rate swap. A swap could be done to move from floating rate to fixed rate in a similar fashion.

Please note that the above example is hypothetical in nature and the interest rates are assumed. The actual return may vary based on actual and depends on the interest rate prevailing at the time the swap agreement is entered into.

The Scheme will be allowed to take exposure in Interest Rate Swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio.

The Scheme may use other derivatives such as interest rate futures, etc, to meet the investment objective of the Scheme, whenever such instruments are available in the market.

Note on Risk:

- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.

Interest Rate Futures (IRFs)
IRF 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. Hedging using interest rate futures could be perfect or imperfect, subject to applicable regulations. Currently, exchange traded Interest Rate Futures traded on exchange are standardized contracts based on 10-Year Government of India Security and 91 day Treasury bill. IRF contracts are cash settled. IRFs give an opportunity in the fixed income market to hedge interest rate risk or rebalance the portfolio by using them. By locking into a price, the IRF contract can help to eliminate the interest rate risk. Thus, in order to protect against a fall in the value of the portfolio due to falling bond prices, one can take short position in IRF contracts. Example: Date: Sep 01, 2023 Spot price of the Government Security: Rs.105 Price of IRF– Sep contract: Rs. 105.5 On Sep 01, 2023, Fund buys 100 units of the Government security from the spot market at Rs. 105. Subsequently, it is anticipated that the interest rate will rise in the near future. Therefore to hedge the exposure in underlying Government security, Fund sells Sep Interest Rate Futures contracts at Rs. 105.5. On Sep 15, 2023 due to increase in interest rate: Spot price of the Government Security: Rs. 104 Futures Price of IRF Contract: Rs.104.2 Loss in underlying market will be (105 – 104)*100 = (Rs. 100) Profit in the Futures market will be (105.50 – 104.2)*100 = Rs. 130

<u>Imperfect Hedge</u>

Illustration for Imperfect Hedging Scenario 1 and 2

Assumption: Portfolio whose duration is 3 years, is being hedged with an IRF whose underlying securities duration is 10 years

Portfolio Duration: 5 year

Market Value of Portfolio: Rs 100 crs

Imperfect Hedging cannot exceed 20% of Portfolio
Maximum extent of short position that may be taken in IRFs is as per below mentioned formula: Portfolio (security) Modified Duration * Market Value of Portfolio (security) / (Futures Modified Duration * Futures Price/PAR)

Consider that we choose to hedge 20% of portfolio (5 * (0.2 * 100))/(10 * 100/100) = Rs 10 crs

So we must Sell Rs 10 cr of IRF with underlying duration of 10 years to hedge Rs 100 of Portfolio with duration of 5 years.

Scenario 1 If the yield curve moves in a way that the 5 year moves up by 10 bps and the 10 year moves up by 5bps, which means that the short end has moved up more than the long end

Amount of Security in Portfolio (LONG): Rs 100 cr

If yields move up buy 10 bps then the price of the security with a modified duration of 5 years will move down by;

Formula: (Yield movement * Duration) * Portfolio Value ((0.001 * 5) * 1,00,00,00,000)= - 50,00,000

Underlying IRF (SHORT): Rs 10 crs

If yields move up buy 5bps then the price of the security with a duration of 10 years will move down by; Formula: (Yield movement * Duration) * Portfolio Value (-0.0005*10) * 10,00,00,000 = 5,00,000 Since we have sold the IRF, this movement is positive and hence the total loss will be reduced to: -50,00,000 + 5,00,000= -45,00,000

Due to IRF, the overall impact on the portfolio due to interest rate movement has been reduced.
Scenario 2 If the yield curve moves in a way that the 5 year does not move and the 10 year moves down by 5 bps, which means that the yield curve has flattened.

If yield does not move then the price of the security with a duration of 5 years will remain flat: Formula: (Yield movement * Duration) * Portfolio Value (0*5) * 100,00,00,000 = 0

Underlying IRF (SHORT): Rs 10 cr If yields moves down by 5bps then the price of the security with a duration of 10 years will move up by; (0.0005*10) * 10,00,00,000 = -5,00,000 In this scenario, the imperfect hedge created on the portfolio would create a loss on the total position.

The fund will use derivatives instruments for the purpose hedging or portfolio rebalancing or for any other stock and / or index derivative strategies as allowed under the SEBI regulations.
Note on Risk:

- Potential loss associated with imperfect hedge using IRFs – While using such strategy may reduce interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline.
- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.
- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.
- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

- Movement in the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio may lead to basis risk due to imperfect correlation. Thus, the loss on the portfolio may be different from the gain of the hedged position entered using the IRF.

Hedging
Holders of the GOI securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts.
<u>Example:</u>

On 17/09/2023 buy 7.26 G sec 2033: Rs. 100.19 at the current market price of Rs. 100.19

Step 1 - Short the 27/09/2023 IRF futures contract at say price of Rs. 100.29 (assuming IRF trading at premium)
Step 2 – Earn the carry (running yield) of the 10 yr G sec of 7.23% from date of purchase till IRF expiry.
Step 3 – IRF and cash market price will converge on the maturity of the contract hence sell the bond on the maturity.

Under the strategy, the trader has earned a return of
- Arbitrage = (100.29-100.19) / 100.19 * 365 / 10 = 3.65%
- Current yield of G sec = 7.23%
- Arbitrage + current yield of G sec = 10.88 % (Holding period Arbitrage)

(Note: For simplicity accrued interest is not considered for calculation)
Assuming IRF is trading at premium the above trade will be done.

Note on Risk:
- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.

- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.

- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

Arbitrage
Arbitrage is the price difference between the bonds prices in underlying bond market and IRF contract without any view about the interest rate movement. One can earn the risk-less profit from realizing arbitrage opportunity and entering into the IRF contract.
Example:

Date: 17/09/2023

Spot price of G sec 7.26 G sec 2033: Rs. 100.19

Futures price of IRF Contract G sec 7.26 G sec 2033: Rs.100.29

On 17/09/2023 XYZ bought 2000 GOI securities from spot market at Rs100.19. He anticipates that the interest rate will rise in near future. Therefore, to hedge the exposure in underlying market he may sell IRF for 7.26 G sec 2033 maturing on 27 Sep 2023 traded Interest Rate Futures contracts at Rs.100.29

On 27/09/2023 the maturity price of the contract and underlying will be same thereby realising the 10p arbitrage gain

Spot price of GOI Security: Rs. 100.19

Futures Price of IRF Contract: Rs. 100.29

Profit /Loss in underlying market will be (100.19-100.19)*2000 = Rs.00
Loss in the Futures market will be (100.29-100.19)*2000 = Rs. 20000
Therefore the fund will earn a total holding period return of 7.23% + (0.10/10*365)= 7.23+3.65=10.88
Not necessary the future is trading above cash for arbitrage to happen.

Note on Risk:

- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.

- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

  Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

E. What are the investment strategies?

The Scheme endeavors to generate returns and capital appreciation by predominantly investing in corporate debt securities of varying maturities across the credit spectrum. The Scheme will seek opportunities across the credit curve and will endeavor to take benefit from superior yield available from time to time.

Investments may be made in such instruments, which, in the opinion of the Fund Manager, are of acceptable credit risk where chances of default are at a minimum. The Fund Manager may generally be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments may be selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook and stability of rating.

Emphasis may be given to choosing securities, which, in the opinion of the Fund Manager, are less prone to default risk, while bearing in mind the liquidity needs arising out of the open-ended nature of the Scheme.

The Scheme is not restrained from investing in listed/unlisted and / or rated / unrated debt securities, securities issued by public / private sector companies / corporations, financial institutions and / or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., provided the investments are within the limits indicated in the Asset Allocation Table. The instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis. The Scheme may invest in call money / term money market in terms of RBI guidelines in this respect. Investment in unrated debt securities will be made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee will be taken before making the investment.

The AMC will have an internal policy for selection of assets of the portfolio from time to time, taking into account multiple ratings, rating migration, credit premium over sovereign risk, general economic conditions and such other criteria. Such an internal policy from time to time will lay down maximum/minimum exposure for different ratings, norms for investing in unrated paper, liquidity norms and so on. Through such norms, the Scheme is expected to maintain a high quality portfolio and manage credit risk well.

The scheme may invest in another scheme of the Kotak Mahindra Mutual Fund or any other Mutual Fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the management of Kotak Mahindra Asset Management Company Limited or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of Kotak Mahindra Mutual Fund.

Risk Mitigation
Risk control measures for investment strategy

The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

Risk mitigation measures for portfolio volatility

The portfolio volatility is managed in line with the objective of scheme. Internal caps on average maturity are defined to keep volatility on account of interest rate risk minimal. The scheme also invests a significant portion in high credit quality papers to mitigate credit risk and the resultant volatility. Portfolio volatility is monitored on a periodic basis relative to the benchmark and the peer set.

Risk mitigation measures for managing liquidity

Reasonable investments are made at the shorter end of the yield curve which is the most actively traded segment in the secondary market. With the implementation of SEBI circular on Liquidity Risk Management, scheme holds adequate liquid assets in the form of LR-RaR and LR-CRaR, on a daily basis, which would help manage liquidity and take care of redemption pressures. Further, the internal investment parameters also take into cognizance liquidity of the portfolio.

Risk involved and mitigation measures for investments in unrated instruments.
All debt securities carry a risk of repayment of principal or interest by the borrower. This risk depends on micro-economic factors such as financial soundness and ability of the borrower as also macro-

economic factors such as Industry performance, Competition from Imports, Competitiveness of Exports, Input costs, Trade barriers, Favorability of Foreign Currency conversion rates, etc.

Although Credit risks of most issuers are rated by independent rating agencies, some issuer's papers are not rated. Credit ratings provide a common ground for comparisons when trading securities in the secondary market. In the absence of credit ratings, investors have to find other objective & standardized credit risk measurement which may be difficult to identify. Therefore, unrated papers are harder to price & may be less liquid than rated papers. Consequently, the possibility of a subjective valuation is higher than rated papers.

The Scheme may invest not more than 10% of its net asset in unrated debt instruments issued by a single issuer and the total investment in such instruments will not exceed 25% of the net assets of the Scheme. All the investments in unrated papers are critically evaluated by the Investment Committee. The committee evaluates various parameters of the issuer to decide on making the investment.

Liquidity Risk Management Tool:
Following are few of the liquidity risk management tools as provided under Para 4.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, and AMFI best practise circular 35/ BP/93/ 2021-22 dated July 24, 2021, which have been adopted by the scheme to manage liquidity risk:

Potential Risk Matrix

As provided in Para 17.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 on Potential Risk Class Matrix (PRC) for debt schemes and various other circulars issued thereon, the scheme shall maintain its portfolio in line with the defined PRC position .i.e. the maximum risk that a scheme will run as per design and a measurement of that risk on a regular basis. In case of any breaches, remedial actions shall be in line with the requirement of the aforementioned circular.

Risk-o-meter
As provided in Para 17.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023on Product Labeling in Mutual Fund schemes – Risk-o-meter and various other circulars issued thereon, the scheme shall calculate and disclose the current risk levels based on its portfolio construct.

Liquidity Risk Management (LRM)

As provided in AMFI Best Practice Guidelines circular dated 24th July 2021 on Prudential norms for Liquidity Risk Management for Open ended Debt schemes (except Overnight Fund, Gilt Fund and Gilt Fund with 10-year constant duration) and various other circulars issued thereon, defines liquidity risk (Liquidity Ratio-Redemption at Risk (LRaR) & Liquidity Ratio-Conditional Redemption at Risk (LCRaR) arising from the liability side of the scheme and shall maintain these on each day by way of eligible assets by the scheme. However, to meet redemptions, the scheme may have to periodically dip into their liquid assets which may result in the liquidity ratio dropping below the required levels on those days. The scheme shall ensure to take remedial actions in line with the requirement of the aforementioned circular.

Also, back testing analysis is performed which involves capturing actual outflow for each scheme and comparing the same with minimum LRaR & LCRaR required to be maintained by the scheme.

Stress Testing

Stress testing of Interest Rate, Credit and Liquidity Risk at an aggregate portfolio level in terms of its impact on NAV is performed in line with AMFI Best Practice circular dated 12th October 2022 and various other circular issued thereon.

Risk Management Framework (RMF)

As provided in Risk Management Framework circular, the schemes calculates ALM requirement which addresses potential liquidity requirement over a 90-day period and maintains relevant asset side liquidity. Remedial actions, if any required to be taken are based on directions of the Investment Committee.

Swing Pricing

In case of severe liquidity stress at an AMC level or a severe dysfunction at market level, the Swing Pricing guidelines gets triggered which offers the contingency plan in case all else fails.

Portfolio Turnover:

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The Scheme has no specific target relating to turnover of securities, given the low liquidity in the debt market. However, the turnover is guided by sale and purchase of securities arising out of the purchase and redemption of Units. Trading opportunities may arise due to changes in system liquidity, interest rate policy announced by RBI, shifts in the yield curve, change or anticipation of change in the credit worthiness or credit rating of securities or any other factors, which may lead to increase in the turnover. The fund manager will endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. The Scheme has no specific target relating to portfolio turnover.

Product Differentiation:

Duration of the portfolio determines the schemes risk profile. In this regard, Kotak Medium Term Fund is different from other funds offered by Kotak Mutual Fund as its portfolio would operate within a weighted average maturity range band of 3 to 7 years.

Stated below are the key features of other open ended debt schemes of Kotak Mahindra Mutual Fund.

<table>
<tr><th>Name of the Existing Scheme</th><th>Investment Objective</th><th>Asset Allocation Pattern</th><th>Differentiation</th><th>Quarterly AAUM & Folio as on September 30, 2023</th></tr>
<tr><td>Kotak Bond Short Term Fund</td><td>The investment objective of the Scheme is to provide reasonable returns and reasonably</td><td><table><tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr><tr><td></td><td></td><td></td></tr></table></td><td>An open ended short term debt scheme investing in instruments such that the Macaulay</td><td>13,181.14 Crs
Folio - 22,026</td></tr>
</table>

	high levels of liquidity by investing in debt instruments such as bonds, debentures and Government securities; and money market instruments such as treasury bills, commercial papers, certificates of deposit, including repos in permitted securities of different maturities, so as to spread the risk across different kinds of issuers in the debt markets. There is no assurance that the investment objective of the Scheme will be realized.	<table><tr><td>Debt and money market instruments including government securities*</td><td>0 to 100%</td><td>Low to Medium</td></tr><tr><td>Units issued by REITs & InvITs</td><td>0% to 10%</td><td>Very High</td></tr></table>	duration of the portfolio is between 1 year and 3 years. A relatively high interest rate risk and moderate credit risk.	
Kotak Savings Fund	The investment objective of the Scheme is to generate returns	<table><tr><td>**Investments**</td><td>**Indicative Allocation**</td><td>**Risk Profile**</td></tr></table>	An open ended ultra-short term debt scheme investing in instruments such that the	12,571.37 Crs Folio - 44,480

<table>
<tr><td></td><td>through investments in debt and money market instruments with a view to reduce the interest rate risk.

However, there is no assurance or guarantee that the investment objective of the scheme will be achieved.</td><td><table><tr><td>Debt & Money market instruments including government securities</td><td>0 to 100%</td><td>Low to medium</td></tr></table></td><td>Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk.</td><td></td></tr>
<tr><td>Kotak Dynamic Bond Fund</td><td>The investment objective of the Scheme is to maximise returns through an active management of a portfolio of debt and money market securities. There is no assurance or guarantee that the investment objective of the scheme will be achieved.</td><td><table><tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr><tr><td>*Debt & Money Market Instruments including government securities</td><td>0% to 100%</td><td>Low to Medium</td></tr><tr><td>Units issued by REITs &InvITs</td><td>0-10%</td><td>Medium to High</td></tr></table></td><td>An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.</td><td>2,470.23 Crs
Folio - 21,256</td></tr>
<tr><td>Kotak Credit Risk Fund</td><td>The investment objective of the scheme is to generate income by</td><td><table><tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr></table></td><td>An open ended debt scheme predominantly investing in AA and below rated</td><td>972.76 Crs
Folio - 9,569</td></tr>
</table>

<table>
<tr>
<td></td>
<td>investing in debt /and money market securities across the yield curve and predominantly in AA rated and below corporate securities. The scheme would also seek to maintain reasonable liquidity within the fund.

There is no assurance that the investment objective of the Schemes will be realised.</td>
<td>
<table>
<tr><td>(A) Corporate Debt Securities #(only in AA and below rated corporate bonds, excluding AA+ rated corporate bond)</td><td>65% to 100%</td><td>Medium</td></tr>
<tr><td>(B) Debt & Money Market Instruments including government securities and above AA rated corporate debt securities *</td><td>0% to 35%</td><td>Low – Medium</td></tr>
<tr><td>(C) Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to High</td></tr>
</table>
</td>
<td>corporate bonds (Excluding AA+ rated corporate bonds). A relatively high interest rate risk and relatively high credit risk.</td>
<td></td>
</tr>
<tr>
<td>Kotak Low Duration Fund</td>
<td>The primary objective of the Scheme is to generate income through investment primarily in low duration debt & money market securities.

There is no assurance or guarantee that the investment objective of the scheme</td>
<td>
<table>
<tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr>
<tr><td>Debt and Money Market instruments including government securities</td><td>0 to 100%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0% to 10%</td><td>Very High</td></tr>
</table>
</td>
<td>An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months. A relatively high interest rate risk and moderate credit risk.</td>
<td>11,056.63 Crs Folio - 86,551</td>
</tr>
</table>

	will be achieved.			
Kotak Gilt Fund	The objective of the Plan is to generate risk-free returns through investments in sovereign securities issued by the Central Government and/or State Government (s) and/or any security unconditionally guaranteed by the Government of India, and/or reverse repos in such securities as and when permitted by RBI. A portion of the fund may be invested in Reverse repo, Triparty repo on Government securities or treasury bills and/or other similar instruments as may be notified to meet the day-to-day liquidity requirement	<table><tr><th>Asset Class</th><th>Minimum</th><th>Maximum Exposure</th><th>Risk Profile</th></tr><tr><td>Government of India Securities / State Government Securities / Government of India tbills/, repos/ reverse repos in such Securities as may be permitted by RBI</td><td>80%</td><td>100%</td><td>Sovereign</td></tr><tr><td>Call money market or alternative investment for call money market as may be provided by the Reserve Bank of India - currently Triparty repo on Government securities or treasury bills</td><td>0%</td><td>20%</td><td>Low</td></tr></table>	An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.	2,708.39 Crs Folio - 7,650

	s of the Plan. To ensure total safety of Unitholders' funds, the Plan does not invest in any other securities such as shares, debentures or bonds issued by any other entity. The Fund will seek to underwrite issuance of Government Securities if and to the extent permitted by SEBI/RBI and subject to the prevailing rules and regulations specified in this respect and may also participate in their auction from time to time. Subject to the maximum amount permitted from time to time, the Plan may invest in securities abroad, in the manner			

<table>
<tr><td></td><td>allowed by SEBI/RBI in conformity with the guidelines, rules and regulations in this respect.

There is no assurance that the investment objective of the Plan will be achieved. It is however emphasized, that investments under the Plan are made in Government Securities, where there is no risk of default of payment in principal or interest amount.</td><td></td><td></td><td></td></tr>
<tr><td>Kotak Liquid Fund</td><td>The investment objective of the Scheme is to provide reasonable returns and high level of liquidity by investing in debt instruments such as bonds, debentures and Government Securities; and money</td><td><table>
<tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr>
<tr><td>*Debt and money market instruments(including interbank call and repo)</td><td>100%</td><td>Low to Medium</td></tr>
</table></td><td>An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk.</td><td>26,831.05 Crs
Folio - 56,426</td></tr>
</table>

	market instruments such as treasury bills, commercial paper, certificate of deposit, including repos in permitted securities of different maturities, so as to spread the risk across different kinds of issuers in the debt markets. The Scheme may invest in call money/term money market in terms of RBI guidelines in this respect. Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore securities in the manner allowed by SEBI / RBI, provided such investments are in conformity with the			

<table>
<tr><td></td><td>investment objective of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI. There is no assurance that the investment objective of the Schemes will be realised.</td><td></td><td></td><td></td></tr>
<tr><td>Kotak Banking and PSU Debt Fund</td><td>To generate income by predominantly investing in debt & money market securities issued by Banks, Public Sector Undertaking (PSUs), Public Financial Institutions (PFI), Municipal Bonds and Reverse repos in</td><td><table>
<tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr>
<tr><td>Debt & Money Market instruments issued by Banks, PSUs, PFIs and Municipal Bonds.</td><td>80% to 100%</td><td>Low to Medium</td></tr>
<tr><td>Central Government and State government securities/ other instruments*</td><td>0% to 20%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0% to 10%</td><td>Very High</td></tr>
</table></td><td>An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds. A relatively high interest rate risk and moderate credit risk.</td><td>6,065.29 Crs
Folio - 18,406</td></tr>
</table>

<table>
<tr><td></td><td>such securities, sovereign securities issued by the Central Government and State Governments, and / or any security unconditionally guaranteed by the Govt. of India.

There is no assurance that or guarantee that the investment objective of the scheme will be achieved.</td><td></td><td></td><td></td></tr>
<tr><td>Kotak Money Market Fund</td><td>The investment objective of the Scheme is to generate returns by investing in money market instruments having maturity upto 1 year.

There is no assurance that the investment objective of the Scheme will be realized.</td><td><table><tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr><tr><td>Money Market Instruments having maturity upto 1 year*</td><td>0-100%</td><td>Low</td></tr></table></td><td>An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.</td><td>15,744.97 Crs
Folio - 14,694</td></tr>
</table>

<table>
<tr>
<td>Kotak Overnight Fund</td>
<td>The primary objective of the Scheme is to generate income through investment in debt & money market instruments having maturity of one business day (including Triparty repo on Government securities or treasury bills, Reverse Repo and equivalent).

However, there is no assurance or guarantee that the investment objective of the scheme will be achieved.</td>
<td><table>
<tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr>
<tr><td>Debt & money market instruments*having maturity of one business day (including Triparty repo on Government securities or treasury bills, Reverse Repo and equivalent)</td><td>0 - 100%</td><td>Low</td></tr>
</table></td>
<td>An open ended debt scheme investing in overnight securities. A relatively low interest rate risk and relatively low credit risk.</td>
<td>5,920.87 Crs
Folio - 5,429</td>
</tr>
<tr>
<td>Kotak Floating Rate Fund</td>
<td>The primary objective of the Scheme is to generate income through investment primarily in floating rate debt instruments, fixed rate debt instruments swapped for</td>
<td><table>
<tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr>
<tr><td>Floating Rate Debt Securities (including securitized debt and Fixed rate debt instruments swapped for floating rate returns)</td><td>65 - 100%</td><td>Low – Medium</td></tr>
</table></td>
<td>An open ended debt scheme predominantly investing in floating rate instruments. A relatively high interest rate risk and moderate credit risk.</td>
<td>4,697.36 Crs
Folio - 5,533</td>
</tr>
</table>

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<tr>
<td></td>
<td>floating rate returns and money market instruments.

However, there is no assurance or guarantee that the investment objective of the scheme will be achieved.</td>
<td><table><tr><td>Fixed Rate Debt Securities (including securitized debt, money market instruments & Floating rate debt instruments swapped for Fixed rate returns)</td><td>0 - 35%</td><td>Low – Medium</td></tr><tr><td>Units issued by REITs and InvITs</td><td>0 - 10%</td><td>Medium to High</td></tr></table></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kotak Corporate Bond Fund</td>
<td>The investment objective of the scheme is to generate income by investing in debt /and money market securities across the yield curve and predominantly in AA+ and above rated corporate securities. The scheme would also seek to maintain reasonable liquidity within the fund.

There is no assurance or guarantee that the investment objective of the scheme</td>
<td><table><tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr><tr><td>(A)Corporate Debt securities (only in AA+ and above rated corporate bonds)</td><td>80% to 100%</td><td>Low to Medium</td></tr><tr><td>(B)*Debt & money market instruments & other instruments including government securities and below AA+ rated corporate securities</td><td>0% to 20%</td><td>Low</td></tr><tr><td>Units issued by REITs & InvITs</td><td>0% to 10%</td><td>Very High</td></tr></table></td>
<td>An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.</td>
<td>10,715.87 Crs
Folio - 32,823</td>
</tr>
</table>

<table>
<tr><td></td><td>will be achieved.</td><td></td><td></td><td></td></tr>
<tr><td>Kotak Bond Fund</td><td>The investment objective of the Scheme is to create a portfolio of debt instruments such as bonds, debentures, Government Securities and money market instruments, including repos in permitted securities of different maturities, so as to spread the risk across different kinds of issuers in the debt markets.

There is no assurance that the investment objective of the Scheme will be achieved.</td><td><table>
<tr><th>Investments</th><th>Indicative Allocation</th><th>Risk Profile</th></tr>
<tr><td>*Debt & money market instruments including government securities</td><td>0-100%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to High</td></tr>
</table></td><td>An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years. A relatively high interest rate risk and moderate credit risk.</td><td>1,782.99 Crs
Folio - 5,030</td></tr>
</table>

For complete and detailed information on the asset allocation of the schemes, kindly refer their Scheme information documents

F. Fundamental attributes

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

1) Type of the scheme : As mentioned under the heading "Type of the Scheme"
2) Investment Objective As mentioned under the heading "Investment Objective"
3) Investment Pattern: As mentioned under the heading "How will the scheme allocate its assets"
4) Terms of Issue:
    a. Liquidity provisions such as listing, repurchase, redemption. – Please refer Chapter number IV " Units and Offer " for disclosures.
    b. Aggregate fees and expenses charged to the scheme.- Please refer Chapter V "Fees and Expenses" for disclosures.
    c. Any safety net or guarantee provided**.** – Not Applicable

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(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load

In addition to the conditions specified under Regulation 18 (15A) for bringing change in the fundamental attributes of the scheme, it has been decided that trustees shall take comments of the Board before bringing such change(s).

G. How will the scheme benchmark its performance?

Tier 1 Benchmark - NIFTY Medium Duration Debt Index C-III
Tier 2 Benchmark - NIFTY Medium Duration Debt Index
It is the appropriate benchmark for the scheme as the duration of the securities will be managed dynamically.

Note: The Tier 1 benchmark of the scheme has been changed from NIFTY Medium Duration Debt Index to NIFTY Medium Duration Debt Index C-III w.e.f April 01, 2022

The AMC/Trustee reserves right to change tier 2 benchmark in future for measuring performance of the scheme, in accordance with SEBI (MF) Regulations and circular issued thereunder from time to time.

H. Who manages the scheme?

NAME	AGE	QUALIFICATION	BUSINESS EXPERIENCE	SCHEMES MANAGED
Mr. Deepak Agrawal	43 years	Post Graduate in Commerce, Chartered Accountant, Company Secretary.	Mr. Deepak Agrawal's career has started from Kotak AMC when he joined the organization in December 2002 where he was initially in Research, Dealing and then moved into Fund Management from November 2006	• Kotak Liquid Fund • Kotak Money Market Fund • Kotak Savings Fund • Kotak Banking & PSU Debt Fund • Kotak Low Duration Fund • Kotak Bond Short Term Fund • Kotak Dynamic Bond Fund • Kotak Credit Risk Fund • Kotak Corporate Bond Fund • Kotak Medium Term Fund • Kotak Overnight Fund • Kotak Floating Rate Fund • All Kotak FMP Series
Ms. Palha Khanna	26 years	Bachelors in Commerce and MBA in Finance from Guru Nanak Dev University, Amritsar.	Ms. Palha Khanna has experience spread over Debt and Credit Research, Analysis, Operations and Finance within the Fund Management Team at Kotak Mahindra Asset Management Company Limited (KMAMC). Prior to joining KMAMC, Ms. Palha was associated with HDFC Asset Management Company Limited, where she was looking at Sales of Equity & Fixed Income Products.	Ms. Palha Khanna is the dedicated fund manager for investments in foreign securities in the following schemes: • Kotak Bond Fund • Kotak Gilt Fund • Kotak Bond Short Term Fund • Kotak Banking and PSU Debt Fund • Kotak Corporate Bond Fund • Kotak Credit Risk Fund • Kotak Dynamic Bond Fund

				• Kotak Floating Rate Fund • Kotak Liquid Fund • Kotak Low Duration Fund • Kotak Medium Term Fund • Kotak Money Market Fund • Kotak Overnight Fund • Kotak Savings Fund • Kotak Debt Hybrid Fund
Mr. Sunit Garg	42 years	B.Com, CA and PGDBM (Finance).	Mr. Sunit Garg has more than 17 years of experience in financial service industry in India. Out of which, more than 7 years has been with Kotak Mahindra Asset Management Company Limited. Prior to this he has worked with various Banks such as FirstRand Bank, Barclays Bank, ICICI Bank etc.	• Kotak Credit Risk Fund • Kotak Medium Term Fund

The Scheme has been managed by Mr. Deepak Agarwal since its launch in March 21, 2014. Ms. Palha Khanna is the dedicated fund manager for investments in foreign securities since July 03, 2023. Mr. Sunit Garg is co-managing the scheme since November 01, 2022.

I. What are the investment restrictions?

The following investment limitations and other restrictions, inter-alia, as contained in the Trust Deed and the Regulations apply to the Scheme:

1. As per Clause 1 of the Seventh Schedule of MF Regulation, 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 Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Trustees and the Board of directors of the asset management company.

   Within the limits specified in clause 1 of the Seventh Schedule of MF Regulation, a mutual fund scheme shall not invest more than:

   a. 10% of its NAV in debt and money market securities rated AAA issued by a single issuer; or
   b. 8% of its NAV in debt and money market securities rated AA issued by a single issuer; or

c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of the Seventh Schedule of MF Regulation.

The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of Credit Rating Agency (CRAs) between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating

Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and triparty repo on Government securities or treasury bills.

Provided further that investments 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 the Board.
Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time.

2. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments. It is further clarified that the investment limits are applicable to all debt securities, which are issued by public bodies/institutions such as electricity boards, municipal corporations, state transport corporations etc. guaranteed by either state or central government. Government securities issued by central/state government or on its behalf by the RBI are exempt from the above investment limits.

3. The investment of the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme: -

   - Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade; and –
   - Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade

   The above limits shall not be applicable on investments in securitized debt instruments.
   Investment by the Scheme in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

   Further, the investment in debt instruments having credit enhancements should be sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMCs will initiate necessary steps to ensure protection of the interest of the investors.

4. The Scheme may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all

schemes under the same AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund.

5. The Scheme shall not make any investments in:
   (a) any unlisted security of an associate or group company of the Sponsors; or
   (b) any security issued by way of private placement by an associate or group company of the Sponsors; or

6. The Scheme shall not invest in any Fund of Funds Scheme.

7. Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:-

   a) such transfers are made at the prevailing market price for quoted Securities on spot basis (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.)
   b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
   c) the same are in line with Para 12.30 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023.

8. The Mutual Fund 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 further that the Mutual Fund may enter into derivatives transactions in a recognized 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.

9. No term loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Schemes for the purpose of payment of interest or IDCW to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Schemes and the duration of such borrowing shall not exceed a period of six months.

10. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.

11. The mutual fund shall get the securities purchased / transferred in the name of the fund on account of the concerned scheme, where investments are intended to be of long term nature.

12. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, the scheme may invest them in short term deposits of schedule commercial banks, subject to Para 12.16 and Para 4.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, as may be amended from time to time. The AMC shall not charge any Investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks, for the Scheme.

13. In accordance with Para 12. 9 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023in case of debt schemes, the total exposure to single sector shall not exceed 20% of the net assets of the scheme. However this limit is not applicable for investments in Bank CDs, Triparty repo on Government securities or treasury bills, G-Secs,

T-Bills short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks.

Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only; Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme.

Provided further 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 20% of the net assets of the scheme

14. In accordance with Para 12.9.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, in case of debt scheme the total exposure in a group, except and in the group of sponsor and the asset management company, (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 Trustees.

    Further, the investments in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.

    For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and amendment thereto.

15. In accordance with the guidelines as stated under Para 12.1 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, investments in following instruments as specified in the said circular, as may be amended from time to time, shall be applicable:

i. The scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instrument and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

   However, the scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

ii. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed.

iii. Further, investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund schemes shall be subject to the conditions as specified in the said circular:

a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.

b. Exposure of mutual fund schemes in such instruments shall not exceed 5% of the net assets of the schemes.

c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

16. Investments in Derivatives shall be in accordance with the guidelines as stated under Para 7.5 ,7.5.1.2, 12.25.8.iii, 12.25.1 and 12.25.1 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 as may be amended from time to time

17. The scheme will invest in Repos in Corporate debt as stated in Para 12.18 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023.

18. Investment restrictions w.r.t. REITs and InvITS:

a. The Mutual Fund under all its schemes shall not own more than 10% of units issued by a single issuer of REIT and InvIT.
b. The Scheme shall not invest more than 10% of its NAV in the units of REITs and InvITs.
c. The Scheme shall not invest more than 5% of its NAV in the units of REITs and InvITs issued by a single issuer.

19. In terms of requirement of Para 12.2of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 prescribing norms for investments in debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption (Additional Tier I bonds and Tier 2 bonds issued under Basel III framework are some instruments which may have above referred special features), the following limit shall be applicable:
    a. No Mutual Fund under all its schemes shall own more than 10% of such instruments issued by a single issuer.
    b. The scheme shall not invest –
    i. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and
    ii. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

    The above investment limit for a mutual fund scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Seventh Schedule of SEBI (Mutual Fund) Regulations, 1996, and other prudential limits with respect to the debt instruments.

    The AMC may alter these above stated restrictions from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The Trustee may from time to time alter these restrictions in conformity with the SEBI (MF) Regulations.

    All investment restrictions shall be applicable at the time of making investment.

Apart from the above investment restrictions, the Fund follows certain internal norms within the above mentioned restrictions, and these are subject to review from time to time.

Modifications, if any, in the Investment Restrictions on account of amendments to the Regulations shall supercede/override the provisions of the Trust Deed.

Investments by the AMC in the Scheme

Pursuant to SEBI (Mutual Funds) (Second Amendment) Regulation 2021, AMC shall invest in the scheme based on the risk associated with the scheme as specified in para 6.9 of SEBI master circular SEBI/HO/IMD/IMD PoD1/P/CIR/2023/74 dated May 19, 2023 read with AMFI Best Practice Guidelines Circular 135/BP/100/2022-23 dated 26th April 2022 and any other circulars issued there under, from time to time.

Based on the current risk associated the minimum percentage of AUM to be invested in 0.09% of the AUM.

In addition to investments as mandated above, the AMC may invest in the Scheme subject to the SEBI (MF) Regulations. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme.

Pursuant to regulation 43A of SEBI (Mutual Funds) Regulations, 1996 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, AMC shall make a one-time contribution equivalent to 2 bps of the AUM of the specified debt oriented schemes as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days of request from CDMDF.

Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

In case of delay in contribution by the Scheme and AMC, the AMC shall be liable to pay interest at fifteen percent (15%) per annum for the period of delay.

Limits for investment in derivatives instruments

As per Para 12.24 and 12.25 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 on "Review of norms for investment and disclosure by Mutual Funds in derivatives", and SEBI circular no., the limits for exposure towards derivatives are as under:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
3. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
4. 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.

5. Mutual Funds may enter into plain vanilla 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.
6. 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.
7. 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

Creation of Segregation of Portfolio:
In accordance with para 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, provisions have been included for creation of segregated portfolio in the scheme.

Explanations:

1. The term 'segregated portfolio' shall mean a portfolio, comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme.
2. The term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio.
3. The term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

Note 1: As per para 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the credit event is considered for creation of segregated portfolio, however as per para 4.4.3.3 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the 'actual default' by the issuer of such instruments shall be considered for creation of segregated portfolio.

Note 2: Portfolio referred herewith will include interest accrued as well.

Terms and conditions in respect of Creation of segregated portfolio in the scheme:
AMC may create segregated portfolio in the scheme and it shall be subject to guidelines specified by SEBI from time to time including the following:

1. Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

   a. Downgrade of a debt or money market instrument to 'below investment grade', or

   b. Subsequent downgrades of the said instruments from 'below investment grade', or

   c. Similar such downgrades of a loan rating.

2. In case of difference in rating by multiple CRAs, AMC shall consider the most conservative rating. Creation of segregated portfolio shall be based on issuer level credit events as per above point no. 1 and shall be implemented at the ISIN level.

3. Creation of segregated portfolio shall be optional and at the discretion of Kotak Mahindra Asset Management Company Ltd ('AMC'). It should be created only if the Scheme Information Document (SID) of the scheme has provisions for segregated portfolio with adequate disclosures.

   Further, in accordance with para 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, creation of segregated portfolio in mutual fund schemes has been permitted in respect of unrated debt or money market instruments by mutual fund schemes of an issuer that does not have any outstanding rated debt or money market instruments, subject to the following terms:

   a. Segregated portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount. As per para 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, credit event is considered for creation of segregated portfolio, however as per para 4.4.3.3 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, 'actual default' by the issuer of such instruments shall be considered for creation of segregated portfolio.

   b. AMCs shall inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, AMCs may segregate the portfolio of debt or money market instruments of the said issuer in terms of para 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

   c. All other terms and conditions as stated in para 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 shall remain the same.

For detailed process for creation of segregated portfolio, refer Statement of Additional Information (SAI) of the Mutual Fund.

Swing Pricing Framework

Pursuant to Para 4.10 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, all open ended debt mutual fund schemes (except overnight funds, Gilt funds and Gilt with 10-year maturity funds) are required to follow Swing Pricing Framework:

Mandatory full swing pricing during market dislocation period

Swing pricing refers to a process for adjusting a fund's net asset value (NAV) to effectively pass on transaction costs stemming from net capital activity (i.e., flows into or out of the fund) to the investors associated with that activity during the life of a fund, excluding ramp-up period or termination. In a liquidity-challenged environment, quoted bid/ask spreads and overall trading cost can widen and may not be representative of the executed prices that can be achieved in the market.

In such circumstances, swing pricing can be a useful mechanism to contribute to protect the interests of existing investors, specifically from the dilution of their holdings; and contribute to protect the value of the investors capital.

a. have High or Very High risk on the risk-o-meter in terms of Para 17.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 (as of the most recent period at the time of declaration of market dislocation); and

b. classify themselves in the cells A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix in terms of Para 17.5 of SEBI Master Circular for Mutual Funds dated May 19, 2023.

Once the market dislocation is declared by SEBI either based on AMFI's recommendation or suo moto, SEBI will notify that swing pricing shall be applicable for a specified period. Subsequent to the announcement of market dislocation by SEBI:

a. both the incoming and outgoing investors shall get NAV adjusted for swing factor.

b. Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs for each mutual fund scheme

c. The scheme performance shall be computed based on unswung NAV.

d. The below disclosures pertaining to NAV adjusted for swing factor along with the performance impact will be made in scheme wise Annual Reports and Abridged summary and the same may be disclosed on their website prominently only if swing pricing framework has been made applicable for the said mutual fund scheme. The following will be effective from May 01, 2022:

Sr No.	Period of applicability of swing pricing	Scheme Name	Unswung NAV	Swing factor applied	Whether optional or mandatory

Illustration on swing pricing - market dislocation as announced by SEBI;

<table>
<tr><td>Scheme NAV (Unswung NAV) (in Rs. Per unit)</td><td>20</td></tr>
<tr><td>Potential Risk Class matrix classification</td><td>B-II</td></tr>
<tr><td>Swing Factor applicable</td><td>1.25%</td></tr>
<tr><td>Swung NAV(in Rs. Per unit)</td><td>19.75 = 20 * (1- 0.0125)</td></tr>
<tr><td colspan="2">Note;
If there is any exit load applicable as per scheme provisions, the same will be applied on the Swung NAV i.e. Rs. 19.75.
Both the incoming and outgoing investors shall get the Swung NAV i.e. Rs. 19.75 for their subscription and redemption transactions.
This effect of 1.25% on the applicable Unswung NAV shall be given on each day during the market dislocation period specified by SEBI.</td></tr>
</table>

The minimum swing factor as given below will be applicable in the scheme and the NAV will be adjusted downwards for both the incoming and outgoing investors.

Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)			2%

Investment in Corporate Debt Market Development Fund (CDMDF):
CDMDF shall comply with the Guarantee Scheme for Corporate Debt (GSCD) as notified by Ministry of Finance vide notification no. G.S.R. 559(E) dated July 26, 2023 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time, which includes the framework for corporate debt market development fund. The framework will inclusive of following points-

a) The CDMDF shall deal only in following securities during normal times:
   - Low duration Government Securities
   - Treasury bills
   - Tri-party Repo on G-sec
   - Guaranteed corporate bond repo with maturity not exceeding 7 days

b) The fees and expenses of CDMDF shall be as follows:
   - During Normal times: (0.15% + tax) of the Portfolio Value charged on daily pro-rata basis.
   - During Market stress: (0.20% + tax) of the Portfolio Value charged on daily pro-rata basis.
   - "Portfolio Value" means the aggregate amount of portfolio of investments including cash balance without netting off of leverage undertaken by the CDMDF.

c) Corporate debt securities to be bought by CDMDF during market dislocation include listed money market instruments. The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating.

d) CDMDF shall follow the Fair Pricing document, while purchase of corporate debt securities during market dislocation as specified in SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time.

e) CDMDF shall follow the loss waterfall accounting and guidelines w.r.t. purchase allocation and trade settlement of corporate debt securities bought by CDMDF, specified in SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time.

f) Further, unitholders to take note of the following aspects in respect to investment of Mutual Fund Schemes in CDMDF:

- CDMDF shall not be considered as an "associate" of any Mutual Fund and investment made in units of CDMDF shall not be considered as investment in associate or group company of any Mutual Fund.

- Investments in units of CDMDF shall be valued based on the last declared net asset value as disclosed on the website of the CDMDF Fund.

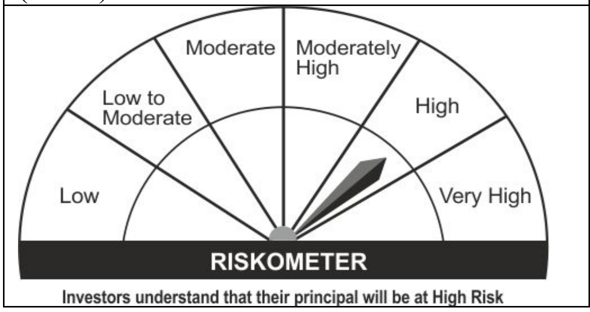
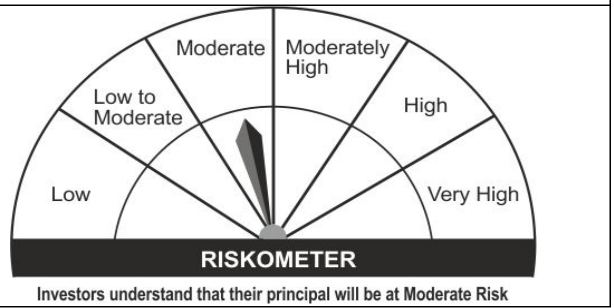
- The utilization of this facility by specified Mutual Fund schemes are voluntary.

J. How has the scheme performed?

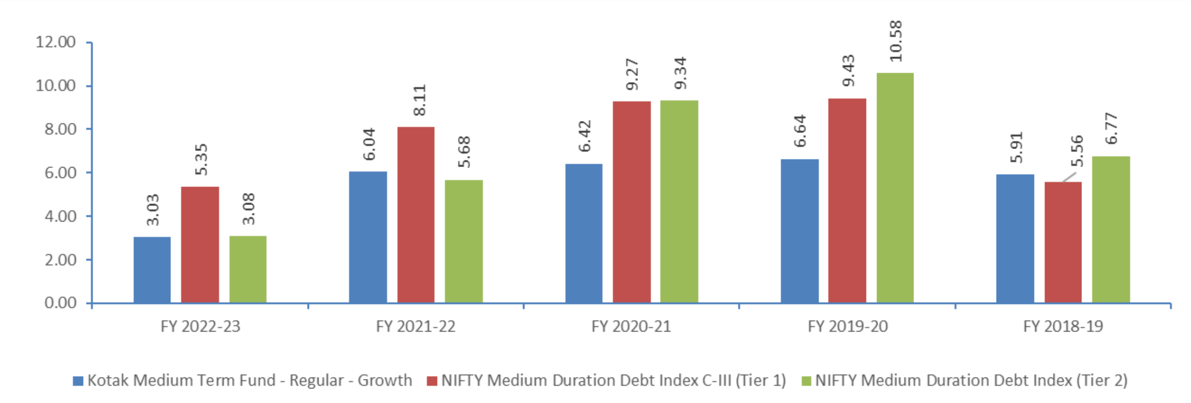
Performance of the scheme as on September 30, 2023

Compounded Annualized Growth Returns (%)	Scheme Returns - Regular Plan - Growth	NIFTY Medium Duration Debt Index C-III #(Tier 1)	NIFTY Medium Duration Debt Index #(Tier2)
Last 1 Year	5.64%	9.03%	7.29%
Last 3 Years	5.16%	8.04%	5.22%
Last 5 Years	5.96%	8.55%	7.81%
Since Inception	7.27%	8.69%	7.97%

#Benchmark Riskometer

NIFTY Medium Duration Debt Index C-III (Tier 1)	NIFTY Medium Duration Debt Index (Tier2)
	

Absolute Returns (%) for each financial year for the last 5 years



Past performance may or may not be sustained in future.
All the returns are of Growth Plan - Growth Option. Face Value of the Scheme is Rs. 10/- Per unit

K. Additional Scheme Related Disclosures

a. Aggregate investment in the Scheme of certain categories of persons as on September 30, 2023:

Aggregate Investment by the concerned fund manager(s) in the scheme is Rs. 9.07 Lakhs

Aggregate Investment by the Kotak AMC'S Board of Directors in the scheme is Rs. 1.82 lakhs

Aggregate Investment by Key Managerial Person of Kotak AMC in the scheme – Rs. 57.93 Lakhs

Note: Investments by Fund Manager(s) and Key Personnel includes mandatory investments made in accordance with SEBI circular on "Alignment of Interest of Designated Employees of AMCs with Unit holders of the Mutual Fund Scheme(s)" as amended from time to time

b. Scheme's Portfolio Holdings and Sector wise fund allocation (As on September 30, 2023)

(1) Top 10 holdings by issuer

Top 10 Holdings Issuer Wise	Percentage to Net Assets
Government Sector	25.48
HDFC BANK LTD.	7.43
GODREJ PROPERTIES LIMITED	5.23
L&T Metro Rail (Hyderabad) Ltd	5.1
Sikka Ports & Terminals Ltd.	4.89
DME DEVELOPMENT LIMITED	4.21
Tata Steel Ltd.	3.93
EMBASSY OFFICE PARKS REIT	3.4
U P Power Corporation Ltd	3.4
TATA PROJECTS LTD.	2.98

Note: Reverse Repo includes Corporate Bond Repo (if any).

(2) Fund allocation Sector wise

Sector	Percentage to Net Assets
Government Sector	25.63
Financial Services	24.55
Realty	13.36
Services	9.99
Power	8.47
Construction	7.18
Metals And Mining	3.96
Forest Materials	2.60
Healthcare	2.08
Net Current Assets	1.48
Triparty repo on Government securities or treasury bills/ Reverse Repo	0.68

Oil, Gas And Consumable Fuels	0.01

Reverse Repo includes Corporate Bond Repo (if any). Hedging Position through Interest Rate Swaps as on 30/09/2023 is (15.37) % of the net assets.

c. Website link for Monthly Portfolio Holding: Please visit https://www.kotakmf.com/Information/forms-and-downloads to obtain Scheme's latest monthly portfolio holding statement.

IV. UNITS AND OFFER

NEW FUND OFFER (NFO)

This section does not apply to the scheme, as the ongoing offer of the Scheme has commenced after the NFO period, and the units are available for continuous subscription and redemption

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

A. Ongoing Offer Details

Ongoing Offer Period **This is the date from which the scheme reopened for subscriptions/redemptions after the closure of the NFO period.**	Scheme Reopened on March 25, 2014 The Units can be purchased and redeemed on all Business Days at Applicable NAV, subject to applicable load, if any.
Ongoing price for subscription (purchase)/switch-in from other schemes/plans of the mutual fund) by investors **This is the price you need to pay for purchase/switch-in.**	At the applicable NAV. The Methodology of calculating the Sale price for mutual fund units (Purchase price for investors) is given below: **Sale price** is the price at which investor can invest in units of mutual fund schemes. The entry load has been abolished with effect from August 01, 2009 vide SEBI Circular no. SEBI/IMD/CIR No. 4/ 168230/09 dated August 01, 2009. Hence, Sale price is equal to the applicable NAV.
Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors. **This is the price you will receive for redemptions/switch outs.** ***Example: If the applicable NAV is***	The redemption/switch outs will be at Applicable NAV based prices, subject to applicable exit load; if any. As required under the Regulations, Fund shall ensure that the repurchase price of an open ended scheme is not lower than 95 per cent of the Net Asset Value. The Methodology of calculating the Repurchase price (Redemption price) of units is given below: **Repurchase price** is the price at which investor can redeem units of mutual fund schemes. While calculating repurchase price the exit load, as applicable, is deducted from the applicable NAV. For example, If the applicable NAV is Rs. 10, exit load is 1% then repurchase price will be: Rs. 10* (1-0.01) = Rs. 9.90.

Rs. 10, exit load is 2% then redemption price will be: ***Rs. 10* (1-0.02) = Rs. 9.80***	
Cut off timing for subscriptions/ redemptions/ switches **This is the time before which your application (complete in all respects) should reach the official points of acceptance.**	**Applicable NAV for Purchases/Switch-ins** 1. In respect of valid applications received upto 3.00 p.m. on a business day and entire amount is available in the mutual fund's account for utilization before the cut off time of the same day – closing NAV of the day of receipt of application; 2. In respect of valid applications received after 3.00 p.m. on a business day and the entire amount is available in the mutual fund's account for utilization before cut off time of the next business day – the closing NAV of the next business day; 3. Irrespective of the time of receipt of the application where the entire amount is available in Mutual fund's account for utilization before cut off time on any subsequent business day – the closing NAV of such subsequent business day. The above cut-off timings and applicability of NAV shall be applicable in respect of valid applications received at the Official Point(s) of Acceptance on a Business Day: 1. It is clarified that switches will be considered as redemption in the switch-out scheme and purchase / subscription in the switch-in scheme 2. Cheques received on a business day may be deposited with the primary bankers of the respective location on the next business day. NAV shall be as per the applicable NAV mentioned above. To enable early sighting of funds by the schemes, investors are requested to avail of electronic facilities like RTGS / NEFT in respect of subscriptions and submit the proof of transfer of funds along with their applications. AMC shall not be responsible for any delay on account of banking clearance or circumstances which are beyond the control of AMC. 3. The revised provisions for applicability of NAV based on realization of funds will be applicable to all types of investment including various systematic investments routes (viz, SIP, STP, Transfer of IDCW etc.) as may be offered by the Scheme from time to time. **Technical issues when transactions are processed through online facilities/ electronic modes.** The time of transaction done through various online facilities / electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase / SIP/ sale / switch of units is received in the servers of AMC/RTA. In case of transactions through online facilities / electronic modes, there may be a time lag of few seconds or upto 1-7 banking days between the amount of subscription being debited to investor's bank account and the subsequent credit into the respective Scheme's bank account. This lag may impact the applicability of NAV for transactions where NAV is to be applied, based on actual realization of funds by the Scheme. Under no circumstances will Kotak Asset Management Company Limited or its bankers or its service providers be

<table>
<tr><td></td><td colspan="2">liable for any lag / delay in realization of funds and consequent pricing of units. The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme. Representation of SIP transaction which have failed due to technical reasons will also follow same rule.</td></tr>
<tr><td>Where can the applications for purchase/redemption switches be submitted?</td><td colspan="2">Applications can be made either by way of a "Regular Application or Transaction slip" along with a cheque/DD. The Fund may introduce other newer methods of application which will be notified as and when introduced. Investors should complete the Application Form and deliver it along with a cheque/draft (i.e. in case of "Regular Application”) at any of the official points of acceptance of transactions listed below:

At the Official points of acceptance of transactions as given on the back cover of this document.

For investments through switch transactions, transaction slip with application forms can be submitted at the AMC branches, CAMS Investor Service Centres and branches, given in the last page

Further in line Para 16.2 SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 it has been decided to allow investors to directly access infrastructure of the recognised stock exchanges to purchase mutual fund units directly from Mutual Fund/ Asset Management Companies. SEBI circular has advised recognised stock exchanges, clearing corporations and depositories to make necessary amendment to their existing byelaws, rules and/or regulations, wherever required.

Redemption/Switch requests: Where Units under a Scheme are held under both Direct Plan and Regular Plan, investors should clearly mention the plan from which redemption/switch requests are to be processed. If the investor does not mention the plan then the application may be rejected.</td></tr>
<tr><td rowspan="4">Minimum Investment size (Direct Plan and Regular Plan)</td><td>Initial Purchase (Non- SIP)</td><td>`100/- and any amount thereafter</td></tr>
<tr><td>Additional Purchase (Non- SIP)</td><td>`100/- and any amount thereafter.</td></tr>
<tr><td>SIP Purchase</td><td>`100/- and any amount thereafter (Subject to a minimum of 10 SIP installments)</td></tr>
<tr><td colspan="2">In case a Redemption / Switch-out request received is for both, a specified rupee amount and a specified number of Units of the respective Plan(s)/ Option(s), the specified amount will be considered the definitive request. In case the value / number of available units held in the Unit holder’s folio / account under the Plan / Option of the Scheme is less than the amount / number of units specified in the redemption / switch-out request, then the available units/ amount available in the respective Scheme(s)/ Plan(s)/ Option(s) transaction shall be processed.</td></tr>
<tr><td rowspan="3">Minimum Redemption Size</td><td>In Rupees (Non- SWP/STP)</td><td>Rs. 1000/-</td></tr>
<tr><td>In Units (Non-SWP/STP)</td><td>100 units</td></tr>
<tr><td>In Rupees (SWP/STP)</td><td>Rs. 1000/- / Entire Appreciation</td></tr>
</table>

Waiver of Minimum Subscription Amount	The provisions relating to Minimum Amount (including Additional Application Amount) for subscription / purchase will not be applicable for investments made in the name of Designated Employees of the AMC pursuant to Para 6.10 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, on 'Alignment of interest of Designated Employees of Asset Management Companies with the Unitholders of the Mutual Fund Schemes
Transaction Charges	Pursuant to Para 10.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, transaction charge per subscription of Rs. 10,000/- and above be allowed to be paid to the distributors of the Kotak Mahindra Mutual Fund products. The transaction charge shall be subject to the following: a. For existing investors (across mutual funds), the distributor shall be paid Rs. 100/- as transaction charge per subscription of Rs. 10,000/- & above. b. For first time investors, (across Mutual Funds), the distributor may be paid Rs. 150/- as transaction charge for subscription of Rs.10,000/- & above. c. The transaction charge shall be deducted by Kotak AMC from the subscription amount & paid to the distributor (will be subject to statutory levies, as applicable) & the balance amount shall be invested. d. In case of Systematic Investment Plan(s), the transaction charge shall be applicable only if the total commitment through SIPs amounts to Rs.10,000/- & above. In such cases the transaction charge shall be recovered in first 4 successful installments. Identification of investors as "first time" or "existing" will be based on Permanent Account Number (PAN) at the First/ Sole Applicant/ Guardian level. Hence, Unit holders are urged to ensure that their PAN / KYC is updated with the Fund. Unit holders may approach any of the Official Points of Acceptances of the Fund i.e. Investor Service Centres (ISCs) of the Fund/ offices of our Registrar and Transfer Agent, M/s. Computer Age Management Services Pvt. Ltd in this regard. The statement of accounts shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment. **Transaction charges shall not be deducted/applicable for:** 1) Transaction other than purchases/subscriptions such as Switch/Systematic Transfer Plan (STP)/ Transfer of IDCW Plan ,etc.; 2) Purchases/Subscriptions made directly with the Fund without any ARN code. 3) Transactions carried out through the stock exchange platforms. Further as per Para 10.5.1 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, distributors shall now have the option to either opt in or opt out of charging transaction charge based on the type of product.

	Transactions Through "Channel Distributors" Investors may enter into an agreement with certain distributors/ Registered Investment Advisers (RIAs) (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of mutual funds through various modes such as their website / other electronic means or through Power of Attorney in favour of the Channel Distributor, as the case may be. Under such arrangement, the Channel Distributors will aggregate the details of transactions (viz. subscriptions/redemptions/switches) of their various investors and forward the same electronically to the AMC / RTA for processing on daily basis as per the cut-off timings applicable to the relevant schemes. The Channel Distributor is required to send copy of investors' KYC Proof and agreement entered into between the investor & distributor/RIA to the RTA (one time for central record keeping) as also the transaction documents / proof of transaction authorization as the case may be, to the AMC / RTA as per agreed timelines. In case KYC Proof and other necessary documents are not furnished within the stipulated timeline, the transaction request, shall be liable to be rejected. Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the specified bank account of the Fund. The Redemption proceeds (subject to deduction of tax at source, if any) and payouts of IDCW, if any, are paid by the AMC to the investor directly through direct credit in the specified bank account of the investor or through issuance of payment instrument, as applicable. It may be noted that investors investing through this mode may also approach the AMC / Official Point(s) of Acceptance directly with their transaction requests (financial / non-financial) or avail of the online transaction facilities offered by the AMC. The Mutual Fund, the AMC, the Trustee, along with their directors, employees and representatives shall not be liable for any errors, damages or losses arising out of or in connection with the transactions undertaken by investors / Channel Distributors through above mode. Pursuant to Para 15.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, Mutual funds/ AMC will adhere to the due diligence of distributors.
Minimum balance to be maintained and consequences of non-maintenance	There is no minimum balance requirement
Plans available	There will be two plans under the Scheme namely, Direct and Regular Plan Direct Plan: This 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. Regular Plan: This Plan is for investors who wish to route their investment through any distributor. The portfolio of both the plans will be unsegregated.

<table>
<tr>
<td>Plans/Options offered</td>
<td>Direct Plan: This 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.

The Direct Plan under the Scheme will have a separate NAV.

Regular Plan: This Plan is for investors who wish to route their investment through any distributor.

Thus, the Scheme offers two plans as follows:
➢ Regular Plan
➢ Direct Plan

Each of the above Plans under the Scheme offers following options:
➢ Growth option
➢ Income Distribution cum Capital Withdrawal option (‘IDCW’)

This Option offers following Sub-Options / facilities:
➢ Payout of Income Distribution cum Capital Withdrawal option (‘IDCW Payout’)
➢ Reinvestment of Income Distribution cum Capital Withdrawal option (‘IDCW Reinvestment’).</td>
</tr>
<tr>
<td>Default Plan</td>
<td>Investors subscribing under Direct Plan of the Scheme will have to indicate “Direct Plan” against the Scheme name in the application form e.g. “Kotak Medium Term Fund – Direct Plan”.

Investors should also indicate “Direct” in the ARN column of the application form.
If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:

<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>
<tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr>
</table>

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</td>
</tr>
</table>

	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	• If the applicant does not indicate the choice of Option in the Application Form, the Fund accepts the application as being for the Growth Option under the respective Plan. • For IDCW option, investor has to select the default option, if the investor does not select the option that default option will be: **Option** — **Default** Standard Income Distribution cum capital withdrawal (IDCW) option — At discretion of trustees Reinvestment /Payout Facility — Reinvestment Facility
Who can invest This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.	The following are eligible to apply for purchase of the Units: • Resident Indian Adult Individuals, either singly or jointly (not exceeding three). • Minor through parent / legal guardian; There shall not be any joint holding with minor investments. Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian Companies, corporate bodies, registered in India. • Registered Societies and Co-operative Societies authorised to invest in such Units. • Religious and Charitable Trusts under the provisions of 11(5) of the Income Tax Act, 1961 read with Rule 17C of the Income Tax Rules, 1962. • Trustees of private trusts authorised to invest in mutual fund schemes under their trust deeds. • Partner(s) of Partnership Firms. • Association of Persons or Body of Individuals, whether incorporated or not. • Hindu Undivided Families (HUFs). • Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions. • Non-Resident Indians/Persons of Indian origin resident abroad (NRIs) on full repatriation or non-repatriation basis. • Other Mutual Funds registered with SEBI. • Foreign Portfolio Investors (FPIs) registered with SEBI. • International Multilateral Agencies approved by the Government of India. • Army/Navy/Air Force, Para-Military Units and other eligible institutions. • Scientific and Industrial Research Organizations. • Provident/Pension/Gratuity and such other Funds as and when permitted to invest. • Universities and Educational Institutions.

	- Other schemes of Kotak Mahindra Mutual Fund may, subject to the conditions and limits prescribed in the SEBI Regulations and/or by the Trustee, AMC or Sponsor, subscribe to the Units under the Scheme. - Foreign Portfolio Investor (FPI) The list given above is indicative and the applicable law, if any, shall supersede the list. Notes: Prospective investors are advised to satisfy themselves that they are not prohibited by any law governing such entity and any Indian law from investing in the Scheme and are authorized to purchase units of mutual funds as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions. Who cannot invest? 1. Pursuant to RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds. 2. Such other persons as may be specified by AMC from time to time. The AMC/Trustee reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any
How to Apply	Application form and Key Information Memorandum may be obtained from the offices of AMC or Investor Service Centres(ISCs)/Official Points of Acceptance(OPAs)of the Registrar or distributors or downloaded from kotakmf.com Investors are also advised to refer to Statement of Additional Information before submitting the application form. The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund will be available on the website www.kotakmf.com. All cheques and drafts should be crossed "Account Payee Only" and drawn in favour in which investment is intended to be made. The AMC/ Trustee reserves the right to reject any application inter alia in the absence of fulfillment of any regulatory requirements, fulfillment of any requirements as per the SID, incomplete/incorrect documentation and not furnishing necessary information to the satisfaction of the Mutual Fund/AMC. Any application may be accepted or rejected at the sole and absolute discretion of the Trustee. Please refer to the SAI for detailed procedure and Application form for the instructions.
Process for investments made in the name of	As per 17.6 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the following Process for Investments in the name of a Minor through a Guardian will be applicable:

<table>
<tr><td>Minor through a Guardian</td><td>
a. Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a Change of Pay-out Bank mandate before redemption is processed.All redemption proceeds shall be credited only in verified bank account of the minor, i.e the account the minor may hold with the parent/legal guardian after completing KYC formalities
b. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major.
c. AMCs shall build a system control at the account set up stage of Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) on the basis of which, the standing instruction is suspended when the minor attains majority, till the status is changed to major.
Please refer SAI for detailed process on investments made in the name of a Minor through a Guardian
</td></tr>
<tr><td>Special Products available</td><td>
The Following facilities are available under the Scheme

1. Systematic Investment Plan(SIP)
2. SIP Top up Facility
3. Systematic Transfer Plan(STP)
4. Systematic Withdrawal Plan(SWP)
5. Transfer of Income Distribution cum capital withdrawal (IDCW) Plan
6. Switching
7. Long Term Income Facility
8. Daily frequency under Systematic Transfer Plan Facility
9. Variable Transfer Plan
10. SIP Pause Facility
11. Smart Facility i.e Smart Systematic Transfer Plan(SSTP)

Systematic Investment Plan (SIP):
This facility enables investors to save and invest periodically over a longer period of time. It is a convenient way to "invest as you earn" and affords the investor an opportunity to enter the market regularly, thus averaging the acquisition cost of Units. Any Unitholder can avail of this facility subject to certain terms and conditions contained in the Application Form. The Fundamental Attributes and other terms and conditions regarding purchase/redemption, price and related matters are the same as contained in this SID.

The first SIP can be for any date of the month on which a NAV is declared in the scheme. In respect of the second and all subsequent SIPs, investors can select any one date among 1st to 31st as the SIP Date (in case the chosen fall on non-Business day the transaction will be effected on the next Business day of the scheme), and can also choose the SIP frequency as monthly or quarterly subject however, to the condition that there shall be a minimum gap of 28 days between the first and the second SIP. The aforesaid minimum gap shall be applicable only for SIPs registered via direct / auto debit. The minimum SIP installment amount is Rs. 1000/. In case the SIP date is not selected for
</td></tr>
</table>

	the aforesaid facility, 7th of every month/quarter will be treated as the default date. The SIP payments can be made either by issue of Post Dated Cheques or by availing the Auto Debit Facility through ECS (available in select locations only) or by availing the Direct Debit Facility / Standing Instructions Facility (Unitholders may check with their bankers for availability of this facility). Investors may register for SIP through One Time Mandate (OTM) for payment towards any future purchase transactions received through any mode i.e. physical or electronic. AMC may choose any mode such as NACH/ ECS/ Direct Debit/ Standing Instruction (SI)/ OTM as per arrangements with banks or payment aggregators. However, the first investment in SIP through the electronic mode (other than OTM) needs to be made compulsorily by issuance of a cheque from the account from which the SIP instalment debit is requested. Investors can also submit SIP applications along with cancelled cheque leaf of the account from where the investor intends to commence the SIP. If the first SIP investment is through a demand draft or pay order or the initial investment cheque is drawn from a bank account, other than the bank account mentioned in the SIP mandate, it is advisable to the investor has to ensure that the bank details and signatures are attested by the banker of the bank from where the SIP is initiated. Alternatively the investors canprovide a copy of the cancelled cheque leaf of the bank account from where the investor intends to do the SIP. The load structure applicable for each installment will be as per the load structure applicable at the time of registration of SIP. Changes in load structure effected by the AMC after that date may not be applicable unless stated specifically. SIP facility is available on stock exchange platform also please refer to the information mentioned under “Special Consideration”. **SIP Top Up Facility:** **Description:** It is a facility whereby an investor has an option to increase the amount of the SIP Installment by a fixed amount at pre-defined intervals. . This will enhance the flexibility of the investor to invest higher amounts during the tenure of the SIP. **Frequency:** Half Yearly Basis and Yearly Basis. **Functionality of frequency:** The installment amount can be increased on a Half-Yearly and/or Yearly basis i.e. on completion of 6 months/1 year from the commencement of the first SIP.

SIP Frequency	SIP Top Up Frequency	Default	Min Amount

Monthly	Half Yearly / Yearly	Yearly	Rs. 100 & in multiples of Rs. 100 thereof
Quarterly	Half Yearly / Yearly	Yearly	Rs. 100 & in multiples of Rs. 100 thereof

Fixed Top-Up option or Variable Top Up option - SIP Top-Up facility with Fixed Top Up option or Variable Top Up option will be available to the investors, wherein the amount of SIP can be increased at fixed intervals.

Basic Terms and conditions are as follows:

- Investors can opt for SIP Top up facility with Fixed Top-Up option or Variable Top-Up option, wherein the amount of SIP can be increased at fixed intervals. The Fixed Top-Up amount shall be in multiples of Rs.100/- and thereafter.
- The Variable Top-Up option shall be applicable for all schemes of Kotak Mahindra Mutual Fund (except for Kotak ELSS Tax Saver Fund)
- Investors can opt for SIP Top up facility with Fixed Top-Up option for Kotak ELSS Tax Saver Fund for minimum application amount Rs. 500/- and in multiples of Rs. 500/- thereafter.
- Variable Top-Up option will be available at 10%, 15% and 20% and such other denominations (over and above 10%, 15% and 20%) as opted by the investor in multiples of 5%.
- The frequency is fixed at Yearly and Half Yearly basis.
- In case of Quarterly SIP, only the Yearly frequency is available under SIP Top-Up. SIP Top-Up facility shall also be available for the existing investors who have already registered for SIP facility without Top-Up option.
- In case the investor opts for both options, the Variable Top-Up option shall be triggered.

In case the investor does not select the frequency for Top-up or selects both frequencies, the Top-up facility shall be registered at Yearly basis.

SIP Top-Up Cap amount or Top-Up Cap month-year :

I. Top-Up Cap amount: In this facility the investor has an option to freeze the SIP Top-Up amount once it reaches a fixed predefined amount. The fixed pre-defined amount should be same as the maximum amount mentioned by the investor in the bank mandate/ existing registered One-Time Mandate (OTM). In case of difference between the Cap amount & the maximum amount mentioned in Bank mandate, then amount which is lower of the two amounts shall be considered as the default amount of SIP Cap amount.

II. Top-Up Cap month-year: The facility for SIP Top-Up amount will cease and last SIP instalment including Top-Up amount will remain constant from Cap date till the end of SIP tenure.

Basic Terms and conditions are as follows:

- The date from which Investors have opted the SIP Top-Up amount will cease and last SIP instalment including Top-Up amount will remain constant from Cap date till the end of SIP tenure.
- Investor shall have flexibility to choose either Top-Up Cap amount or Top-Up Cap month- year. In case of multiple selection, Top-Up Cap amount will be considered as default selection.
- Top-Up Cap is applicable for Fixed Top Up option as well as Variable Top Up option.
- All the investors of the fund availing the facility under SIP Variable Top - Up feature are hereby requested to select either Top - Up Cap amount or Top - Up Cap month - year.
- In case of no selection, the SIP Variable Top-Up amount will be capped at a default amount of Rs. 10 Lakhs. Under the said facility, SIP amount will remain constant from Top - Up Cap date/ amount till the end of SIP Tenure.

Illustration explaining the Top-Up Cap month-year:
SIP Period: 01-Jan-2022 to 01-Dec-2024 (3 Years)
Monthly SIP Installment Amount: Rs. 2,000
SIP Date: 1st of every month (36 installments)
Top-up Amount: Rs. 1,000
Top-up Frequency: Half Yearly
Top-up cap month - year: 01-Jul-2023
SIP Installments shall be as follows:

Installment Nos.	From Date	To Date	Monthly SIP Installment Amount (Rs.)	SIP Top-Up Amount (Rs.)	Increased Monthly SIP Installment Amount (Rs.)
1 to 6	1-Jan-22	1-Jun-22	2,000	N.A.	2,000
7 to 12	1-Jul-22	1-Dec-22	2,000	1,000	3,000
13 to 18	1-Jan-23	1-Jun-23	3,000	1,000	4,000
19 to 24	1-Jul-23	1-Dec-23	4,000	1,000	4,000
25 to 30	1-Jan-24	1-Jun-24	4,000	N.A.	4,000
31 to 36	1-Jul-24	1-Dec-24	4,000	N.A.	4,000

The Trustee/AMC reserves the right to change/modify the provisions mentioned facility at a later date.

Systematic Withdrawal Plan:
This facility enables the Unitholders to withdraw (subject to deduction of tax at source, if any) sums from their investments in Scheme at any date through a one-time request. The withdrawals can be made at any date under Monthly/

	Quarterly frequency. In case any of these days fall on non-business day, the transaction will be processed on the next business day of the scheme. SWP registration needs to be submitted to the Registrar/ AMC 7 days prior to the date of commencement of SWP. In case the SWP commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. The AMC reserves the right to process the SWP registration request received for a period lesser than 7 days in the interest of unit holders. Example: for Monthly SWP if the SWP date opted is 7th of every month from 7th January and submitted on 3rd January then the registration of this SWP will be from 7th February onwards. This facility is available in two options to the Unitholders: **Fixed Option:** Under this option, the Unitholder can seek redemption of a fixed amount of not less than Rs. 1000 from his Unit account. In this option the withdrawals will commence from the Start Date (being one of the dates indicated above) mentioned by the Unitholder in the Application Form for the facility. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. If the net asset value of the units outstanding on the withdrawal date is insufficient to process the withdrawal request, then the entire outstanding units will be processed. And if the available balance falls below Rs. 1000 after processing of the last SWP installment then the entire amount will be processed along the last SWP installment. **Appreciation Option:** Under this option, the Unitholder can seek redemption of an amount equal to a periodic appreciation on the investment. The Unitholder redeems only such number of Units, which when multiplied by the Applicable NAV is, in amount terms equal to the appreciation in his investment over the last month / quarter. The investor would need to indicate in his systematic withdrawal request, the commencement / start date from which the appreciation in investment value should be computed. The withdrawal will commence after one month/quarter (as requested by the investor) from the commencement / start date mentioned by the Unitholder in the Application Form. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. In case the investor purchases additional Units, the withdrawal amount would include the appreciation generated on such Units as well. In the absence of any appreciation, the redemption under this option will not be made. For both fixed and appreciation option the provision of minimum redemption amount will not be applicable for redemption made under this facility. **Systematic Transfer Plan (STP):** This facility enables the Unitholders to switch an amount from their existing investments in a Scheme/Plan/Option to another Scheme/Plan/Option of the Fund, which is available for investment at that time, at periodic intervals through a one-time request. The switch can be made weekly, monthly or quarterly. Under this facility the switch by the Unitholders should be within the same account/ folio number. The transfers can be made either Daily or

	Weekly or Monthly or Quarterly (on any business day). The amount so switched shall be reinvested in the other scheme / plan and accordingly, to be effective, the systematic transfer must comply with the redemption rules of transferor scheme and the issue rules of transferee scheme (e.g. exit / entry load etc) STP registration needs to be submitted to the Registrar/ AMC 7 days prior to the date of commencement of STP. In case the STP commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. Example: for Monthly STP if the STP date opted is 7th of every month from 7th January and submitted on 3rd January then the registration of this STP will be from 7th February onwards. This facility offers two options to the Unitholders: ***Fixed Option:*** Under this option, the Unitholder can switch fixed amount of not less than Rs. 1000/- from his Unit account. In this option the switch will commence from the Start Date mentioned by the Unitholder in the application form for the facility. The Units in the Scheme/Plan/Option from which the switch - out is sought will be redeemed at the Applicable NAV of the Scheme/Plan/Option on the respective dates on which such switches are sought and the new Units in the Scheme/Plan/Option to which the switch - in is sought will be created at the Applicable NAV of such Scheme/Plan/Option on the respective dates. If the net asset value of the units outstanding on the transfer date is insufficient to process the withdrawal request, then the entire outstanding units will be processed. And if the available balance falls below Rs 1000 after processing of the last STP installment, then the entire amount will be processed along the last STP installment. ***Appreciation Option:*** Under this option, the Unitholder can seek switch of an amount equal to the periodic appreciation on the investment. Under this option the Unit holder switches only proportionate number of Units, which when multiplied by the applicable NAV is, in amount terms equal to the appreciation in the investment over the last month/quarter. For both Fixed and appreciation option the provision of minimum redemption and minimum investment amount / units will not be applicable for transfer / switch transactions made under this facility for both switch out and switch in schemes. The investor has to mention a "Start Date". The first switch will happen after one month/quarter from the start date. In case the investor purchases additional Units, the amount to be switched would be equal to the appreciation generated on such Units. In the absence of any appreciation as mentioned above, the switch under this option will not be made. The Units in the Scheme/Plan/Option from which the switch - out is sought will be redeemed at the Applicable NAV of the Scheme/Plan/Option on the respective dates on which such switches are sought and the new Units in the Scheme/Plan/Option to which the switch - in is sought will be allotted at the Applicable NAV of such Scheme/Plan/Option on the respective dates.

	Transfer of Income Distribution cum capital withdrawal (IDCW) Plan: Transfer of IDCW Plan is a facility whereby the unit holders under the IDCW Options (other than Daily Reinvestment Sub-option) of the open ended Schemes of KMMF can opt to transfer their IDCW to any other Investment option (other than Daily Reinvestment Sub-option) under any other open ended schemes of KMMF. Transfer of IDCW Plan facility will be available to unit holder(s) holding units in non-demat form under the IDCW Option of the Transferor Schemes. Under the Transfer of IDCW Plan facility investors cannot transfer their IDCW into certain category of transferee schemes viz, close ended Schemes, Exchange Traded Funds (ETFs), and Kotak Tax Saver Scheme. Under Transfer of IDCW Plan, IDCW as & when declared (as reduced by the amount of applicable statutory levy) in the transferor scheme (subject to minimum of Rs.500/-) will be automatically invested without any exit load into the transferee scheme, as opted by the Unit holder. Such transfer will be treated as fresh subscription in the transferee scheme and invested at the Applicable NAV of the Transferee Scheme. If the IDCW amount in the Transferor Scheme is less than Rs.500/- the IDCW will be automatically reinvested in the Transferor Scheme itself and hence will not be transferred. The provision for 'Minimum Application Amount' specified in the respective transferee scheme's SID will not be applicable under Transfer of IDCW Plan Enrolment under the Transfer of IDCW Plan facility will automatically override any previous instructions for ' Payout of IDCW' or ' Reinvestment of IDCW' option in the transferor scheme. No Exit Load will be levied on units allotted in the Transferee Scheme under the Transfer of IDCW Plan Unit holders who wish to enroll for the Transfer of IDCW Plan facility are required to fill Transfer of IDCW Plan Enrollment Form available with the ISC's, distributors/ agents and also available on the website kotakmf.com The request for enrolment or cancellation for Transfer of IDCW Plan must be submitted at least 7 days prior to the Record Date for the IDCW. In case of the condition not being met, the enrolment would be considered valid from the immediately succeeding Record Date of the IDCW, provided the difference between the date of receipt of a valid application for enrolment under Transfer of IDCW Plan and the next Record Date for the IDCW is not less than 7 days. The AMC / Trustee reserve the right to change/ modify the terms and conditions of the Transfer of IDCW Plan on a prospective basis. **Switching** Unitholders of the Scheme have the option of switching in or out all or part of their investment in the Scheme/ Plan/ Option to any other Option of the Scheme or to any other Scheme / Plan/ Option of the Fund. A switch has the effect of redemption from a Scheme/Plan/ Option and a purchase in the other Scheme/Plan/Option to which the switching has been done and all the terms and conditions pertaining to redemption and purchase

of the Units of the respective Scheme shall apply to a switch, unless otherwise specified.

Switch is affected by redeeming Units from the Scheme/ Plan/Option and investing the net proceeds in the other Scheme/Plan/Option.

Long Term Income Facility (LTI)

Long Term Income (LTI) is only a facility for regular withdrawal from the Scheme. This facility will allow investors to redeem a fixed sum of money on monthly/ quarterly basis at the prevailing Net Asset Value (NAV) within the range of 6% p.a. to 10% p.a. (in multiples of 0.5%) of the investment amount. The percentage of withdrawal will be selected by investor.

LTI facility is only available under the growth option only. Investors shall be required to submit LTI registration request at least 15 days prior to the date of 1stinstalment. Minimum amount of investment required for availing the LTI facility is Rs.1 lakh.

Investors can opt for this facility and withdraw their investments systematically on a Monthly/ Quarterly basis. Withdrawals will be made/ effected on the 1st/7th /14th /21st / 25th of every month/ every quarter and would be treated as redemptions. In case the aforesaid date is a holiday, then it would be effected on next business day.

The applicant has the right to discontinue the LTI at any time, if he / she so desires, by providing a written request at any of the Kotak Mahindra Mutual Fund branches or Registrar's branches. Request for discontinuing LTI shall be subject to an advance notice of 7 (seven) working days.

Daily frequency under Systematic Transfer Plan Facility:

Daily frequency ("Daily STP") has been introduced in addition to existing frequencies available under "Fixed Option" of Systematic Transfer Plan facility.

Terms and conditions of Daily STP are as follows:

Applicability:

1. Daily STP is only available under Fixed amount Option (Fixed STP) and will not be applicable under Capital appreciation STP (Variable STP).
2. An investor can select this facility whereby the investor chooses to transfer on a periodic basis a pre-determined amount from any "Source Scheme" into any "Target Scheme".
3. In case the Investor fails to mention the frequency for the STP option in the form, then the default option will be considered as monthly frequency.
4. The STP will be processed subject to the terms of the Target scheme.
5. This frequency will be available under all the "eligible schemes" of Kotak Mahindra Mutual Fund.

Eligible Schemes	Source Scheme	All Open Ended Schemes of Kotak Mahindra Mutual Fund except Exchange Traded Funds. In case of Kotak Tax Saver Scheme, Daily STP will be available for free units only.
	Target Scheme	All Open Ended Schemes of Kotak Mahindra Mutual Fund except Exchange Traded Funds.

Transfer of Funds:

1. Minimum Instalment amount to be transferred through this facility should be at least Rs. 6,000 per year or that which matches the minimum investment amount of the said schemes whichever is higher for the said year.
2. Minimum amount to transfer under Daily STP: Minimum 12 transfers of Rs. 500/- each and in multiples of Rs. 100/- thereafter.
3. Default amount: If investor fails to mention the STP Amount then the default value should be taken as Rs. 500 (minimum transfer amount).

Schemes available for Daily STP:

1. It shall be the responsibility of the investor to ensure that sufficient balance (free from any Lock-in or encumbrances) is available in the Source Scheme account on the date of transfer, failing which the transfer will not be processed to the extent of available balance in the source scheme's account.
2. If the plan/option of the Source scheme is not mentioned and there is only one plan/option available in the folio, the STP will be processed from that plan/option.
3. If investor carries investments under multiple schemes / plans / options and does not mention the Source Scheme along with plans and options, then such request will be rejected.
4. In case plan and option in Target Scheme for STP are not selected by the investor, then the default option/ plan for the Target scheme shall be considered as per SID.

Other Terms and Conditions:

1. Investor need to clearly mention the "Transfer Period from" and "Transfer Period To" in the STP request Form. In case, the investor fails to specify the "Transfer Period from" the STP will start from the 7th day from the date of receipt of valid registration form.
2. In case, the investor fails to specify the "Transfer Period To" under Daily STP, STP shall continue to be triggered perpetually until further valid instructions from the investor or until the outstanding balance in "Source scheme" does not cover the Daily STP transfer amount.
3. If the available balance falls below the minimum amount of the specified triggered value, the available balance in the Source scheme will get triggered and future STP will be ceased.
4. STP registration from the existing investment (in the Source Scheme) will start from the 7th day from the date of receipt of valid registration form. If the STP form is received along with fresh investment, then the STP will start from the 7th day from the date of realisation of the investment amount with the valid registration form.
5. In case the specified date is a non-business day for either the Source Scheme or the Target Scheme, the STP will be processed on the

following business day for both the schemes. When the value of STP is more than Rs. 2 lakhs or the Target scheme is a liquid fund then the allotment in the Target scheme will be processed based on the utilisation/ realisation of funds from Source scheme (for more details refer NAV applicability clause for respective Target scheme).

6. In case the STP commencement date is less than 7 days from the date of submission of registration form, the same will commence from the 7th day from the date of receipt of valid registration form. The AMC reserves the right to process the STP registration request received for a period lesser than 7 days in the interest of unit holders.
7. An investor can discontinue his STP facility by giving 7 days prior notice in writing to the Registrars (CAMS) office or at any other point of service.

Variable Transfer Plan – It is a facility wherein an investor under a source scheme can opt to transfer variable amounts linked to the value of his investments on the date of transfer at pre-determined intervals from source scheme to the growth option of target scheme.

It would be suitable for investors who are looking to invest higher when the NAVs are lower and a fixed amount when the NAVs are higher and take the benefit of rupee cost averaging.

Terms and conditions of VTP are as follows:

1. An individual VTP Enrolment Form should be filled for each Scheme / Plan / Option.

2. VTP will be available in the following specified schemes:

Source Schemes	All Open Ended Schemes of Kotak Mahindra Mutual Fund except Exchange Traded Funds and Kotak ELSS Tax Saver Fund. In case of Kotak ELSS Tax Saver Fund, VTP will be available for free units only.
Target Schemes	All open ended equity schemes, open ended hybrid schemes and open ended fund of fund schemes excluding exchange traded funds and Kotak ELSS Tax Saver Fund.

3. Calculation of VTP:

The amount to be transferred under Variable Transfer Plan from source scheme to target scheme shall be calculated using the below formula -

Variable Transfer Plan amount shall be higher of the following:

1. Fixed amount specified at the time of enrolment
2. Fixed amount to be transferred per installment x number of installments already executed, including the current installment] - market value of the investments through Variable Transfer Plan in the Target Scheme on the date of transfer.

	Illustration: The process has been explained below through an illustration for calculation of VTP as on the date of 3rd Installment, with the help of the abovementioned formula:

Fixed amount specified at the time of enrolment (A)	Rs.6000
or	
As determined by the formula (B)	(6000*3) – 11495 =Rs.6505
Whichever is higher. Hence, Rs.6505 is taken as investment amount.	

Inst. No.	Fixed Amount	NAV	Amt. as determined by formula	Variable Transfer Amount	Units	Total units	Market Value before transfer	Target Value
1	6,000	10.000	-	6,000	600	600	6,000	6,000
2	6,000	9.500	6,300	6,300	663	1,263.16	5,700	12,000
3	6,000	9.100	6,505	6,505	715	1,978.02	11,495	18,000
4	6,000	8.700	6,791	6,791	781	2,758.62	17,209	24,000
5	6,000	8.100	7,655	7,655	945	3,703.70	22,345	30,000
6	6,000	8.000	6,370	6,370	796	4,500.00	29,630	36,000
7	6,000	8.000	6,000	6,000	750	5,250.00	36,000	42,000
8	6,000	8.300	4,425	6,000	723	5,972.89	43,575	48,000
9	6,000	9.000	244	6,000	667	6,639.56	53,756	54,000
10	6,000	10.000	-6,396	6,000	600	7,239.56	66,396	60,000
11	6,000	11.000	-13,635	6,000	545	7,785.01	79,635	66,000
12	6,000	12.000	-21,420	2,378*	198	7,983.18	93,420	72,000
Total	72,000			72000				

*residual amount in the Source scheme.

Note: The above example does not contain any TDS / STT deduction. VTP determined will be net of applicable taxes.

3. The minimum amount and tenure of VTP would be as applicable to normal STP (Specified Transaction Period) facility in respective schemes. Frequency of the VTP is mentioned as below:

Particulars	VTP Transaction Dates	Minimum no. of installments and Minimum amount per instalment
Daily	Every Business Day	6 installments of Rs. 1000/- each and in multiples of Re.0.01/- thereafter
Weekly	Any day of the Week (except Saturday & Sunday)	6 installments of Rs. 1000/- each and in multiples of Re.0.01/- thereafter
Monthly	Any Date	6 installments of Rs. 1000/- each and in multiples of Re.0.01/- thereafter
Quarterly	Any Date	6 installments of Rs.1000/- each and in multiples of Re.0.01/- thereafter

4. In case of valid VTP enrolment forms received, indicating choice of option other than the growth option in the Target Scheme, it will be deemed as the growth option in the Target Scheme and processed accordingly.
5. In case the VTP commencement date is less than 10 calendar days from the date of submission of registration form, the same will commence from the 11th day from the date of receipt of valid registration form. The AMC reserves the right to process the VTP registration request received for a period lesser than 10 calendar days in the interest of unit holders.
6. There is no maximum duration for VTP enrollment.

7. The first VTP installment will be processed for the fixed installment amount specified by the investor at the time of enrolment. From the second installment onwards, the transfer amount shall be computed as per formula stated above.
8. If there is any other financial transaction (Purchase, redemption or switch or Systematic Investment Plan) processed in the target scheme during the tenure of VTP, the VTP will be processed as normal STP for the rest of the installments for a fixed amount, also there will not be any change in number of installments.
9. In case of VTP, if four consecutive installments fail, then VTP will be ceased. In case the amount to be invested is not available, the transaction will be rejected. After 4 consecutive rejects, this facility will be cancelled.
10. The VTP will be processed subject to the terms, applicable loads (if any), of the Target scheme and Source Scheme.
11. An investor can select this facility whereby the investor chooses to transfer on a periodic basis a variable amount from any “Source Scheme” into any “Target Scheme”.
12. Once the VTP has been stopped, the unit holder needs to provide a new request to start VTP again.
13. All other terms & conditions of Systematic Transfer Plan are also applicable to VTP.

SIP Pause Facility:

SIP Pause facility gives option to pause the SIP for a period ranging from 1 month up to 6 months in a respective scheme.
Basic Terms and conditions are as follows:

- The applicant will have the right to pause SIP which is directly registered with KMMF.
- An investor who wishes to request for SIP Pause facility shall duly fill the SIP Pause Form and submit the same at the office of the Customer Service Centres of KMMF or CAMS Service Centre.
- A valid form for SIP Pause facility will be processed within 15 days from the date of receipt of the same.
- SIP Pause facility would allow existing investor to 'Pause' their SIP for a specified period of time i.e. Minimum 1 month and Maximum 6 months.
- There would be no restriction on the number of times a SIP can be paused.
- SIP Pause facility shall be available where 'SIP Facility' is available in the Schemes of KMMF.
- SIP Pause Facility is applicable only for AMC initiated debit instructions i.e. ECS/NACH/Direct Debit, etc.
- SIP Pause Facility is not possible for investors having Standing Instructions with banks.
- The SIP shall continue from the subsequent instalment after the completion of pause period automatically.
- If the SIP pause period is coinciding with the SIP Top Up facility, the SIP instalment amount post completion of pause period would be inclusive of SIP Top Up amount. For e.g. SIP instalment amount prior to pause period is ` 5,000/- and SIP Top Up amount is `1,000/- . If the pause period is completed after date of SIP Top Up, then the SIP instalment amount post completion of pause period shall be ` 6,000/-.
- Incomplete SIP Pause Form in any respect would be liable to be rejected.
- The investor hereby agrees to indemnify and not hold responsible, the AMC and its employees, the R&T agent and the service providers in case his/her bank is not able to effect any of the payment instructions for whatsoever reason.

Smart Facility i.e. Smart Systematic Transfer Plan ("SSTP") – It is a facility wherein the investor(s) of Eligible scheme(s) can opt to transfer a pre-determined sum at defined intervals. The investor would be required to provide a Base SSTP amount. Basis this Base amount, the amount for SSTP, which will be linked to the percentage of Net Equity allocation (equity and equity related securities net of hedged positions using derivatives) of Kotak Balanced Advantage Fund **("KBAF")**, will be calculated.

It could be suitable for investors who are looking to transfer periodically, based on the different market conditions, i.e. either higher, base or lower amount(s).

Sr. No	**Particulars**		**Eligible Scheme(s)**
(A)	**(B)**		**(C)**
I.	Smart Systematic Transfer	SSTP from (Transferor Scheme)	Kotak Overnight Fund, Kotak Liquid Fund, Kotak Savings Fund, Kotak Money Market Fund, Kotak Low Duration Fund, Kotak Corporate Bond

	Plan (SSTP)		Fund, Kotak Bond Short Term Fund, Kotak Credit Risk Fund, Kotak Dynamic Bond Fund, Kotak Floating Rate Fund, Kotak Medium Term Fund, Kotak Banking & PSU Debt Fund, Kotak Gilt Fund, Kotak Bond Fund Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund, Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund, Kotak Equity Arbitrage Fund, Kotak Debt Hybrid Fund, Kotak Equity Savings Fund and Kotak Nifty SDL Plus AAA PSU Bond JUL 2028 60: 40 Index Fund, Kotak Nifty SDL Jul 2026 Index Fund, Kotak Nifty SDL Jul 2033 Index Fund, Kotak Nifty SDL Jul 2028 Index Fund, Kotak Nifty G-Sec July 2033 Index Fund
		SSTP to (Transferee Scheme)	All Open ended Equity Schemes of KMMF, All Open ended Equity Index schemes of KMMF, Kotak Equity Hybrid Fund and Kotak Multi Asset Allocation Fund.

Key Features of Smart Facility:

1. SSTP is a market linked product.

2. For those who wish to avail the said facility in case of existing investors, SSTP Investment form(s) needs to be submitted for each SSTP registration. New investors to fill and submit Investment Application Forms along with SSTP Investment forms.

3. Individual Enrolment Form should be filled for each SSTP transaction.
4. The details for SSTP are as mentioned below:

Sr. No	**Facility**	**Frequency**	**Days/Dates available**	**Minimum number of Investments/Transfers/Withdrawals**
1.	SSTP	Monthly or Quarterly	• Any Business Day (Monday-Friday) • Any Business date from 1st to 31st	6

5. The Base amount for SSTP:

a) The investor has to mandatorily and clearly specify the Base SSTP amount;
b) The minimum Base SSTP amount would be the minimum Systematic Transfer Plan **(STP)**[STP limits of transferor scheme] amount, as applicable as per the Scheme Information documents of Eligible Scheme(s)

6. **Calculation of SSTP amount:**

a) The amount to be transferred from the Transferor scheme to Transferee scheme in case of SSTP shall be basis the below mentioned details:

For SSTP		
(A)	**(B)**	**(C)**
Net Equity Allocation of KBAF	Default option	Investor defined Amount
> 60%	2 times Base SSTP Amount	Investor defined Maximum SSTP Amount
40%- 60% (Inclusive of 40 and 60)	Base SSTP Amount	Base SSTP Amount
< 40%	0.5 times Base SSTP Amount	Investor defined Minimum SSTP Amount

For SSTP:

- If the net equity allocation percentage for KBAF for the trigger date is greater than 60%, then SSTP amount would be twice the Base SSTP amount or Investor defined Maximum SSTP Amount, if specified by the investor.
- If the net equity allocation percentage of KBAF for the trigger date is between 40% and 60% (including 40% and 60%), then Base SSTP amount would be triggered.
- If the net equity allocation percentage of KBAF for the trigger date is less than 40%, then SSTP amount would be half the Base SSTP amount or Investor defined Minimum SSTP Amount, if specified by the investor.

b) In case of SSTP, the investor has an option to mention the Maximum amount /Minimum amount In case no amount(s) are mentioned by the investor, the amount to be invested/transferred shall be as per the Default option, as per details mentioned under column (B) above.
c) In case of SSTP, the amount shall be derived based on the Net Equity allocation percentage of KBAF on the Trigger date and not as on the SSTP date. Hence, the SSTP amount will be of T-1 day (i.e. Trigger Date) assuming the instalment is triggered 1 day before the SSTP date. .
d) For SSTP in case if the Minimum amount is below the Minimum SSTP amount of the scheme , then the amount considered would be the minimum SSTP amount of the scheme .
e) In case of SSTP if the end date is not mentioned/ in case of ambiguity the SSTP shall continue till availability of funds in the source (Transferor) scheme. .

f) In case of SSTP the transaction charge shall be applicable only if the total commitment through SSTP amounts to Rs.10, 000/- & above. In such cases the transaction charge shall be recovered in first 3/4 successful instalments.

g) In respect of SSTP enrolments made in any of the eligible schemes, the load structure prevalent at the time of enrolment shall be applicable to the investors during the tenure of the SSTP.

h) In case of SSTP, registration request needs to be submitted to the Computer Age Management Services Limited, Registrar and transfer agent ("RTA") of Kotak Mahindra Mutual Fund **(Mutual Fund)** /AMC 7 days prior to the date of commencement of SSTP. In case the SSTP commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. The AMC reserves the right to process the SSTP registration request received for a period lesser than 7 days in the interest of unit holders.

7. The Base SSTP amount, Maximum SSTP amount and Minimum SSTP amount specified by the investor must be in multiples of Re. 1 (whole numbers only, no decimals eg: Rs. 20001, Rs.30015).

8. The SSTP shall be applicable for applications routed through Mutual Fund's website www.kotakmf.com and physical applications submitted at specified investor service centers of the RTA.

9. In case of first SSTP installment, it shall be processed for the Base SSTP amount as specified by the investor at the time of enrollment, and will not be based on the Net equity allocation percentage of KBAF.

10. In case of SSTP, it shall be applicable for both IDCW and growth option for transferor scheme however in case of transferee scheme it shall be applicable only for growth option.

11. SSTP will not be available if the folio/PAN is under Lien or marked as frozen on the advice of I.T authorities/Regulatory authorities/ Court or any other reason.

12. All requests for registration or deactivation of SSTP shall be subject to an advance notice of 7 (seven) calendar days. The same can be done by sending a written request to the RTA's investor service centers.

13. In case of SSTP where unit holder has specified Minimum/ Maximum amount as well as ticked the option for Default SSTP, then trigger will be as per the Default SSTP Amount.

14. In case of SSTP, if the same is stopped for any reason a new request needs to be provided to re-start SSTP.

15. In case of SSTP incorrect, incomplete, ambiguous forms will be liable to be rejected.

	16. All other terms & conditions of STP of the Eligible schemes would also be applicable to SSTP, unless and otherwise as specifically mentioned above. 17. Please refer the Key Information Memorandum and Scheme Information Document of the respective Scheme(s) and Statement of Additional Information for Applicable NAV, Risk Factors, Load Structure and other information on the Scheme(s). Kotak Mahindra Asset Management Company Limited, reserves the right to add or delete any of the Eligible schemes in the list above. Please read the terms and conditions/ General instructions in the applicable forms before investing.
Accounts Statements	Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, Para 14.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 and SEBI Circular no. CIR/MRD/DP/31/2014 dated November 12, 2014 and and SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016; the investor whose transaction has been accepted by Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund shall receive the following: 1. The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). 2. The holding(s) of the beneficiary account holder for units held in demat mode will be shown in the statement issued by respective Depository Participants (DPs) periodically. 3. The CAS will not be received by the investors for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN and email id. Such investors will get monthly account statement from Kotak Mahindra Mutual Fund in respect of transactions carried out in the schemes of Kotak Mahindra Mutual Fund during the month. 4. Pursuant to SEBI Circular no. CIR /MRD /DP /31/2014 dated November 12, 2014 requiring Depositories to generate and dispatch a single consolidated account statement for investors having mutual fund investments and holding demat accounts, the following modifications are made to the existing guidelines on issuance of CAS ▪ Such Investors shall receive a single Consolidated Account Statement (CAS) from the Depository. ▪ Consolidation shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. ▪ In case an investor has multiple accounts across two depositories, the depository with whom the Demat account has been opened earlier will be the default depository which will consolidate the details

	across depositories and MF investments and dispatch the CAS to the investor. ▪ The CAS will be generated on monthly basis. ▪ If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios, depositories shall send the CAS within fifteen days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts, then CAS with holding details shall be sent to the investor on half yearly basis. ▪ The dispatch of CAS by the depositories shall constitute compliance by Kotak AMC/ Kotak Mahindra Mutual Fund with the requirements under Regulation 36(4) of SEBI (Mutual Funds) Regulations, 1996 ▪ Further, a consolidated account statement shall be sent by Depositories every half yearly (September/March), on or before 21st 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 Goods and Services tax (wherever applicable, as per existing rates), operating expenses, etc. The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in 5. 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. 6. In case of a specific request is received from the investors, Kotak Mahindra Asset Management Company Ltd./ Kotak Mahindra Mutual Fund will provide the physical account statement to the investors. 7. For Unitholders who have provided an e-mail address in KYC records, the CAS will be sent by e-mail. 8. Any discrepancy in the Account Statement should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement will be deemed to be correct if no error is reported within 30 days from the date of Account Statement. **Half Yearly Account Statement:** • Asset management company will send consolidated account statement every half yearly (September/ March), on or before twenty first day of succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors

	in whose folios no transaction has taken place during that period. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement. • The Account Statement shall reflect - 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 Goods and Services tax (wherever applicable, as per existing rates), operating expenses, etc. • The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested inSuch 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 account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. • Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated. "Transaction" shall include purchase, redemption, switch, Payout of Income Distribution cum capital withdrawal option (IDCW), Reinvestment of Income Distribution cum capital withdrawal option (IDCW), systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.
Income Distribution cum capital withdrawal (IDCW) Policy	**Growth Option:** Under the Growth option, there will be no distribution of income and the return to investors will be only by way of capital gains, if any, through redemption at applicable NAV of Units held by them. **IDCW Option** Under the IDCW option, the Trustee may at any time decide todistribute by way of IDCW, the surplus by way of realised profit and interest, net of losses, expenses and taxes, if any, to Unitholders if, in the opinion of the Trustee, such surplus is available and adequate for distribution. The Trustee's decision with regard to such availability and adequacy of surplus, rate, timing and frequency of distribution shall be final. The Trustee may or may not distribute surplus, even if available, by way of IDCW. The IDCW will be paid to only those Unitholders whose names appear on the register of Unitholders of the Scheme / Option at the close of the business hours on the record date, which will be announced in advance. The Fund is required to dispatch IDCW payments within seven working days from the

	record date. In case the AMC fails to dispatch the IDCW payments within the stipulated time of seven working days, it shall be liable to pay interest to the unit holders at 15% p.a. or such other rate as may be prescribed by SEBI from time to time or such other rate as may be prescribed by SEBI from time to time. In case of dynamic lien the IDCW may be credited to the financier The IDCW Option will be available under two sub-options ” the Payout Option and the Reinvestment Option. *Payout of IDCW Option:* Unitholders will have the option to receive payout of their IDCW by way of IDCW payments or any other means which can be enchased or by way of direct credit into their account. *Reinvestment of IDCW Option:* Under the reinvestment option, IDCW amounts will be reinvested in the Reinvestment of IDCW Option at the Applicable NAV announced immediately following the record date. The requirement of giving notice shall not be applicable for IDCW Option having frequency upto one month. However, the Trustees reserve the right to introduce new options and /or alter the IDCW payout intervals, frequency, including the day of payout. When units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay IDCW. IDCW can be distributed out of investor's capital (Equalization Reserve), which is part of sale price that represents realized gains.
Income Distribution cum capital withdrawal (IDCW)	The Income Distribution cum capital withdrawal (IDCW) payments shall be dispatched to the unitholders within seven working days from the record date. IDCW may also be paid to the Unitholder in any other manner viz., through ECS, Direct Credit, IMPS or NEFT in to Bank account, RTGS facility, any other mode allowed by Reserve Bank of India or through Banker's cheque, etc as the AMC may decide, from time to time for the smooth and efficient functioning of the Scheme.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of receipt of redemption requests or repurchase requests. In accordance to Para 14.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 and AMFI circular no. AMFI/ 35P/ MEMCOR/ 74 / 2022-23 dated January 16, 2023, in exceptional situations mentioned below, the scheme shall be allowed additional timelines for transfer of redemption or repurchase proceeds to the unitholders.

Sr. No.	Exceptional Situations	Additional Timelines Allowed
i.	Payment of redemption proceeds through physical instruments (cheque / DD)	Additional 2 working days

		where electronic fund transfer is not possible (such as old / non-Core Banking account / IFSC non-available records / IMPS failed records for reasons like name mismatch*, technical error / Investor Bank not participating in Electronic Fund transfers or failure of electronic credit for any reason which are at the bank's end. ** Name mismatch typically occurs where the bank account is held jointly, but the 1st holder in MF Folio may not be first holder in the bank account or the investor's name in MF folio and his/her bank account may not be exactly identical e.g., MF folio is held by A+B, but the bank account is in the name of B +A; OR the name as per bank a/c & MF folio are recorded a bit differently e.g.,* *(i) Given Name + Middle Name + Surname* *(ii) Given Name + Surname* *(iii) Surname + Given Name etc.* *Note: When payment is made through cheque / DD, the investor's bank account details registered with the RTA shall be printed on the cheque/DD, so that the amount is paid only through the investor's bank account to mitigate the risk of fraudulent encashment.*	
	ii.	Redemption in case of funds where payout schedule of underlying instruments/ funds is different e.g., Domestic Fund of Funds, Overseas funds, Overseas FOF scheme, wherein the redemption proceeds can be paid after 1 day of payout schedule	Additional 1 working day after receiving proceeds from underlying instruments/ schemes for electronic payouts. {For physical payouts, i.e., issuance and dispatch of cheque/ DD, additional days as per (i) above would

			also be allowed, after receiving proceeds from underlying instruments/ schemes}. For example, in case of Domestic FoFs, where funds are received on T+3 days, timeline applicable would be – a) T+4 days for Electronic payment; and b) T+6 days physical payout.
	iii.	On such days, where it is a bank holiday in some or all the states, but a business day for the stock exchanges.	Additional 1 working day following the bank holiday(s) in the State where the investor has bank account.
	iv.	Exceptional circumstances such as sudden declaration of a business day as a holiday or as a non- business day due to any unexpected reason / Force Majeure events.	In all such exceptional situations, the timelines prescribed in Para 14.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023shall be counted from the date the situation becomes normal.
	v.	In all such cases where a request for Change of Bank account has been received just prior to (upto 10 days prior) OR simultaneously with redemption request.	In all such cases, the AMCs / RTAs can make the redemption payment after the cooling off period of 10 days from the date of receipt of COBM. The redemption transaction shall be processed as per the applicable NAV on the basis time stamp. The credit may either be given in the existing bank account or the new bank account post due diligence within 1 working day after cooling off period.
	vi.	Need for additional due diligence in instances such as Transmission reported in one fund, but not in the current fund, proceedings by Income Tax Authorities, Folio under	Additional 3 working days

	lock/bank lien etc. Redemption proceeds will be paid by cheques, marked "Account Payee only" and drawn in the name of the sole holder/first-named holder (as determine by the records of the Registrar). The Bank Name and No., as specified in the Registrar's records, will be mentioned in the cheque, which will be payable at the city of the bank branch of the Unitholder. If the Unitholder resides in any other city, he will be paid by a Demand Draft payable at the city of his bank branch. Redemption cheques will generally be sent to the Unitholder's address, (or, if there is more than one joint holder, the address of the first-named holder) as per the Registrar's records, by courier. Redemption proceeds may also be paid to the Unitholder in any other manner viz., through ECS, Direct Credit, IMPS, NEFT in to Bank account, RTGS facility, any other mode allowed by Reserve Bank of India or through Banker's cheque, etc, as the AMC may decide, from time to time for the smooth and efficient functioning of the Schemes.
Redemption by NRIs/FPIs	Credit balances in the account of a NRIs/FPIs unit holder may be redeemed by such unit holder subject to any procedures laid down by the RBI. Payment to NRI/FPI unit holder will be subject to the relevant laws/guidelines of RBI as are applicable from time to time (subject to deduction of tax at source as applicable). The Fund will not be liable for any delays or for any loss on account of exchange fluctuations while converting the rupee amount in US Dollar or any other currency. Note: The mutual fund will rely on the NRI status and his account details as recorded in the depository system. Any changes to the same can be made only through the depository system.
Delay in payment of redemption / repurchase/IDCW proceeds	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).
Unclaimed Redemption/IDCW Amount	In accordance with Para 14.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, the unclaimed Redemption amount and IDCW amount that are currently allowed to be deployed by the Mutual Fund only in call money market or money market Instruments, shall also be allowed to be invested in a separate plan of only Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. Provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per Para 17.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023. AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50bps whichever is lower. Investors who claim

	these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. AMC shall play a proactive role in tracing the rightful owner of the unclaimed amounts considering the steps suggested by regulator vide the referred circular.
Bank A/c Details	As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form. In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected.
Listing	Since the Scheme is open-ended, it is not necessary to list the Units of the Scheme on any exchange. Liquidity is ensured to investors by the purchase and sale of Units from/to the Fund at prices related to the relevant Applicable NAV for the purpose of purchasing or redeeming Units from the Fund. The Trustee, however, has the right to list the Units under the Scheme on any stock exchange/s for better distribution and additional convenience to existing/prospective Unitholders. Even if the Units are listed, the Fund shall continue to offer purchase and redemption facility as specified in this scheme information document. Any listing will come only as an additional facility to investors who wish to use the services of a stock exchange for the purpose of transacting business in the Units of the Scheme.
MF utility services for Investors	Kotak Mahindra Asset Management Company Ltd ("the AMC") has entered into an Agreement with MF Utilities India Private Limited ("MFUI"), a "Category II – Registrar to an Issue" under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility ("MFU") - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form and a single payment instrument. Accordingly, all financial and non-financial transactions pertaining to Schemes of Kotak Mahindra Mutual Fund can be done through MFU either electronically on www.mfuonline.com as and when such a facility is made available by MFUI or physically through the authorized Points of Service ("POS") of MFUI with effect from the respective dates as published on MFUI website against the POS locations. The list of POS of MFUI is published on the website of MFUI at www.mfuindia.com as may be updated from time to time. The Online Transaction Portal of MFU i.e. www.mfuonline.com and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance ("OPA") of the AMC. The uniform cut-off time as prescribed by SEBI and as mentioned in the SID / KIM of respective the scheme shall be applicable for applications received

	on the portal of MFUI i.e. www.mfuonline.com. However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, any terms & conditions as stipulated by MFUI / Mutual Fund / the AMC from time to time and any law for the time being in force. Investors are requested to note that, MFUI will allot a Common Account Number ("CAN"), a single reference number for all investments in the Mutual Fund industry, for transacting in multiple Schemes of various Mutual Funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the MFUI POS. The AMC and / or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFU. Investors are requested to visit the websites of MFUI or the AMC to download the relevant forms.
MF Central	Pursuant to Para 16.6 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 on RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions / service requests , the Qualified R&T Agent, Kfin Technologies Private Limited and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral – A digital platform for Mutual Fund investors. MFCentral is created with an intent to be a one stop portal / mobile app for all Mutual fund investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital / phygital services to Mutual fund investors across fund houses subject to applicable T&Cs of the Platform. MFCentral may be accessed using https://mfcentral.com/ and a Mobile App in future. Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service centres or collection centres of CAMS or Kfintech.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Asset Management Company shall, on production of instrument of transfer together with relevant documents, register the transfer within 30 days from the date of such production. The Units of the Scheme held in the dematerialised form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time and as stated in Para 14.4of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023. Further, for the procedure of release of lien, the investors shall contact their respective DP. Also, when a person becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production/submission of such satisfactory evidence, which in its opinion is sufficient, effect the transfer, if the intended transferee is otherwise eligible to hold the units.

Central KYC (CKYC)	The Government of India has authorized the Central Registry of Securitization and Asset Reconstruction and Security interest of India (CERSAI, an independent body), to perform the function of Central KYC Records Registry including receiving, storing, safeguarding and retrieving KYC records in digital form. Accordingly, in line with SEBI circular nos. CIR/MIRSD/66/2016 dated July 21, 2016 and CIR/MIRSD/120/2016 dated November 10, 2016 on Operationalization of Central KYC (CKYC), read with AMFI Best Practice Guidelines circular no. 68/2016-17 dated December 22, 2016, new individual investors investing into the Fund are requested to note the following changes, with effect from February 1, 2017. 1. New individual investors who have never done KYC under KRA (KYC Registration Agency) regime and whose KYC is not registered or verified in the KRA system, will be required to fill the new CKYC form while investing with the Fund. 2. If any new individual investor uses the old KRA KYC form which does not have all the information needed for registration with CKYC, such investor will be required to either fill the new CKYC form or provide the missing/additional information using the Supplementary CKYC form. Investors who have already completed CKYC and have a KYC Identification Number (KIN) from the CKYC Registry can invest in schemes of the Fund quoting their 14 digit KIN in the application form. Further, in case the investor's PAN is not updated in CKYC system, a self-certified copy of PAN Card will need to be provided. This is subject to client completing the KYC requirements as per SEBI in addition to CKYC.
Foreign Account Tax Compliance	FATCA is an acronym for Foreign Account Tax Compliance Act ("FATCA"), a United States Federal law to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments. The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. The AMC/Fund is classified as a 'Foreign Financial Institution' (Investment Entity as per Annexure 1(i)) under the FATCA provisions. In accordance with FATCA provisions, the AMC/Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information/documentary evidences of the US and/or non-US status of its investors/Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings, investment returns and/or to US Internal Revenue Service (IRS) or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS pursuant to the new reporting regime under FATCA.

B. 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 investments by multiplying the NAV with your unit balance.	The NAVs of the Scheme will be calculated and disclosed on every Business day on the website of the Kotak Mahindra Mutual Fund viz www.kotakmf.com and AMFI's website www.amfiindia.com by 11.00 p.m. In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day, NAV declaration timing for Mutual Fund Schemes holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day. Unitholders may avail the facility to receive the latest available NAVs through SMS by submitting a specific request in this regard to the AMC/Mutual Fund. Also, information regarding NAVs can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.. Delay in uploading of NAV beyond 11.00 p.m. on every Business Day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following Business Day due to any reason, a press release for revised NAV shall be issued. In terms of SEBI regulations, a complete statement of the Scheme portfolio will be sent to all unitholders, within 5 days of each fortnight and within ten days from the close of each month / half-year whose email addresses are registered with the Mutual Fund. The portfolio of the scheme (alongwith ISIN) shall also be disclosed on the website of Mutual Fund (kotakmf.com) and on the website of AMFI (www.amfiindia.com) on a monthly, fortnightly and half-yearly basis within 5 days of every fortnight & within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format.
Half yearly Disclosures: Portfolio / Financial Results / / Monthly Disclosure of Schemes' Portfolio Statement 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 Funds/ AMCs, shall disclose portfolio (along with ISIN) as on fortnightly, monthly, half-yearly basis for all the schemes on the website of the Kotak Mahindra Mutual Fund viz. kotakmf.com and on the website of AMFI (www.amfiindia.com) within 5 days of every fortnight and within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format. In accordance with Para 5.1 and 5.3of SEBI Master Circular dated May 19, 2023,unitholders whose e-mail addresses are registered, Mutual Funds/AMC shall send the details of the scheme portfolio including the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark while communicating the fortnightly, monthly and half-yearly statement of scheme portfolio via email within 5 days of every fortnight for debt schemes, 10 days from the close of each month for other schemes and 10 days from the close of half-year for all schemes. AMCs shall provide a link to investors to their registered email to enable the investor to directly view/download only the portfolio of schemes subscribed by the said investor.

	The Mutual Fund / AMC shall provide a physical copy of statement of its scheme portfolio, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every half-year disclosing the hosting of the half-yearly statement of the schemes on website of Kotak Mahindra Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the statement of scheme portfolio. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.
Half Yearly Results	The soft copy of unaudited financial results shall within one month from the close of each half year i.e. 31^{st} of March and the 30^{th} of September, be hosted on the website kotakmf.com and will be sent to AMFI for posting on its website www.amfiindia.com . Also an advertisement of hosting of the unaudited results shall be published in one English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.
Annual Report	Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with Para 5.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 , read with SEBI Mutual Fund (Second Amendment) Regulation 2018, the scheme wise annual report or abridged summary thereof will be hosted on the website in machine readable format of Kotak Mahindra Mutual Fund viz. kotakmf.com and on the website of AMFI, immediately after approval in Annual General Meetings within a period of four months, from the date of closing of the financial year (31st March). The AMCs shall display the link prominently on the website of the Kotak Mahindra Mutual Fund viz. kotakmf.com and make the physical copies available to the unitholders, at their registered offices at all times. Unit holders whose e-mail addresses are not registered will have to specifically 'opt in' to receive physical copy of scheme wise annual report or abridged summary thereof. The unit holders may request for a physical copy of scheme annual reports at a price and the text of the relevant scheme by writing to the Kotak Mahindra Asset Management Company Ltd. / Investor Service Centre / Registrar & Transfer Agents. The Mutual Fund / AMC shall provide a physical copy of abridged report of the annual report, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every year disclosing the hosting of the scheme wise annual report on website of Kotak Mahindra Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.
Scheme Summary Document (SSD)	In accordance with SEBI letter dated December 28, 2021 and AMFI emails dated March 16, 2022 and March 25, 2022, Scheme summary document for all schemes of Kotak Mahindra Mutual Fund in the requisite format (pdf, spreadsheet and machine readable format) shall be uploaded on a monthly basis i.e. 15^{th} of every month or within 5 working days from the date of any change or modification in the scheme information on the website of Kotak Mahindra Mutual Fund i.e. www.kotakmf.com, AMFI

<table>
<tr><td></td><td>i.e. www.amfiindia.com and Registered Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.</td></tr>
<tr><td>Risk-o-meter</td><td>In accordance with Para 17.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023.

The Risk-o-meter shall have following six levels of risk:
i. Low Risk
ii. Low to Moderate Risk
iii. Moderate Risk
iv. Moderately High Risk
v. High Risk and
vi. Very High Risk

The evaluation of risk levels of a scheme shall be done in accordance with the aforesaid circular.

Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders. The risk-o-meter shall be evaluated on a monthly basis and the risk-o-meter along with portfolio disclosure shall be disclosed on the AMC website as well as AMFI website within 10 days from the close of each month.</td></tr>
<tr><td>Disclosure of Potential Risk Class (PRC) Matrix:</td><td>Pursuant to the provisions of Para 17.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, all debt schemes are required to be classified in terms of a Potential Risk Class matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration (MD) of the scheme) and maximum credit risk (measured by Credit Risk Value (CRV) of the scheme).

Subsequently, once a PRC cell selection is done by the Scheme, any change in the positioning of the Scheme into a cell resulting in a risk (in terms of credit risk or duration risk) which is higher than the maximum risk specified for the chosen PRC cell, shall be considered as a fundamental attribute change of the Scheme in terms of Regulation 18(15A) of SEBI (Mutual Fund) Regulations, 1996. The scheme would have the flexibility to take interest rate risk and credit risk below the maximum risk as stated in the PRC matrix.

The Mutual Funds shall be required to inform the unitholders about the PRC classification and subsequent changes, if any, through SMS and by providing a link on their website referring to the said change.

The Mutual Fund/ AMC shall also publish the PRC Matrix in the scheme wise Annual Reports and Abridged summary.</td></tr>
<tr><td>Associate Transactions</td><td>Please refer to Statement of Additional Information (SAI).</td></tr>
<tr><td>Taxation:
The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to</td><td>TDS and Taxability applicable in case of Dividend distributed to Unit holders

<table>
<tr><td></td><td colspan="3">TDS Rates</td><td>Taxability</td></tr>
<tr><td></td><td>Thres hold limit</td><td>Section</td><td>Base Rate</td><td>Base rate</td></tr>
<tr><td>RESIDENT</td><td></td><td></td><td></td><td></td></tr>
</table></td></tr>
</table>

consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.

Resident Unit Holder	Rs.5, 000	194K	10%	Slab rates plus applicable surcharge and cess (Refer Note 1)
NON-RESIDENT UNIT HOLDERS (subject to DTAA benefits)				
(1)FII/FPI	NILs	196D r.w.s 115AD(1)(i)	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)
(2) Foreign company/corporates				
Purchase in Indian Rupees	NIL	196A	20% plus applicable surcharge and cess (Refer note 1)	40% plus applicable surcharge and cess (Refer Note 1)
Purchase in Foreign Currency	NIL	196A r.w.s 115A	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)
(3) Others				
Purchase in Indian Rupees	NIL	196A	20% plus applicable surcharge and cess (Refer note 1)	At slab rates applicable plus applicable surcharge and cess (Refer Note 1)
Purchase in Foreign Currency	NIL	196A r.w.s 115A	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)

Taxability applicable in case of Capital Gains to Unit holders

A) <u>Applicable tax rates based on prevailing tax laws for units acquired before 01.04.2023</u>				
	Unit Holders			
Taxation	**Resident**	**Non – Resident**		
		FPI	**Other than FPI**	
			Listed	**Unlisted**

Short Term Capital Gain	As per the rates applicable to the assessee under the Indian Income-tax laws plus applicable surcharge & HE cess (Refer note 1)	30% plus applicable surcharge & HE cess (Refer note 1)	As per applicable slab rate plus surcharge &cess (Refer note 1)	As per applicable slab rate plus surcharge &cess (Refer note 1)
Long Term Capital Gain (Refer note 2 below)	20% with indexation plus applicable surcharge & HE cess (Refer note 1)	10% (without indexation & without foreign currency fluctuation benefit) plus applicable surcharge & HE cess (Refer note 1)	20% with indexation plus applicable surcharge & HE cess (Refer note 1)	10% (without indexation & without foreign currency fluctuation benefit) plus applicable surcharge & HE cess (Refer note 1)

B) <u>Applicable tax rates based on prevailing tax laws for units acquired on or after 01.04.2023</u>

The units of Specified Mutual Funds acquired on or after 01.04.2023 shall, irrespective of its period of holdings, be deemed to be short-term capital gain u/s 50AA of Income Tax Act in the hands of unit holder. Therefore, the gains arising transfer of such units will be taxable income at the applicable slab rate plus applicable surcharge and cess in the hands of unit holder.

"**Specified Mutual Funds**" means a mutual fund where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.

Note (1) : The above rates would be increase by surcharge of:

- **In case of foreign companies**;
  - 2% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000
  - 5% where the total income exceeds Rs. 100,000,000

- **In case of resident domestic corporate unit holders**;
  - 7% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000 or
  - 12% where the total income exceeds Rs. 100,000,000

- 10% where domestic company is eligible & exercises the option granted u/s 115BAA or 115BAB of the Act.

- **In case of non-corporate resident unit holders being partnership firms** covered under Indian Partnership Act, 1932/ Limited liability partnership covered under Limited Liability Partnership Act, 2008:
  - 12% where the total income exceeds Rs.10,000,000
- **In case of resident and non-resident non-corporate unit holders being individual, HUF, AOP, BOI and artificial juridical person and FII/FPI in form of individual, HUF, AOP, BOI, artificial juridical person (old regime of taxation);**

Income		**Surcharge Rates**	
Total Income	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b)& company dividend)	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b)& company dividend).	Capital gains covered under section 111A, section 112A, section 112, &115AD(1)(b)& company dividend.
Upto 50Lakh		Nil	Nil
More than 50Lakh up to 1 Cr		10%	10%
More than 1 Cr but up to 2Cr		15%	15%
More than 2 Cr	Up to 2 cr	15%	15%
	More than 2 cr but up to 5 cr	25%	15%
	More than 5Cr	37%	15%

In case of resident and non-resident non-corporate unit holders being individual, HUF, AOP, BOI, artificial juridical person and FII/FPI in form of individual, HUF, AOP, BOI, artificial juridical person (opting tax regime u/s 115BAC of the Act);

Income		Surcharge Rates	
Total Income	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend)	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b)& company dividend).	Capital gains covered under section 111A, section 112A, section 112,&115AD(1)(b) & company dividend.
Upto 50 Lakh		Nil	Nil
More than 50 Lakh up to 1 Cr		10%	10%
More than 1 Cr but up to 2Cr		15%	15%
More than 2 Cr	Up to 2 cr	15%	15%
	More than 2 cr	25%	15%

Further, an additional cess of 4% (Health & education Cess on income-tax) would be charged on the amount of tax inclusive of surcharge as applicable, for all unit holders.

Further, the rates stated above for Non-residents are further subject to DTAA benefits, if applicable.

Note 2) : Long-term capital gains in case of non-residents (other than FPI) would be taxable @ 10% on transfer of capital assets, being unlisted securities, computed without giving effect to first and second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit. In case of listed securities being units of Mutual Fund, the tax payable would be @ 20% after indexation benefit.

Note 3) Long term capital gains in the case of FPIs would be taxable @10% on transfer of capital assets being securities (listed or unlisted) without giving effect to the first and second proviso to section 48 i.e. without taking the benefit of foreign currency fluctuation and without indexation.

	Further surcharge rate on FPI is restricted to 15% even if total income of FPI exceeds Rs. 2,00,00,000 Note 4) Under section 10(23D) of the Income tax Act, 1961, income earned by a Mutual Fund registered with SEBI is exempt from income tax. For further details on taxation please refer to the clause on taxation in the SAI.
Stamp Duty	Levying of Stamp Duty on Mutual Fund Transactions - Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 and Notification No. G.S.R 226 (E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019 and clarification letter no : SEBI/IMD/DF2/OW/P/2020/11099/1 issued by Securities and Exchange Board of India dated June 29, 2020,a stamp duty @ 0.005% would be levied on all applicable mutual fund transactions. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including reinvestment IDCW and Switch in) to the unitholders would be reduced to that extent.
Tax Status of Investor	For all new purchases, the AMC reserves the right to update the tax status of investors on a best effort basis by referring to the information furnished on the application form by the applicant(s) and as per the documents provided for Permanent Account Number/ Bank Account details/KYC documents or such other documents submitted along with the application form. The AMC will rely on the information provided in feed files by entities like Channel Partners / MFU / Stock exchange platforms. The AMC shall not be responsible for any claims made by the investor/ third party on account of updation of tax status basis the stated process.
Investor services	Ms. Sushma Mata Kotak Mahindra Asset Management Company Limited 6^{th} Floor, Kotak Towers, Building No.21, Infinity Park, Off: Western Express Highway Goregaon - Mulund Link Road, Malad (East), Mumbai 400097 Phone Number: 18003091490 / 044-40229101 Fax: 6708 2213 e-mail: mutual@kotak.com

C. 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 (Valuation Policy includes computation of NAV in case of investment in foreign securities), as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time. The broad valuation norms are detailed in the Statement of Additional Information.
NAV of Units under the Scheme will be calculated as shown below:

$$\text{NAV} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current assets including Accrued Income} - \text{Current Liabilities and provisions including accrued expenses}}{\text{No. of Units outstanding under the Scheme/Option.}}$$

NAV for the Scheme and the repurchase prices of the Units will be calculated and announced at the close of each Business Day. The NAV shall be computed upto four decimals. The NAV of Direct Plan will be different than the NAV of Regular Plan.

Computation of NAV will be done after taking into account IDCW declared, if any, and the distribution tax thereon, if applicable. The income earned and the profits realized in respect of the Units remain invested and are reflected in the NAV of the Units.

Investments in units of CDMDF shall be valued based on the last declared net asset value as disclosed on the website of the CDMDF Fund.

V. FEES AND EXPENSES

This section outlines the expenses that will be charged to the scheme.

A. New Fund Offer (NFO) Expenses

This is an ongoing scheme on the date of updating this document.

B. ANNUAL SCHEME RECURRING EXPENSES

Total Expense Ratio is the total of ongoing fees and operating expenses charged to the scheme, expressed as a percentage of the scheme's daily net assets. These fees and expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, brokerage/commission, marketing and selling costs etc.

As per Regulation 52(6)(c) of SEBI (MF) Regulations, the total expense ratio of the scheme excluding issue or redemption expenses, whether initially borne by the mutual fund or by the asset management company, but including the investment management and advisory fee shall be subject to the following limits:-

Assets under management Slab (In Rs. crore)	Total expense ratio limits
on the first Rs.500 crores of the daily net assets	2.00%
on the next Rs.250 crores of the daily net assets	1.75%
on the next Rs.1,250 crores of the daily net assets	1.50%
on the next Rs.3,000 crores of the daily net assets	1.35%
on the next Rs.5,000 crores of the daily net assets	1.25%
on the next Rs.40,000 crores of the daily net assets	Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof.
on balance of the assets	0.80%

Total Expense Ratio for the scheme

The AMC has estimated following recurring expenses, as summarized in the below table for the scheme. Total expense ratio of the Scheme (including investment and advisory fees) will be subject to the maximum limits (as a percentage of Daily Net Assets of the Scheme) as per Regulation 52(6) & (6A), as amended from time to time, with no sub-limit on investment and advisory fees.

Expenses Structure	% of daily Net Assets (Regular Plan)
Investment Management and Advisory Fees	Upto 2.00%
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 IDCW 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 for cash market trades and 5bps for derivatives transactions.	
Goods and Services tax on expenses other than investment and advisory fees	
Goods and Services tax on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	**Upto 2.00%**
Additional expenses under regulation 52 (6A) (c) #	Upto 0.05%
Additional expenses for gross new inflows from specified cities ##	Upto 0.30%

The AMC shall not charge additional expenses under Regulation 52(6A)(c) in case exit load is not levied/ not applicable

##With reference to SEBI's letter no. SEBI/HO/ IMD/ IMD-SEC-3/ P/ OW/ 2023/ 5823/ 1 dated February 24, 2023, and AMFI Circular No. CIR/ ARN-23/ 2022-23 March 07, 2023, the B-30 incentive structure for new inflows has been kept in abeyance with effect from March 01, 2023 till the incentive structure is appropriately re-instated by SEBI with necessary safeguards.

Expense Structure for Direct Plan - The annual recurring expenses will be within the limits specified under the SEBI (Mutual Funds) Regulations, 1996.

At least 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 abovementioned distribution expenses/ commission (at least 10%) which is charged in the Regular Plan.

In terms of the Para 10.1 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, all fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan.

Additional expenses which may be charged to the Schemes:
The following additional expenses may be charged to the Schemes under Regulation 52 (6A), namely-

- Brokerage and transaction cost incurred for the purpose of execution shall be charged to the scheme as provided under Regulation 52 (6A) (a) upto 12 bps and 5 bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage & transaction costs, over and above the said 12 bps and 5 bps for cash market transactions and derivatives transactions respectively may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (Mutual Finds) Regulations, 1996.
- Expenses not exceeding of 0.30 % of daily net assets, if the new inflows from beyond top 30 cities are at least:
  (i) 30 % of gross new inflows in the scheme; or
  (ii) 15 % 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 utilised 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.

Provided further that the additional TER can be charged based on inflows only from 'retail investors' (Para 10.1.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, has defined that inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor") from beyond top 30 cities.

Provided that the additional commission for beyond top 30 cities shall be paid as trail only.

- Additional expenses upto 0.05% of daily net assets of the schemes, incurred towards different heads mentioned under Regulation 52 (2) and 52 (4).

- Clause 4 of Seventh Schedule to SEBI (Mutual Funds) Regulations, 1996 which restricts 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 guidelines as per SEBI circular no. SEBI/IMD/CIR No.7/104753/07 dated September 20, 2007. However, the management fees and other expenses charged by the mutual fund(s) 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 overseas mutual fund(s), the same principle shall be applicable for that part of investment.

TER for the Segregated Portfolio

- AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
- The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
- The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
- The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Goods and Services tax:

Goods and Services tax on investment and advisory fees may be charged to the scheme in addition to the maximum limit of TER as prescribed in Regulation 52(6)(c). Goods and Services 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.

The aforesaid estimates are made in good faith by the Investment Manager and are subject to change inter se among the various heads of expenses and between the Plans. It may also be noted that the total expenses of the Plans will also be subject to change within the overall limits of expenses under Regulation 52. Actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the Fund, however the expenses charged will not exceed the statutory limit prescribed by the Regulations There will be no sub limit on management fee, and it shall be within the overall TER specified above.

For the actual current expenses being charged, the investor may refer to the website of the mutual fund.

The fund shall update the current expense ratios on the website kotakmf.com) at least three working days prior to the effective date of the change. The web link for TER is https://www.kotakmf.com/Information/investor-service

Illustration of impact of expense ratio on scheme's returns: **(in Rupees)**

Particulars	Regular Plan	Direct Plan
Amount Invested at the beginning of the year	10,000	10,000
Annual Returns before Expenses	800	800
Expenses other than Distribution Expenses	75	75
Distribution Expenses / Commission	25	-
Returns after Expenses at the end of the Year	**700**	**725**

Illustration is given to understand the impact of expense ratio on a scheme return and this should not be construed as an indicative return of the scheme. The expenses of the Direct Plan under the Scheme will be lower to the extent of distribution expenses/ commission.

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 kotakmf.com or may call at *18003091490* or your distributor.

Entry Load: NIL
In terms of Para 10.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023no entry load will be charged on purchase / additional purchase / switch-in. The commission as specified in the aforesaid circular, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.

Exit Load: NIL
Any exit load charged (net off Goods and Services tax, if any) shall be credited back to the Scheme.

Any imposition or enhancement of Load in future shall be applicable on prospective investments only. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

Investors may obtain information on loads on any Business Day by calling the office of the AMC or any of the Investor Service Centers. Information on applicability of loads will also be provided in the Account Statement.

Of the exit load or CDSC, a maximum of 1% of the redemption proceeds shall be maintained in a separate account which can be utilized towards payment of commissions to the distributors and towards meeting the sales and marketing expenses. Any balance in excess shall be credited to the scheme immediately.

The investor is requested to check the prevailing load structure of the scheme before investing.

D. Waiver of Load for Direct Applications

Pursuant to Para 10.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, no entry load shall be charged for all mutual fund schemes.

Therefore, the procedure for waiver of load for direct applications is no longer applicable.

VI. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VII. 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

SEBI Requirements	Response
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.	1. RBI had imposed a penalty of Rs.20 lakhs on Kotak Mahindra Bank Ltd – for KYC deficiencies found in opening ONE savings account opened in the year 2010. This was a case of failure of the personnel in meeting the customer before opening the account. As per the Bank's processes it is mandatory to meet the customer before on-boarding the customer. However, in respect of the cited case, branch personnel had visited the house of the customer but did not meet the customer. However, they had certified that they met the customer. Action has already been taken on the errant employee and the process has been reiterated for stricter compliance. The Penalty was paid on February 13, 2019. 2. The Reserve Bank of India (RBI) has, by an order dated June 06, 2019, imposed a monetary penalty of Rs 2 crores (Rs 20 million) on Kotak Mahindra Bank Limited (the bank) for failure to furnish information about details of the shareholding held by its promoters and to submit details of the proposed course of action/plans/strategy of the bank for complying with the permitted timeline for dilution of promoter shareholding. The Penalty was paid on June 19, 2019. 3. RBI imposed a penalty of Rs. 40,000 during 2019-20 for not exchanging soiled mutilated notes by two branches observed during in-cognito visit and Rs 30,000 contravention of RBI directions on Facility for Exchange of Notes and coins during inspection of Kanpur Branch. The penalty was paid on June 27, 2019. 4. RBI vide its letter dated July 4, 2022 has levied a penalty of INR 10.50 million for failure to comply with the following provisions/Act: The penalty was paid on July 11, 2022 • INR 3 million for non-compliance with directions on 'customer Protection – Limiting Liability of customers in Unauthorised Electronic Banking Transactions. • INR 3 million for contravention of the provisions of sub-section (2) of Section 26A of the Act read with para 3 of The Depositor Education and Awareness Fund Scheme' 2014 • INR 4.50 million for non-compliance with directions on Banks, exposure to Capital Markets - Rationalization of Norms' and Loans and Advances -Statutory and Other Restrictions 5. RBI vide its letter dated August 10, 2022 has levied a penal interest of INR 1,70,984 for failure to maintain CRR on an average basis during the fortnight July 02,

	2022 to July 15, 2022. The penalty was paid on August 11, 2022. 6. During an Incognito visit on the Bank's Ulubari Branch, Guwahati, RBI vide its mail dated August 24, 2022 imposed penalty of INR 10,000 for following deficiencies found in the branch: • Facility of Exchange of soiled notes not provided. • Facility of Exchange of mutilated notes not provided. 7. Reserve Bank of India vide its mail dated March 17, 2023 had levied a penalty of INR 10,000 on Kotak Mahindra Bank, Somajiguda Branch for refusal by branch to exchange soiled notes tendered by any member of public during incognito visit of Senior RBI Official. Action taken: Necessary instructions have been issued to all concerned, reiterating to ensure stricter compliance 8. Reserve Bank of India vide its letter dated October 17, 2023 had imposed a penalty of INR Rs 3.95 crore on the Bank for following contraventions: • Failure to carry out annual review/due diligence of the service provider s • Failure to ensure that customers are not contacted after 7 pm and before 7 am • Levying interest from the disbursement due date instead of the actual date of disbursement, contrary to the terms & conditions of sanction Levying foreclosure charge despite there being no clause in the loan agreement for levy of prepayment penalty on loans recalled/foreclosure initiated by the bank.para
Details of all enforcement actions 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	Kotak Mahindra Asset Management Company Limited (AMC) has been served a Show Cause Notice (SCN) by SEBI, vide its letter No. SEBI/HO/IMD/DF2/OW/P/2019/11854/1 dated May 10, 2019, and Supplementary Show Cause Notice vide SEBI's letter No. SEBI/HO/IMD/DF2/OW/P/2019/014772/1 dated June 12, 2019, issued under Section 11(1), 11B and 11B (2) of Securities and Exchange Board of India Act, 1992 read with provisions of SEBI (Mutual Fund) Regulations, 1996, in the matter of Kotak Mahindra Asset Management Co. Ltd. The alleged charge is, that on maturity date of Kotak FMP Series 127 and 183, close ended debt schemes, investors were not paid full proceeds on the declared NAV due to pending recovery of dues from Essel Group of Companies. The AMC vide its letter dated August 29, 2019, had filed its reply to the aforesaid show cause notice and supplementary show cause notice.

	Kotak Mahindra Asset Management Company Limited (AMC) has been served a Show Cause Notice (SCN) by SEBI, vide its letter No. SEBI/HO/IMD/DF2/OW/P/2020/13217/1 dated August 13, 2020 in the matter of Kotak FMP Series 187, 189, 193 and 194, issued under Section 11(1), 11B and 11B(2) of Securities and Exchange Board of India Act, 1992 read rule 4 (1) of the SEBI (Procedure for holding Inquiry and imposing Penalties) Rules, 1995 for inquiry and imposing penalty under sections 15D (b) and 15 HB of the act read with provisions of the SEBI (Mutual Fund) Regulations, 1996. SEBI vide its order no. WTM/SM/IMD/IMD-I DOF2/13158/2021-22 dated August 27, 2021 had issued certain directions and imposed penalty to Kotak Mahindra Asset Management Company Limited (KMAMC). KMAMC had also been restrained from launching any new FMP scheme for a period of six months from the date of SEBI order. The Board of Kotak Asset Management Company Ltd had filed an appeal before the Securities Appellate Tribunal against the SEBI order dated August 27, 2021. Kotak Mahindra Trustee Company Limited (Trustee Company) and few employees of KMAMC had been served a Show Cause Notice by SEBI dated May 31, 2019 in the matter of FMP series 127 and 183, Show Cause Notice dated October 12, 2020 in the matter of Kotak FMP Series 187, 189, 193 and 194 and Supplementary SCN dated May 06, 2022 Section 11(1), 11B and 11B(2) of Securities and Exchange Board of India Act, 1992 read rule 4 (1) of the SEBI (Procedure for holding Inquiry and imposing Penalties) Rules, 1995 for inquiry and imposing penalty under sections 15D (b) and 15 HB of the act read with provisions of the SEBI (Mutual Fund) Regulations, 1996. In reference to aforesaid Show Cause Notice (SCNs) dated May 31, 2019, October 12, 2020 and May 06, 2022, SEBI vide its order no. Order/SM/AE/2022-23/17536-17542 dated June 30, 2022 has imposed penalty to Kotak Mahindra Trustee Company Limited and few employees of KMAMC. Kotak Mahindra Trustee Company Limited and few employees of KMAMC have filed an appeal before the Securities Appellate Tribunal against the SEBI order dated June 30, 2022 on August 16, 2022. The SAT hearing was held on August 24, 2022 and has granted Stay on direction issued under SEBI order dated June 30, 2022. The SAT hearing for SEBI order dated August 27, 2021 and June 30, 2022 has been adjourned to November 07, 2023. We have filed reply to the rejoinder filed by SEBI with SAT.

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	NIL
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 which has been notified by any other regulatory agency	NIL

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.

Note: The Scheme under this Scheme information Document was approved by the Trustee on July 11, 2013.

kotak
Mutual Fund

OFFICIAL COLLECTION CENTRES (FOR FRESH PURCHASES & SWITCH-INS)

KMAMC AUTHORISED COLLECTION CENTRES

Agra: Shop No. G-4, Ground Floor, U-Pee Tower, Block No.53/4, Sanjay Place, Agra - 282002. **Ahmedabad:** Ground Floor, Karmayog Heights, Near St. Xavier's College Corner, Navrangpura, Ahmedabad- 380009 (Gujarat). **Amritsar:** Mezzanine FL (Upper Gr FL), SCO 96, Block-B, Ranjit Avenue, District Shopping Complex, Amritsar – 143001 (Punjab). **Aurangabad:** 3rd Floor, Block No. D 28/29, Motiwala Trade Centre, Opp HDFC Bank, Nirla Bazar, Aurangabad – 431001. **Ambala:** Bldg No.5396, First Floor, Punjabi Mohalla, Nicholson Road, Above Haryana Beauty Parlour, Ambala Cantt, Ambala - 133001. **Bangalore:** 5th FL, 506, North Block, Manipal Centre, Dickenson Road, Bangalore - 560042. **Bangalore:** GPNS Towers No. 60 (Old No. 568), 2nd Floor, 11th Main Road, 4th Block, Jayanagar, Bangalore - 560011. **Bhavnagar:** Office No. S/1, 2nd Floor, Gangotri Plaza, Opp. Daxinamurti School, Waghawadi Road, Bhavnagar - 364002 (Gujarat). **Bhopal:** 1st Floor, Alankar Complex, Plot No. 11, Zone – II, M.P. Nagar, Bhopal - 462011 (Madhya Pradesh). **Bhubaneshwar:** 2nd Floor, Building No.24, SCR Janpath, Bapujinagar, Bhubaneshwar - 751009. **Bhilai:** Shop No.22, Commercial Complex, Nehru Nagar [E], Bhilai - 490006. **Chandigarh:** 1st Floor, SCO 2475-76, Sector 22-C, Chandigarh - 160022. **Chennai:** Unit G-01 & G-02, Ground Floor, Building No:52-53, Prince Towers, College Road, Nungambakkam, Chennai – 600 006. Tamil Nadu. **Coimbatore:** Shop No.1, 2nd Floor, A.M.I. Midtowm, 25A/2, D.B. Road, R.S. Puram, Coimbatore - 641002 Tamil Nadu). **Dehradun:** Office No. 247/2, 1st Floor, Swaraj Plaza, Above Cafe Coffee day, Rajpur Road, Dehradun – 248001. **Goa:** 3rd Floor, Mathias Plaza, 18th June Road, Panaji, Goa - 403001. **Gurgaon:** Unit no. 214 , 2nd floor, Vipul Agora Building, Sector no.28, M G Road, Gurgaon - 122001. **Guwahati:** Uma Abhaya Complex, 2nd Floor, Opp. Ulubari High School, Bora Service, G.S Road, Guwahati - 781007. **Hyderabad:** 201, 2nd Floor Legend Esta, Rajbhavan Road, Somajiguda, Hyderabad - 500 082 (Telangana). **Indore:** 2nd Floor, Starlit Tower, Plot No.29/1, Yashwant Niwas Road, Indore - 452001. **Jaipur:** Office no. 105-106, D-38A,1ST FL, The Landmark Bldg, Subhash Marg,Ahinsa Circle, C-Scheme, Jaipur - 302001. **Jalandhar:** Office No. 18 , 3rd Floor, City Square Building, Eh-197, Civil Lines, GT Road, Jalandhar -144001, Punjab. **Jamshedpur:** 2nd Floor, Bharat Business Centre, Rear Wing, Ram Mandir Area, Bistupur, Jamshedpur – 831001. **Kanpur:** Office No. 108/109, 1st Floor, KAN Chambers, 14/113, Civil Lines, Kanpur - 208001. **Kochi:** Door No.65/877, 1st Fl, Chammany Complex, Kaloor Kadavanthara Road, Kochi - 682017. **Kolhapur:** Office No.6, 1st Floor,Vasant Prabha Chambers,Sykes Extension, Near Parikh Pool, Railway Gate, Kolhapur - 416001. **Kolkata - Dalhousie:** Room No-302B, 2, Church Lane, Kolkata - 700001. **Kolkata:** 3rd Fl, The Millenium., 235/2A, AJC Bose Road, Kolkata - 700020. **Lucknow:** 2nd Floor,Aryan Business Park, 90, M.G.Road [Exchange Cottage], Off:Park Road, Hajratganj, Lucknow - 226001. **Ludhiana:** Lower Ground Floor, SCO 13, Shanghai Tower, Feroze Gandhi Market, Ludhiana - 141001 (Punjab). **Mangalore:** D.No. 5-4-169/21, 3rd Floor, Lalbagh Towers, Ballalbhag Circle, Near Kalyan Jewellers, M.G.Road, Mangalore – 575003. **Mumbai [Borivali-W]:**3rd Floor,309, Jalaram Business Centre, Above Axis Bank, Near Chamunda Circle, Borivali (West), Mumbai-400092. **Mumbai:** Shop No.6, Ground Floor, Rajabahadur Mansion (Bansilal Building), 9-15 Homi Modi Street, Fort, Mumbai – 400023. **Mumbai [Goregaon]:** 6th Floor, Zone IV ,Kotak Infinity, Bldg No.21, Infinity Park, Off Western Express Highway, General A K Vaidya Marg, Malad[E], Mumbai - 400097. **Nagpur:** 302,3rd FL Shalwak Manor, East High Court Road, Opp. Dr.Jay Deshmukh's Hospital, Ramdaspeth, Nagpur - 440011. **Nasik:** Office No.1, Mezzanine Floor, Sharada Niketan, GCK Avenue, Tilakwadi, Opp. Hotel City Pride, Sharanpur Road, Nashik - 422002 (Maharashtra). **New Delhi:** Unit Number 1101, 1103 & 1104, 11TH Floor, Kailash Building. 26, Kasturba Gandhi Marg, New Delhi - 110001. **Noida:** Unit no. 206, 2nd floor, Ocean Plaza, Plot No. P-5, Sector 18, Maharaja Agrasen Marg, Noida - 201301 (Uttar Pradesh). **Panipat:** Lower Ground Floor, Jawa Complex, Near Vijaya Bank, Opp:Bhatak Chowk, G.T.Road, Panipat - 132103. **Patiala:** SCO-130, 1ST Floor, New Leela Bhawan, Near Punjab National Bank, Patiala - 147001. **Patna:** 3rd Floor, Office No. 306, Grand Plaza, Frazer Road, Patna - 800001 (Bihar). **Pune:** Shop No. 8, Ground Floor, Rama Equator, Near City International School, Morewadi, Pimpri, Pune - 411018 (Maharashtra). **Pune:** Office No 10 / 11, 3rd Floor, Aditya Centeegra, F C Road, Near Dyneshwar Paduka Chowk, Next to Kotak Mahindra Bank, Shivajinagar, Pune – 411005. **Raipur:** Shop No. F1, 1st Floor, Raheja Tower, Fafadih Chowk, Jail Road, Raipur - 492001 (Chhattisgarh). **Rajkot:** Office No. 204, 2nd Floor, Orbit Enclave, Near Ramkrishna Ashram, Dr. Yagnik Road, Rajkot - 360001 (Gujarat). **Ranchi:** 3rd Floor, Satya Ganga Arcade, Lalji Hirji Road, Near Sarjana Chowk, Main Road, Ranchi-834001, Jharkhand. **Rohtak:** Lower Gr Floor, Office No.3, "Bank Square" Building, Opp: Myna Tourist Complex, 120-121 Civil Lines, Rohtak - 124001. **Satara:** Shop No. 2, Ground Floor, Ok Pride, Opp Taluka Police Station, Radhika Road, Satara - 415002 (Maharashtra). **Shimla:** 1st, Floor,Bhagra Niwas,Near Lift Road,The Mall, Shimla - 171001. **Surat:** Office no.b-129, 1st Floor, International Trade, Centre [ITC] Building, Majura Gate Crossing, Ring Road, Surat - 395002. **Thane [Mumbai]:** Shop No.2 Gr.Fl, Ram Rao Sahani Sadan, Kaka Sohni Path, Naupada, Thane (West) : 400602. **Vadodara:** Unit No.202, 2nd Floor, Gold Croft, Jetalpur Road, Alkapuri, Vadodara -390007 (Gujarat). **Varanasi:** Shop No. 54, 1st Floor , "Kuber Complex", D-58/2, Rathyatra Crossings, Varanasi - 221010 (Uttar Pradesh).

OFFICIAL COLLECTION CENTRES (FOR FRESH PURCHASES & SWITCH-INS)

I. COMPUTER AGE MANAGEMENT SERVICES LIMITED (CAMS) - INVESTOR SERVICE CENTRES

Ahmedabad: 111-113, 1st Floor, Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad - 380006. **Bangalore:** Trade Centre, 1st Floor, 45, Dikensen Road, (Next to Manipal Centre), Bangalore - 560042. **Bhubaneswar:** Plot No. 501/ 1741/ 1846, Premises No. 203, 2nd Floor, Kharvel Nagar, Unit-3, Bhubaneswar - 751001. Odisha. **Chandigarh:** Deepak Tower, SCO 154-155, 1st Floor, Sector 17-C, Chandigarh - 160017. **Chandrapur:** Opp Mustafa décor, Behind, Bangalore,Bakery Kasturba, Road, Chandrapur - 442402 (Maharashtra). **Chennai:** No 178/10, M G R Salai, Nungambakkam, Chennai - 600034. **Coimbatore:** No 1334; Thadagam Road, Thirumoorthy Layout, R.S. Puram, Behind Venkteswara Bakery, Coimbatore – 641002. **Dibrugarh:** Amba Complex, Ground Floor, H S Road, Dibrugarh - 786001. Assam. **Durgapur:** Plot No.3601, Nazrul Sarani, City Centre, Durgapur - 713216. **Goa:** Office No. 103, 1st Floor, Unitech City Centre, M.G. Road, Panaji Goa, Goa - 403 001. **Guntur:** D No 31-13-1158, 1st Floor, 13/1 Arundelpet, Ward No.6, Guntur - 522002 (AP). **Hyderabad:** 208, 2nd Floor, Jade Arcade, Paradise Circle, Secunderabad - 500003. **Indore:** 101, Shalimar Corporate Centre, 8-B, South tukogunj, Opp.Greenpark, Indore - 452001. **Jaipur:** R-7, Yudhisthir Marg ,C-Scheme, Behind Ashok Nagar Police Station, 63/ 2, The Mall, Jaipur - 302001. **Kalyan:** Office No 413, 414, 415, 4th Floor, Seasons Business Centre, Opp. KDMC (Kalyan Dombivli Municipal Corporation), Shivaji Chowk, Kalyan (West) – 421301 (Maharashtra). **Kanpur:** 1st Floor, 106 to 108, City Centre, Phase II, 63/2, The Mall, Kanpur – 208001. **Kochi:** Modayil, Door No. 39/2638 DJ, 2nd Floor, 2A, M.G. Road, Kochi - 682016. **Korba:** Shop No 6, Shriram Commercial Complex, Infront of Hotel Blue Diamond Ground Floor, T.P. Nagar, Korba - 495677, Chhattisgarh. **Kolkata:** Kankaria Centre, 2/1,Russell Street (2nd Floor), Kolkata - 700071. **Korba:** Shop No 6, Shriram Commercial Complex, Infront of Hotel Blue Diamond Ground Floor, T.P. Nagar, Korba - 495677 (West Bengal). **Lucknow:** Office No.107, 1st Floor, Vaishali Arcade Building, Plot No. 11, 6 Park Road, Lucknow - 226001. UP. **Ludhiana:** U/ GF, Prince Market, Green Field, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, Ludhiana - 141002. **Madurai:** Shop No 3, 2nd Floor, Suriya Towers, 272/ 273 – Goodshed Street, Madurai -625001, Tamil Nadu. **Mandi Gobindgarh:** Opp. Bank of Bikaner & Jaipur, Harchand Mill Road, Motia Khan, Mandi Gobindgarh - 147301 (Punjab). **Mangalore:** 14-6-674/15(1), Shop No. UG11-2, Maximus Complex, Light House Hill Road, Mangalore- 575 001 (Karnataka). **Mumbai:** Rajabahdur Compound, Ground Floor, Opp Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort, Mumbai - 400023. **Murshidabad:** No.107/1, A C Road, Ground Floor, Berhampore, Murshidabad - 742103. West Bengal. **Nadia:** R. N. Tagore Road, In front of Kotawali P.S. Krishnanagar, Nadia - 741101. West Bengal. **Nagpur:** 145 Lendra, New Ramdaspeth, Nagpur - 440010. **New Delhi:** 401 to 404, 4th Floor, Kanchan Junga Building, Barakhamba Road, New Delhi 110001. **Patna:** G-3, Ground Floor, Om Vihar Complex, SP Verma Road, Patna - 800001. **Pune:** Vartak Pride , 1st floor, Survay No 46, City Survay No 1477, Hingne Budruk, D. P Road, Behind Dinanath Mangeshkar Hospital, Karvenagar, Pune - 411 052. **Seerampur:** 47/5/1, Raja Rammohan Roy Sarani PO, Mallickpara, Dist. Hoogly, Seerampur-712203. West Bengal. **Surat:** Shop No-G-5, International Commerce Center, Nr.Kadiwala School, Majura Gate, Ring Road, Surat - 395002. **Vadodara:** 103 Aries Complex, BPC Road, Off R.C. Dutt Road, Alkapuri, Vadodara - 390007. **Vijayawada:** 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M.G Road, Labbipet, Vijayawada - 520010. **Visakhapatnam:** Door No: 47-3-2/2, Flat No: GF2, Vigneswara Plaza, 5th Lane, Dwarakanagar, Visakhapatnam - 530016. Andhra Pradesh. **Wardha:** Opp. Raman Cycle Industries, Krishna Nagar, Wardha - 442001 (Maharashtra).

II. COMPUTER AGE MANAGEMENT SERVICES LIMITED (CAMS) - TRANSACTION POINT

Agartala : Nibedita, 1st floor, JB Road, Palace Compound, Near Babuana Tea and Snacks, Agartala – 799001 (Tripura West). **Agra :** No.8, 2nd Floor, Maruti Tower, Sanjay Place, Agra - 282002. **Ahmednagar :** Office No. 3, 1st Floor, Shree Parvati, Plot No. 1/175, Opp. Mauli Sabhagruh, Zopadi Canteen, Savedi, Ahmednagar - 414 003. **Ajmer :** AMC No. 423/30, New Church Brahampuri, Opp T B Hospital, Jaipur Road, Ajmer - 305001. **Akola :** Opp. RLT Science College, Civil Lines, Akola - 444001. **Aligarh :** City Enclave, Opp. Kumar Nursing Home, Ramghat Road, Aligarh - 202001. **Allahabad :** 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, Allahabad - 211001. **Alleppey :** Doctor's Tower Building, Door No. 14/2562, 1st floor, North of Iorn Bridge, Near Hotel Arcadia Regency, Allpey - 688 001. **Alwar :** 256A, Scheme No 1, Arya Nagar, Alwar - 301001. **Amaravati :** 81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati - 444601. **Ambala :** Opposite PEER, Bal Bhavan Road, Ambala - 134003. **Amritsar :** SCO - 18J, 'C' BLOCK RANJIT AVENUE, Amritsar - 140001. **Anand :** 101, A P Tower, Behind Sardhar Gunj, Next to Nathwani Chambers, Anand - 388001. **Anantapur :** 15-570-33, I Floor Pallavi Towers, Subash Road, Opp:Canara Bank Anantapur - 515 001 Andhra Pradesh. **Ankleshwar :** G-34, Ravi Complex, Valia Char Rasta, G I D C, Bharuch, Ankleshwar - 393002. **Asansol :** Block - G, 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab, P O Ushagram, Asansol - 713303. **Aurangabad:** 2nd Floor, Block No. D-21-D-22 Motiwala Trade Center, Nirala Bazar New Samarth Nagar, Opp. HDFC Bank, Aurangabad – 431001. **Balasore:** B C Sen Road, Balasore - 756001. **Bankura:** 1st Floor, Central Bank Building, Machantala, Bankura - 722101. West Bengal. **Bareilly:** F-62-63, Second Floor, Butler Plaza, Civil Lines, Bareilly - 243001, UP. **Basti:** Office No. 3, 1st Floor, Jamia Shopping Complex, (Opposite Pandey School), Station Road, (Uttar Pradesh), Basti - 272002. **Belgaum :** Classic Complex, Block no 104, 1st Floor, Saraf Colony, Khanapur Road, Tilakwadi, Belgaum - 590 006. **Bellary:** 18/47/A, Govind Nilaya, Ward 20, Sangankal Moka Road, Gandhinagar, Bellary I - 583102. **Bengaluru:** First Floor, 17/1, -(272) 12th Cross Road, Wilson Garden, Bengaluru 5600027. **Berhampur:** Kalika Temple Street, Ground Floor, Beside SBI Bazar Branch, Berhampur - 760 002 (Odisha). **Bhagalpur :** Krishna, 1st Floor, Near Mahadev Cinema, Dr R P Road, Bhagalpur - 812002. **Bharuch** (Parent: Ankleshwar TP) **:** A-111, First Floor, R K Casta, Behind Patel Super Market, Station Road, Bharuch - 392001. **Bhatinda :** 2907 GH, GT Road, Near Zila Parishad, Bhatinda - 151001. **Bhavnagar:** 501-503, Bhayani Skyline, Behind Joggers Park, Atabhai Road, Bhavnagar – 364 001. Gujarat. **Bhilai :** First Floor, Plot No. 3, Block No. 1, Priyadarshini Parisar West, Behind IDBI Bank, Nehru Nagar, Bhilai - 490020. **Bhilwara :** Indraprastha Tower, 2nd Floor, Shyam Ki Sabji Mandi Near Mukulji Garden, Bhilwara - 311001. **Bhopal :** Plot no 10, 2nd Floor, Alankar Complex, Near ICICI Bank, MP Nagar, Zone II, Bhopal - 462 011. **Bhuj :** Office No. 4-5, First Floor, RTO Relocation Commercial Complex – B, Opp. Fire Station, Near RTO Circle, Bhuj-Kutch – 370001. **Bhusawal** (Parent: Jalgaon TP) **:** 3, Adelade Apartment, Christain Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, Bhusawal - 425201. **Bikaner :** F 4/5, Bothra Complex, Modern Market, Bikaner - 334001. **Bilaspur :** Shop No. B - 104, First Floor, Narayan Plaza, Link Road, Bilaspur - 495001. **Bokaro :** Mazzanine Floor, F-4, City Centre, Sector-4, Bokaro Steel City Bokaro - 827004. **Burdwan :** 399, G T Road, Basement of Talk of the Town, Burdwan - 713101. **C.R.Avenue** (Parent: Kolkata ISC) **:** 33,C R Avenue, 2nd Floor, Room No.13, Kolkata - 700012. **Calicut :** 29/97G, 2nd Floor, Gulf Air Building, Mavoor Road, Arayidathupalam, Calicut - 673016. **Chandrapur:** Opp Mustafa Decor, Near Bangalore Bakery, Kasturba Road, Chandrapur - 442 402 Maharashtra. **Chennai:** 3rd Floor, B R Complex, No. 66, Door No. 11A, Ramakrishna Iyer Street, Opp. National Cinema Theatre, West Tambaram, Chennai 600045. **Chennai:** 158, Rayala Towers, Ground Floor, Chennai - 600002. **Chinchwad:** Harshal Heights, Shop no 29, Basement, Opp. Gawade Petrol Pump, Link Road, Chinchwad - 411033. **Chhindwara :** 2nd Floor, Parasia Road, Near Surya Lodge, Sood Complex, Above Nagpur CT Scan, Chhindwara – 480001 (Madhya Pradesh). **Chittorgarh:** 3 Ashok Nagar, Near Heera Vatika, Chittorgarh - 312001. **Coochbehar:** N. N. Road, Power House, Choupathi, Coochbehar -736101. **Cuttack :** Near Indian Overseas Bank, Cantonment Road, Mata Math, Cuttack - 753001. **Darbhanga :** Shahi Complex, 1st Floor, Near R B Memorial Hospital, V I P Road, Benta, Laheriasarai, Darbhanga 846001. **Davenegere :** 13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P J Extension, Devengere - 577002. **Dehradun :** 204/121, Nari Shilp Mandir Marg, Old Connaught Place, Dehradun - 248001. **Deoghar :** S S M Jalan Road, Ground Floor, Opp Hotel Ashoke, Caster Town, Deoghar - 814112. **Dewas:** 11 Ram Nagar, 1st Floor, A. B. Road, Near Indian - Allahabad Bank, Dewas – 455001, MP. **Dhanbad :** Urmila Towers, Room No. 111, 1st Floor, Bank More, Dhanbad - 826001. **Dharmapuri :** 16A/63A,

II. COMPUTER AGE MANAGEMENT SERVICES LIMITED (CAMS) - TRANSACTION POINT (Cont.)

Pidamaneri Road, Near Indoor Stadium, Dharmapuri - 636701. **Dhule :** H No. 1793 / A, J B Road, Near Tower Garden, Dhule - 424001. **Erode :** 197, Seshaiyer Complex, Agraharam Street, Erode - 638001. **Faizabad :** Amar Deep Building, 3/20/14, 2nd Floor, Niyawan, Faizabad-224001 **Faridabad :** B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House, NIT, Faridabad - 121001. **Firozabad:** 53, 1st Floor, Shastri Market, Sadar Bazar, Firozabad - 283 203. **Gandhidham :** Shyam Sadan, 1st Floor, Plot No. 120, Sector 1/A, Gandhidham - 370201, Gujarat. **Gandhinagar:** 507, 5th Floor, Shree Ugati Corporate Park, Opposite Pratik Mall, Near HDFC Bank, Kudasan, Gandhinagar – 382421. **Gaya:** North Bisar Tank, Upper Ground Floor, Near I.M.A. Hall, Gaya 823001, Bihar. **Ghaziabad :** FF - 26, Konark Building, 1st Floor, RDC - Rajnagar, Ghaziabad - 201002. **Goa:** No DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex Near ICICI Bank, Vasco, Goa – 403802. **Gondal :** A/177 Kailash Complex Opp. Khedut Decor GONDAL - 360311. **Gorakhpur :** Shop No. 5 & 6, 3rd Floor, Cross Road The Mall, A D Tiraha, Bank Road, Gorakhpur – 273001. **Gulbarga :** Pal Complex, 1st Floor, Opp City Bus Stop, Super Market, Gulbarga - 585101. **Guntur**: Door No 5-38-44, 5/1 BRODIPET, Near Ravi Sankar Hotel, Guntur - 522002. **Gurgaon :** SCO - 17, 3rd Floor, Sector-14, Gurgoan - 122001. **Guwahati:** Piyali Phukan Road K. C. Path House No - 1 Rehabari Guwahati – 781008. **Gwalior :** G-6, Global Apartment Phase - II, Opposite Income Tax Office, Kailash Vihar City Centre, Gwalior - 474011. **Haldia :** J. L. No. 126, Mouza-Basudevpur, Haldia Municipality Ward No. 10, Durgachak, Purba Medinipur, Haldia - 721602. West Bengal. **Haldwani :** Durga City Centre, Nainital Road, Haldwani - 263139. **Haridwar:** F - 3, Hotel Shaurya, New Model Colony, Haridwar - 249408. **Hazaribagh :** Muncipal Market, Annada Chowk, Hazaribagh - 825301. **Himmatnagar :** D-78, 1st Floor, New Durga Bazar, Near Railway Crossing, Himmatnagar - 383001. **Hisar :** 12, Opp HDFC Bank, Red Square Market, Hisar - 125001. **Hoshiarpur :** Near Archies Gallery, Shimla Pahari Chowk, Hoshiarpur - 146001. **Hosur :** Survey No.25/204,Attibele Road, HCF Post, Mathigiri, Above Time Kids School, Opposite to Kuttys Frozen Foods, Hosur - 635 110 (Tamil Nadu). **Hubli :** 206 & 207, 1st Floor, A-Block, Kundagol Complex, Opp Court, Club road, Hubli - 580029. **Jabalpur:** 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, Jabalpur - 482001. **Jalandhar :** 144, Vijay Nagar, Near Capital Small Finance Bank, Football Chowk, Jalandhar City – 144001, Punjab. **Jalgoan :** Rustomji Infotech Services, 70, Navipeth, Opp old Bus Stand, Jalgoan - 425001. **Jalna:** (Parent ISC – Aurangabad) : Shop No. 11, 1st Floor, Ashoka Plaza, Opp Magistic Talkies, Subhash Road, Jalna - 431203. **Jalpaiguri:** Babu Para, Beside Meenaar Apartment, Ward No VIII, Kotwali Police Station, PO & Dist. Jalpaiguri – 735101. **Jamnagar :** 207, Manek Centre, P N Marg, Jamnagar - 361001. **Jamshedpur:** Millennium Tower, Room No. 15, 1st Floor, R - Road, Bistupur, Jamshedpur - 831001. **Jaunpur:** Gopal Katra, 1st Floor, Fort Road, Jaunpur - 222001. **Jhansi :** Babu Lal Karkhana Compound, Opp SBI Credit Branch, Gwalior Road, Jhansi - 284001. **Jammu:** JRDS Heights, Lane Opp. S&S Computers,Near RBI Building, Sector 14, Nanak Nagar Jammu - 180004. **Junagadh :** Circle Chowk, Near Choksi Bazar Kaman, Gujarat Junagadh - 362001. **Kadapa:** Door No.: 21/598, Palempapaiah Street, Near Ganjikunta Pandurangaiah Dental Clinic, 7 Road Circcle, Kadapa - 516001. **Kakinada :** No.33-1, 44 Sri Sathya Complex, Main Road, Kakinada - 533 001. **Kalyani :** A - 1/50, Block - A, Dist Nadia Kalyani - 741235. **Kangra:** College Road Kangra, Dist. Kangra – 176001 (Himachal Pradesh). **Kannur :** Room No.14/435, Casa Marina Shopping Centre, Talap, Kannur - 670004. **Karimnagar :** H No. 7-1-257, Upstairs S B H, Mangammthota, Karimnagar - 505001. **Karnal** 29 Avtar Colony, Behind Vishal Mega Mart, Karnal – 132001. **Karur :** 126 GVP Towers, Kovai Road, Basement of Axis Bank, Karur - 639002. **Katni:** NH 7, Near LIC, Jabalpur Road, Bargawan, Katni - 483501. **Kestopur :** S. D. Tower, Sreeparna Apartment, AA-101, Prafulla Kannan (West) Shop No - 1M, Block – C (Ground Floor), Kestopur, - 700101. **Khammam:** 1st Floor, Shop No 11 - 2 - 31/3, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, Khammam – 507001. **Kharagpur:** "Silver Palace" OT Road, Inda- Kharagpur G.P- Barakola P.S- Kharagpur Local -721305. **Kolhapur :** AMD Sofex Office No.7, 3rd Floor, Ayodhya Towers, Station Road, Kolhapur - 416001. **Kolkata:** 2A, Ganesh Chandra Avenue Room No.3A, Commerce House"(4th Floor), Kolkata – 700013. **Kollam :** Uthram Chambers (Ground Floor), Thamarakulam, Kollam - 691 006. **Kota :** B-33, Kalyan Bhawan, Triangle Part, Vallabh Nagar, Kota - 324007. **Kukatpally:** No. 15-31-2M-1/4 1st Floor, 14-A, MIG KPHB Colony, Kukatpally - 500072. **Kumbakonam :** No.28/8, 1st Floor, Balakrishna Colony, Pachaiappa Street, Near VPV Lodge, Kumbakonam - 612001. Tamil Nadu. **Kurnool:** Shop Nos. 26 and 27, Door No. 39/265A and 39/265B, Second Floor, Skanda Shopping Mall, Old Chad Talkies, Vaddageri, 39th Ward, Kurnool – 518001. **Malda :** Daxhinapan Abasan, Opp Lane of Hotel Kalinga, S M Pally, Malda - 732101. **Mandi:** 328/12 Ram Nagar, 1st Floor, Above Ram Traders, Mandi -175001 (Punjab). **Manipal:** Shop No A2, Basement Floor, Academy Tower, Opp. Corporation Bank, Manipal – 576104. **Mapusa** (Parent ISC : Goa) **:** Office No.CF-8, 1st Floor, Business Point, Above Bicholim Urban Co-op Bank, Angod, Mapusa - 403507. **Margao:** F4-Classic Heritage, Near Axis Bank, Opp. BPS Club Pajifond, Margao - 403601. **Mathura :** 159/160, Vikas Bazar, Mathura - 281001. **Meerut :** 108, 1st Floor, Shivam Plaza, Opp Eves Cinema, Hapur Road, Meerut - 250002. **Mehsana :** 1st Floor, Subhadra Complex, Urban Bank Road, Mehsana - 384002. **Mirzapur:** Ground Floor, Canara Bank Building, Dhundhi Katra, Mirzapur. Uttar Pradesh - 231001. **Moga :** Gandhi Road, Opp Union Bank of India, Moga - 142001. **Moradabad**: H 21-22, 1st Floor, Ram Ganga Vihar Shopping Complex, Opposite Sale Tax Office, Moradabad - 244001. **Mumbai (Andheri):** 351, Icon, 501, 5th Floor, Western Express Highway, Andheri (East), Mumbai - 400069. **Mumbai (Borivali West):** 501, TIARA, CTS- 617, 617/1-4, Off. Chandavarkar Lane, Maharashtra Nagar, Borivali West, Mumbai – 400092. Maharashtra. **Mumbai (Ghatkoper E):** Platinum Mall, Office No.307, 3rd floor, Jawahar Road, Ghatkopar East, Mumbai 400 077, Maharashtra. **Muzaffarnagar:** F26/27-Kamadhenu Market, Opp. LIC Building Ansari Road, Muzaffarnagar - 251 001. **Muzzafarpur :** Brahman Toli, Durga Asthan Gola Road, Muzaffarpur - 842001. **Mysore :** No.1, 1st Floor, CH.26 7th Main, 5th Cross, (Above Trishakthi Medicals), Saraswati Puram, Mysore - 570009. **Namakkal:** 156A / 1, First Floor, Lakshmi Vilas Building, Opp. To District Registrar Office, Trichy Road, Namakkal – 637001 (Tamil Nadu). **Nanded:** Shop No. 8,9 Cellar, 'Raj Mohammed Complex', Main Road, Sri Nagar, Nanded - 431605. **Nadiad:** F 142, First Floor, Gantakaran Complex, Gunj Bazar, Nadiad - 387001. **Nalgonda :** Adj. to Maisaiah Statue , Clock Tower Center, Bus Stand Road , Nalgonda - 508001. **Nashik:** 1st Floor, "Shraddha Niketan", Tilak Wadi, Opp. Hotel City Pride, Sharanpur Road, Nashik - 422 002. **Navsari :** Dinesh Vasani & Associates, 103 - Harekrishna Complex, above IDBI Bank, Near Vasant Talkies, Chimnabai Road, Navasari - 396445. **Nellore :** Shop No. 2, 1st Floor, NSR Complex, James Garden, near Flower Market, Nellore – 524001 (Andhra Pradesh). **New Delhi:** 401 to 404, 4th Floor, Kanchan Junga Building, Barakhamba Road, New Delhi 110001. **New Delhi:** 306, 3rd Floor, DDA - 2 Building District Centre, Janakpuri, New Delhi 110058. **New Delhi:** Aggarwal Cyber Plaza-II, Commercial Unit No-371, 3rd Floor,Plot No C-7, Netaji Subhash Palace, Pitampura, New Delhi - 110034. **Noida :** Commercial Shop No.GF 10 & GF 38, Ground Floor, Ansal Fortune Arcade, Plot No. K-82, Sector -18, Noida – 201301. Uttar Pradesh. **Palakkad :** 10 / 688, Sreedevi Residency, Mettupalayam Street, Palakkad - 678001. **Palanpur :** Gopal Trade Center, Shop No. 13-14, 3rd Floor, Nr. BK Mercantile Bank, Opp. Old Gunj, Palanpur – 385001, Gujarat. **Panipat :** 83, Devi Lal Shopping Complex, Opp ABN Amro Bank, G T Road, Panipat 132103. **Pathankot:** 13 - A, 1st Floor, Gurjeet Market Dhangu Road, Pathankot - 145 001. **Patiala :** 35, New Lal Bagh, Opposite Polo Ground, Patiala - 147001. **Patiala:** SCO-130, 1st Floor, New Leela Bhawan, Near Punjab National Bank, Patiala - 147001. Punjab. **Pondicherry :** S-8, 100, Jawaharlal Nehru Street, (New Complex, Opp. Indian Coffee House), Pondicherry - 605001. **Rai Bareli :** 17, Anand Nagar Complex, Rai Bareli - 229001. **Rae Bareilly:** 17, Anand Nagar Complex Opposite Moti Lal Nehru Stadium, SAI Hostel Jail Road, Rae Bareilly – 229001 (Uttar Pradesh). **Raipur :** HIG, C-23, Sector – 1, Devendra Nagar, Raipur - 492004. **Rajahmundry :** Cabin 101, D No. 7-27-4, 1st Floor, Krishna Complex, Baruvari Street, T Nagar, Rajahmundry - 533101. **Rajkot :** Office 207 - 210, Everest Building, Harihar Chowk, Opp Shastri Maidan Limda Chowk Rajkot - 360001. **Ranchi :** 4, HB Road, No: 206, 2nd Floor Shri Lok Complex, Ranchi - 834 001. **Rajapalayam:** No 59 A/1, Railway Feeder Road, (Near Railway Station), Rajapalayam – 626117 (Tamil Nadu). **Ratlam :** Dafria & Co.,18, Ram Bagh, Near Scholar's Schoo, Ratlam – 457001. **Ratnagiri :** Orchid Tower, Gr'Floor, Gala No 06, S.V.No.301/Paiki 1/2, Nachane Munciple Aat, Arogya Mandir, Nachane Link Road, At, Post, Tal. Ratnagiri, Dist. Ratnagiri - 415612 (Maharashtra). **Rohtak:** SCO 06, Ground Floor, MR Complex, Near Sonipat Stand Delhi Road, Rohtak-124 001 (Haryana). **Roorkee :** 22 Civil Lines, Ground Floor, Hotel Krish Residence Roorkee - 247667. **Rourkela :** J B S Market Complex, 2nd Floor, Udit Nagar, Rourkela - 769012. **Sagar :** Opp. Somani Automoblies, Bhagwanganj, Sagar - 470002. **Saharanpur :** 1st Floor, Krishna Complex, Opp. Hathi Gate, Court Road, Saharanpur - 247001. **Salem :** No. 2, 1st Floor, Vivekananda Street, New Fairlands, Salem - 636016. **Sambalpur :** C/o Raj Tibrewal & Associates, Opp.Town High School, Sansarak, Sambalpur - 768001. **Sangli:** Jiveshwar Krupa Bldg, Shop. NO.2, Ground Floor, Tilak Chowk, Harbhat Road, Sangli – 416416. **Satara :** 117 / A / 3 / 22, Shukrawar Peth, Sargam Apartment, Satara - 415002. **Shahjahanpur :** Bijlipura, Near Old Distt Hospital , Shahjahanpur - 242001. **Shillong:** 3rd Floor, RPG COMPLEX, Keating Road, Shillong, Meghalaya - 793 001. **Shimla :** 1st Floor, Opp Panchayat Bhawan Main Gate, Bus Stand, Shimla - 171001. **Shimoga :** Nethravathi, Near Gutti Nursing Home, Kuvempu Road, Shimoga - 577201. **Siliguri:** 78 , Haren Mukherjee Road 1st floor Beside SBI Hakimpara Siliguri - 734001. **Sirsa:** Gali No1, Old Court Road, Near Railway Station Crossing, Sirsa - 125055. **Sitapur:** Arya Nagar Near Arya Kanya School, Sitapur - 261001, (Uttar Pradesh). **Solan :** 1st Floor, Above Sharma General Store, Near Sanki Rest house, The Mall, Solan - 173212. **Solapur :** Flat No 109, 1st Floor, A Wing, Kalyani Tower, 126 Siddheshwar Peth, Near Pangal High School, Solapur - 413001. **Sonepat:** 1st Floor, Pawan Plaza, Atlas Road, Subhash Chowk, Sonepat – 131001, Haryana. **Sriganganagar :** 18 L Block, Sri Ganganagar - 335001. **Srikakulam :** Door No 4-4-96, First Floor, Vijaya Ganapathi Temple Back Side, Nanubala Street, Srikakulam - 532001. **Sultanpur:** 967, Civil Lines, Near Pant Stadium, Sultanpur - 228001. **Surat :** Plot No.629,2nd Floor, Office No.2-C/2-D, Mansukhlal Tower, Beside Seventh Day Hospital, Opp.Dhiraj Sons, Athwalines, Surat - 395001. **Surendranagar:** Shop No. 12, M.D.Residency, Swastik Cross Road, Surendranagar - 363001. **Tezpur Sonitpur:** Kanak Tower 1st Floor, Opposite IDBI Bank/ICICI Bank, C.K.Das Road, Tezpur Sonitpur, Assam – 784001. **Thane:** Dev Corpora, 1st floor, Office no. 102, Cadbury Junction, Eastern Expressway, Thane (West) – 400 601.**Thiruppur:** 1(1), Binny Compound, 2nd Street, Kumaran Road, Thiruppur - 641601. **Thiruvalla :** 1st Floor, Room No - 61(63) International Shopping Mall, Opp. St. Thomas Evangelical Church, Above Thomson Bakery, Manjady, Thiruvalla - 689105 (Kerala). **Tinsukia:** Sanairan Lohia Road,1st Floor, Tinsukia - 786125. **Tirunelveli :** No. F4, Magnem Suraksaa Apartments, Tiruvananthapuram Road, Tamil Nadu, Tirunelveli - 627 002. **Tirupathi :** Shop No : 6, Door No: 19-10-8, (Opp to Passport Office), AIR Bypass Road, Tirupathi – 517501. **Trichur :** Room No. 26 & 27, Dee Pee Plaza, Kokkalai, Trichur - 680001. **Trichy :** No 8, 1st Floor, 8th Cross West Extn, Thillainagar, Trichy - 620018. **Trivandrum:** TC NO: 22/902, 1st floor, Blossom Building, Opposite NSS Karayogam, Sasthamangalam Village P.O, Thiruvananthapuram, Trivandrum – 695010 (Kerala). **Tuticorn:** 1 - A / 25, 1st Floor, Eagle Book Centre Complex, Chidambaram Nagar Main, Palayamkottai Road, Tuticorn **-** 628008. **Udaipur:** 32, Ahinsapuri, Fatehpura circle, Udaipur- 313001. **Ujjain:** Office at 109, 1st Floor, Siddhi Vinayak Trade Center, Shahid Park, Ujjain:- 456010. Madhya Pradesh. **Unjha** (Parent: Mehsana) **:** 10/11, Maruti Complex, Opp. B R Marbles, Highway Road, Mehsana, Unjha - 384170. **Valsad:** Gita Niwas, 3rd Floor, Opp. Head Post Office, Halar Cross Lane, Valsad - 396001. **Vapi :** 208, 2nd Floor HEENA ARCADE, Opp. Tirupati Tower, Near G.I.D.C. Char Rasta, Vapi – 396195. **Varanasi:** Office no 1, Second floor, Bhawani Market, Building No. D-58/2-A1, Rathyatra, Beside Kuber Complex, Varanasi - 221010. **Vashi:** BSEL Tech Park, B-505, Plot no 39/5 & 39/5A, Sector 30A, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400705. **Vellore:** Door No 86, BA Complex, 1st Floor, Shop No 3, Anna Salai (Officer Line), Tollgate, Vellore - 632 001 (Tamil Nadu). **Warangal:** A.B.K Mall, Near Old Bus Depot road, F-7, Ist Floor, Ramnagar, Hanamkonda, Warangal - 506001. **Yamuna Nagar:** 124-B/R Model Town, Yamunanagar - 135001. **Yavatmal:** Pushpam, Tilakwadi, Opp Dr Shrotri Hospital, Yavatmal - 445001.

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