

Addendum No 22–July 2012

ADDENDUM dated July 01, 2012 to the Scheme Information Document(s)/Key Information Memorandum(s) (as applicable) for schemes of IDFC Mutual Fund

1. Valuation Policy in terms of SEBI notification dated February 21, 2012

A Valuation Policy in terms of SEBI notification dated February 21, 2012 will be applicable with effect from July 2, 2012. The policy is as under:

VALUATION POLICY

VALUATION POLICY	
Background and Rationale	<p>This policy has been formulated in accordance with SEBI notification dated February 21, 2012 amending the SEBI (Mutual Funds) Regulations, 1996 which mandates AMC's to put in place a policy framework for valuing each type of security/asset on the principles of fair valuation with the objective of ensuring fair treatment to all investors, ie, existing investors and investors seeking to subscribe or redeem units.</p> <p>This policy shall be based on the principles of fair valuation and will have an overarching effect on the valuation guidelines prescribed under the SEBI (MF) guidelines. Prior to this amendment, the valuation of securities was being done as per the guidelines stated in the Eight Schedule of the SEBI (MF) Regulations and circulars issued by SEBI from time to time. In case of conflict, this valuation policy will override the valuation guidelines given under Eight Schedule of the SEBI (MF) Regulations.</p>
Objective	To ensure fair treatment to all investors, ie; existing investors and investors seeking to subscribe or redeem units. The valuation shall be done in good faith and in a true and fair manner through appropriate valuation policies and procedures.
Scope	<ul style="list-style-type: none"> • Valuation methodologies for all security types • Inter-scheme transfers • Periodicity of review • Conflict • Record Keeping • Exceptional circumstances
Policy owner	Board of Directors of IDFC Asset Management Company Limited & IDFC AMC Trustee Company Limited
Valuation methodologies	The methodologies for valuing each and every type of security held by the schemes is as per Annexure A. Investment in any new security shall be made only after determining an appropriate valuation methodology approved by the Valuation Committee and to be ratified post facto by the Board of AMC and Trustee Company.
Delegation of Powers to Valuation Committee	<p>The Valuation Committee shall be entrusted with the following responsibilities:</p> <ul style="list-style-type: none"> • Reviewing the systems and practices of valuation of securities and reporting to the Board at quarterly intervals • Monitoring of exceptional events and recommending appropriate valuation methods with due guidance from AMC and Trustee Board

	<ul style="list-style-type: none"> Reviewing Inter scheme transfers
Periodicity of review	The valuation policy shall be reviewed annually by the Valuation Committee and internal auditors
Conflict	In the event of conflict, this valuation policy will override the valuation guidelines given under the Eight Schedule of the SEBI (MF) Regulations.
Record Keeping	This policy shall be updated in the SID/ SAI, website and other documents as prescribed by the SEBI (MF) Regulations. These records shall be preserved in accordance with the SEBI (MF) Regulations.
Exceptional circumstances	<p>Following events could be considered (list is indicative and not exhaustive) as exceptional events where current market information may not be available / sufficient for valuation of securities:</p> <ul style="list-style-type: none"> Force Majeure events that force markets to close abruptly Major policy announcements by Government, Regulator or Central Bank Absence of trading in a specific security or similar securities Significant volatility in capital markets

Annexure A

Asset Class	Traded / Non-traded	Methodology for valuation
Equity Shares / Preference Shares / Equity Warrants	Traded	<ul style="list-style-type: none"> NSE shall be the primary exchange, if not traded on NSE, BSE closing price to be considered. If the security is not traded either on NSE and BSE, the earliest previous day's close price shall be used, provided such day is not more than thirty days prior to the valuation date. If it is beyond 30 days, it has to be valued like a non-traded security.
	Non Traded	<ul style="list-style-type: none"> When a share is not traded on any stock exchange, on the date of valuation, then the previous closing price on NSE / any other Stock Exchange will be used, provided such closing price is not exceeding a period of 30 calendar days In all other cases: <ol style="list-style-type: none"> Equity shares: Valuation price will be in accordance with norms prescribed ie, valuation will be computed on the basis of average of book value and the price computed on the basis of the PE ratio (after appropriate discount to industry PE), further discounted for illiquidity Preference shares: Intrinsic value will be considered.. Equity rights / Rights Entitlement / Partly paid up Rights shares: Valuation price will be arrived, after applying appropriate discount, after reducing the exercise price / issuance price from the closing price of the underlying cash equity security Demerger: Where at least one resultant company is not immediately listed, valuation price will be worked out by using cum-price, before demerger reduced for quoted price of the listed resultant company(s). OR in the case of demerger pending listing, the resultant company(ies) shall be valued at the intrinsic value arrived at on the date of corporate action Securities under the process of delisting: Securities whose traded prices are not available pending completion of delisting process, shall be valued at the last traded price or the offer price whichever is lower. Intrinsic value of the securities referred in (b) & (d) above shall be considered and approved by the valuation committee and will be placed for information to the Board of AMC & Trustees.
	Thinly traded	Valuation shall be computed on the basis of average of book value and the price computed on the basis of the PE ratio (after appropriate discount to industry PE), further discounted for illiquidity
Futures & Options	Traded	<ul style="list-style-type: none"> On the valuation day, at the settlement price provided by the respective stock exchanges
	Non-Traded	<ul style="list-style-type: none"> When a security is not traded on any stock exchange, on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange.

Fixed Income and related securities	Maturity Up-to 91 Days	<p>Instruments will be valued by amortisation on a straight-line basis to maturity from cost or last valuation price whichever is more recent.</p> <p>At the time of first purchase the spread between the purchase yield and the benchmark yield will be fixed. This spread will remain fixed through the life of the instrument & will be changed only if there is justification for the change. Justification for change will be provided by the fund manager and approved by the valuation committee. All such changes will be notified to the Board of AMC and Trustee Company on at least a quarterly basis.</p> <p>The amortised price may be used for valuation as long as it is within $\pm 0.10\%$ of the reference price. Reference price is derived from the underlying valuation matrix yield plus spread as determined at time of purchase and modified from time to time as per procedure described in preceding paragraph. In case the variance exceeds $\pm 0.10\%$, the valuation shall be adjusted to bring it within the $\pm 0.10\%$ band.</p> <p>In case of subsequent trades including inter-scheme transfers by the fund in the same security, the valuation must reflect the most recent trade as long as the trade is of face value of INR 100 crores and above. The security such valued would be amortised to maturity with such amortised prices to be in line with + 0.10% of the reference price as above.</p> <p>In case of Coupon bearing and Zero coupon Corporate Bonds (upto 91 days maturity as well as bonds with a put and call option within 91 days), the securities shall be valued at cost plus accruals/ amortization basis. In case of subsequent trades done in Coupon bearing and Zero coupon Corporate Bonds (up to 91days maturity as well as bonds with a put and call option within 91 days) the valuation must reflect the most recent trade as long as the trade is of face value of INR 100 crores and above</p> <p>The following securities will be valued at cost plus accruals/ amortization:</p> <ol style="list-style-type: none"> a) Bank Fixed Deposits b) CBLO/ Reverse Repo c) Bills rediscounting
	Maturity Greater Than 91 Days	<p>Traded Instruments:</p> <p>To prevent frivolous and dated prices from distorting valuations:</p> <ol style="list-style-type: none"> a. For instruments maturing above 1 year, the traded price will taken if there are at least two trades aggregating to Rs. 25 crores or more. b. For instruments maturing between 92 days and 1 year, the traded price will be taken if there are at least three trades aggregating to Rs. 100 crores or more. <p>In the case of the AMC's own trades, only a trade of a market lot or more (defined as face value of INR 25 crores or more for instruments maturing above 1 year and of INR 100 crores or more for instruments maturing between 92 days and 1 year) is to be taken as reflective of the realizable value of the total holding in a single instrument.</p>

		<p>All the amounts above refer to face value of securities. In addition, as the price may be distorted in case of forward settlement dates (e.g. across a weekend/holidays), the traded yields will be used to arrive at a price for valuation. In case of multiple trades, the weighted average price will be used for valuation.</p> <p>In case there are both qualifying market trades and AMC trades, the market trades will be given a higher priority. In case of multiple platforms reporting trades on the same day, the order of preference will be FIMMDA, Exchange (NSE WDM, BSE) and own trades. The qualifying criteria will to be observed at the exchange/platform level (as the same trades may be reported on multiple platforms).</p> <p>Government Securities, Cash Management bills and Treasury bills will be valued at the aggregated prices provided by CRISIL or any other agency</p> <p>Non-Traded Instruments:</p> <p>In the absence of traded prices, the matrix-based valuation will be continued to determine the valuation price for instruments. However in the interest of fair reflection of market levels, there will be no restriction on the allowed spread relative to the benchmark curve in respect of different issuers & instruments.</p> <p>At the time of first purchase the spread between the purchase yield and the benchmark yield will be fixed. This spread will remain fixed through the life of the instrument & will be changed only if there is justification for the change. Justification for change in spread will be provided by the fund manager and approved by the valuation committee. All such changes will be notified to the Board of AMC and Trustee Company on at least a quarterly basis.</p>
	Interest Rate Swaps	<p>Valuation of IRS involves valuation of streams of interest payments. The earmarked security will be valued in the same manner as was valued before entering into IRS contract. Value of IRS contract is the present value of the difference between the fixed and floating interest to be received/paid on maturity of the contract. Floating rate interest till maturity will be the interest accrued till the valuation date plus the interest on remaining period at reversal rate. Reversal rate for the day will be taken from Reuters/Bloomberg for different maturities. The relevant rate (mid rate of the bid ask rate) will be taken on the basis of maturity of the contract. However, if the maturity date falls between the two periods, the reversal rate will be arrived at by interpolation on valuation date.</p> <p>The AMC shall use the Swap Manager (SWPM) application in the Bloomberg platform or any such platform as may be available for the purpose for valuing IRS contracts.</p>
	Inter scheme Transfers -	<p>Inter scheme transfers shall be effected at the current market prices. For this purposes quotes in same or similar securities shall be obtained from 2</p>

		<p>brokers at the time of executing the inter-scheme transfer. Such inter-scheme transfers shall be executed within the bid-ask range obtained from brokers.</p> <p>Incase no quotes are available, inter-scheme shall be effected at the prevailing market price or fair value based on justification from the Fund Manager.</p> <p>Under abnormal market condition inter-scheme may be effected at previous day valuation price, for this purpose the process laid out for determination of abnormal Situations & Market Disruptions needs to be adhered with ((pl refer to the section below)).</p>
	Mutual Fund units	Units of Mutual Funds will be valued at last published NAV
	Abnormal Situations & Market Disruptions	<p>In normal situations the above methods will be used for valuation. However in abnormal market conditions, due to lack of market trading or otherwise it may not be possible to obtain fair valuation using “normal” means. In such situations, the realizable value may be substantially different from the benchmark-based prices obtained. Such events may comprise (list indicative and not exhaustive) monetary policy or other regulatory related events, large redemptions, or other external factors could constitute abnormal events.</p> <p>Fund manager will explain in writing why a particular day of valuations should qualify as an abnormal market condition and what will qualify as situation returning to normal. Valuation committee will discuss and approve recognition of abnormal market condition and decide basis for valuation during the period of continuation of abnormal market condition. This period upto ceasure of abnormal market condition (also to be detailed by fund manager and approved by valuation committee) will be documented. The Board of the AMC and Trustee Company will review the valuation methodology adopted and offer direction if any, to the Valuation Committee within a period of 3 days from the occurrence of the abnormal event.</p>

Notes:

- All the references to up-to 91 days will stand modified to up-to 60 days from October 01, 2012 and accordingly in future as and when the regulator modifies / changes valuation guidelines.
- Valuation prices will be arrived based on the underlying YTM adjusted for settlement dates.

2. Introduction of a M-Transact Facility

A facility called “M-Transact” has been introduced by the AMC which will enable investors to subscribe and/or redeem units, check NAV and the current valuation of the units held by the Unit Holder by sending instructions through short messaging service (“SMS”) from their registered mobile phone number on a dedicated number identified by the AMC. This facility will be effective from July 2, 2012. The product features and associated terms and conditions are as under:

1. GENERAL INSTRUCTIONS

- (a) Prospective investor(s) / Unitholder(s) are requested to read the Scheme Information Document ("SID"), Key Information Memorandum ("KIM") of the relevant Schemes offered under the M-Transact facility (collectively the "Offering Documents") and these instructions and terms and conditions ("Instructions") carefully before filling the Registration Form and the One Time Debit Mandate Form ("Registration cum Debit Mandate").
- (b) Prospective investor(s) / Unitholder(s) proposing to avail the M-Transact Facility ("User") are deemed to have read and accepted the terms and conditions as stated in the Offering Documents, the Know Your Customer (KYC) norms, the Privacy and Security Policy on the website of the Mutual Fund and these Instructions, and bind themselves to the terms thereof upon signing the Registration cum Debit Mandate.
- (c) The AMC is offering the M-Transact facility with a view to accommodate / facilitate the User and is as such offered at the sole discretion of the AMC. The AMC is not bound and / or obliged in any way to give access to M-Transact facility to the User.
- (d) Once registered under the M-Transact facility, the User would be registered for all Schemes specified in the Registration cum Debit Mandate. Users do not have an option to selectively choose the Scheme(s) they would like to be registered under the M-Transact facility.
- (e) Transaction Charges:
- User(s) to take note of the following guidelines pursuant to SEBI Circular No. Cir/IMD/DF/13/2011 dated August 22, 2011
 - i. The Mutual Fund shall deduct transaction charges from the subscription amount in the manner set out below. The amount so deducted shall be paid to the empanelled distributor / agent of the User (if such empanelled distributor/agent has "opted in" to receive the transaction charge) and the balance shall be invested and Units will be allotted against the net investment.
 - ii. In case of person who have in the past invested in mutual funds, transactions charge of Rs. 100/- will be deducted for Purchases of Rs. 10,000/- and above.
 - iii. In case of persons investing in mutual funds for the first time, transaction charge of Rs. 150/- will be deducted for purchases of Rs. 10,000/- and above.
 - iv. In case of SIPs, the transaction charge shall be deducted only if the total commitment through SIPs amount to Rs. 10,000/- and above. In such cases the transaction charge shall be recovered in 3-4 installments.
 - In case the invest amount falls below the minimum application amount due to deduction of transaction charge from the subscription amount, the requirement of minimum application amount shall not be applicable.
 - Transaction charge shall not be deducted for; (i) Purchases for an amount less than Rs. 10,000/- (ii) transaction other than purchases switch/STP/SWP etc; (iii) Purchases may directly with the mutual fund (i.e. not through any distributor/agent and (iv) Transfer/Transmission of units allotment of bonus units /dividend reinvestment units will not be considered as purchase for the purpose of levying transaction charges.
 - Please note that any transaction charges levied in the manner set out above area in addition to the existing system of commission payable to Distributors.
- (f) Capitalized terms not defined in these Instructions shall have the meaning ascribed to them in the SID of the relevant Scheme(s). Further, the interpretations provided in the SID would also be applicable to the disclosures provided in these Instructions.
- (g) Last transacted broker, if any, in the folio will be considered as the broker for transaction undertaken through M-transact.

2. UNITHOLDER INFORMATION

- (a) M-Transact facility is only available to User(s) having a folio (which would include any zero balance folio) with the Mutual Fund, and who are either Resident Individuals (with mode of holding of the folio as 'single' or 'anyone or survivor' or 'either or survivor'), Hindu Undivided Family, sole proprietors or minors (through guardians). This facility is not available to User(s) who are non-residents (NRIs), Corporates, Partnership Firms and Resident Individuals (with mode of holding of the folio as 'joint'). Further, User(s) transacting through the online platforms of distributors (channel investors) or holding Units in demat form cannot be registered for the M-Transact facility.
- (b) In case the User is a 'minor', the parents or legal guardian appointed by a court of competent jurisdiction shall be eligible to avail of the facilities till the minor attains majority. The natural/legal guardian of the minor hereby agrees to submit such details as may be specified by the AMC, from time to time. Upon the minor attaining majority, the right of the parent / legal guardian to operate the said User(s) account / folio(s), shall cease and the 'major' User would be

required to register himself afresh for availing the M-Transact facility. The parent / legal guardian of the minor agree to indemnify the AMC against any claim made by the above minor for any transactions made by him/her on behalf of the minor.

- (c) In case of 'single' holding folio, M-Transact facility will be offered to the sole User. In case the mode of holding of the folio is 'Anyone or Survivor', the AMC shall offer the facility in favour of the first holder mentioned in the folio.
- (d) User(s) should specify their full name, PAN details, folio no, mobile number and email address in the 'Unitholders Information' section in the Registration cum Debit Mandate. User's name should match with the details in the existing folio, failing which the Registration cum Debit Mandate is liable to be rejected.
- (e) User(s) are required to specify whether they are KYC compliant and enclose a photocopy of their PAN card duly self-certified along with the original PAN card along with a proof of KYC Compliance (viz. KYC Acknowledgement Letter issued by CDSL Ventures Limited ("CVL") or printout of KYC Compliance status downloaded from the CVL website (www.cvlinia.com) using the PAN Number or KYC acknowledgment letter issued by any KYC Registration Agency registered with SEBI), if not provided earlier, along with the Registration cum Debit Mandate. User(s) who are not KYC Compliant are required to submit the KYC Application Form (available on our website www.idfcmf.com) along with this Registration cum Mandate and carry out the KYC process including in-person verification ("IPV") with any SEBI registered intermediaries including the Mutual Fund. User(s) who are not KYC Compliant at the time of submission of the Registration cum Debit Mandate will be registered for M-Transact facility only after completion of all KYC formalities and the User being categorized as being KYC Compliant. In the event the User(s) do not satisfy the KYC requirements of the AMC, they will not be permitted to avail M-Transact facility. KYC failed cases or KYC pending or under-process cases are currently not eligible to be registered for this facility. Decisions of the AMC with regards permitting the User(s) to avail M-Transact shall be final and binding upon them. Registration cum Debit Mandate not complying with the above requirement will not be accepted/ processed.
- (f) The mobile number and email address specified in the Registration Cum Debit Mandate will be registered for availing this M-Transact facility and such details will supersede corresponding existing details (if any) for the User(s) folio. A user can undertake transactions under the M-Transact facility only through the registered mobile no. Only one folio can be tagged to one mobile number and once a mobile number is registered for one folio, the same mobile number cannot be re-registered against another folio in the Mutual Fund. Further, only one mobile number can be registered against one folio.

3. FUND OPTION

User(s) should select one Plan (if any) and Option for each of the Schemes specified in the Registration cum Debit Mandate. If the User(s) does not indicate their preference by ticking the relevant box in the form, then the following default Plan and Option would be applicable.

Category of Funds*	Scheme	Default Plan/ Option (in case no Plan/Option is selected/ticked)
Liquid Plus	IDFC MMF-TP	Plan A - Weekly Dividend Reinvest
Debt	IDFC SSIF-ST	Plan A - Fortnightly Dividend Reinvest
Equity	IDFC SEF	Dividend Reinvest

If the investor has existing units under the same scheme code, but under a different sub-option (payout or re-invest), the existing sub-option would be substituted with the sub-option selected in the M-Transact Registration Form, in the folio. In a subsequent offline purchase transaction, if the investor selects a different sub-option, the existing sub-option under the folio will be substituted with the new sub-option so selected, including the one selected earlier while registering for M-Transact.

*The AMC may, at its discretion decide to offer additional schemes under the above categories (Equity / Debt / Liquid Plus). In the event additional scheme(s) are offered, the same Plan /Option as chosen for the above schemes shall be applicable for the new scheme(s). The investor will have the flexibility to change the Plan/ Option subsequently by written intimation if so required, for the newly introduced scheme(s).

4. BANK DETAILS

- (a) User(s) proposing to undertake purchase transactions through the M-Transact facility must have a bank account with any one of the eligible banks. The Mutual Fund / AMC reserves the right to remove or add any bank as an eligible bank at any time without giving any prior notice to the User(s). User(s) will have to register a single bank mandate which will

be debited towards subscription of unit(s) of Scheme(s) ("Purchase") undertaken through M-Transact facility. Relevant information in the 'Bank Details' section should be filled in and an original cancelled cheque of such a bank account should be provided along with the Registration cum Debit Mandate for verification and registration of bank mandate. The bank mandate mentioned in the Registration cum Debit Mandate is limited/ applicable only for Purchases through M-Transact facility and will not be added to the bank master for transactions through other modes, in the folio. User(s) can make payments for Purchases under the M-Transact facility only from their respective bank account(s). Third party payments are not permitted.

Eligible Banks for Purchases SCB, ICICI Bank, HSBC, Kotak Mahindra Bank,
through m-TransactSBI, ING Vysya Bank, Citibank and Axis Bank

- (b) User(s) not providing information in the 'Bank Details' section or not having an account with any of the eligible banks can still be eligible to avail the Redemption facility through M-Transact with the existing default bank mandate registered in the folio. The Redemption proceeds will continue to get credited/ paid out to the existing default bank mandate registered in the folio as per the Registrars records and is independent of the bank mandate registered for Purchases under the M-Transact facility. In such cases, the 'Bank Details' section and the 'Authorisation of the Bank Account Holder' section are not required to be filled-in and must be kept blank.
- (c) Any change of bank mandate in the folio submitted subsequently, will not impact/ alter the bank mandate, default or otherwise, registered for Purchases under the M-Transact facility. In case the User(s) desire to change their bank mandate for Purchases under M-Transact facility, they will have to de-register the existing M-Transact registration and re-register with the new bank mandate by filling up a fresh Registration cum Debit Mandate. A notification of such change should also be separately sent to the old bank by the User(s) for necessary action.

5. CONFIRMATIONS & SIGNATURES

- (a) All signatures should be in English or in any Indian language. Thumb impressions should be from the left hand for males and the right hand for females and in all cases must be attested by a magistrate, notary public or special executive magistrate under his / her official seal. Applications by minors should be signed by their guardians. If you are investing through your constituted attorney, please ensure that the POA document is signed by you and your constituted attorney. The signature in the Registration cum Debit Mandate, then, needs to clearly indicate that the signature is on your behalf by the constituted attorney.
- (b) User(s) entering relevant details in the 'Bank Details' section are also required to sign in the 'Authorisation of the Bank Account' section in the order in which the bank account is held and the manner in which their signatures appear on bank records.

6. OTHER TERMS AND CONDITIONS

- (a) Currently, each Purchase transaction under the M-Transact facility is restricted up to a monetary limit of less than Rs 1 crore per transaction. However, with further system developments, the AMC would endeavor to enhance such limit over a period of time. Notification of such enhanced limits would be informed in accordance with the requirements under the Regulations. The minimum Purchase amount in the respective Plan / Option of the Scheme would be applicable. There are no restriction on the number of transactions which an User can do in one folio on a single day. The User can make multiple Purchases if required in a single day. However, in case the investor submits multiple applications in IDFC MMF-TP or IDFC SSIF-ST (Debt Schemes) which aggregates to Rs. 1 crore or above, from various modes of application, the applicable NAV shall be based on the realization of Funds. Multiple applications will be identified by the Registrars CAMS based upon the PAN of the investor. Please note any applications at the plan / option level would be considered as multiple applications, if such plan / option is under the same Portfolio. There is no restriction on number of Redemption requests that can be undertaken in a single day, subject to the minimum Redemption amount criteria and the minimum balance requirement (as applicable), details of which are provided in the SID of the relevant Scheme(s).
- (b) All allotments of Units will be provisional, subject to realisation of payment and other information as required by the AMC in a form satisfactory to the AMC, failing which the Mutual Fund / AMC reserve the right to reject the application and refund the Purchase amount or if Units have been allotted, freeze the folio or Redeem the Units at Applicable NAV (at applicable Exit Load, if any) and in such a case the Mutual Fund / AMC will not be responsible for any consequence there from.

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- (c) The SMS session to undertake any transaction under the M-Transact facility is an interactive process. In every SMS session the User(s) will exchange a series of interactions on SMS and will be required to select/enter requisite details relating to the transaction request. User(s) to note that post selecting/entering requisite details at every level of the interactive process, there would be a lag-time of a few seconds before the User(s) is taken to the next interactive level or completion of the transaction. In case the user receives an incoming call on his mobile number during the currency of the USSD interactions, the session will get disconnected and the User(s) will have to re-initiate the transaction request in a new SMS session. On disconnection of the SMS session, the User(s) will receive a SMS requesting re-initiation of a new SMS session.
- (d) The SMS session will terminate with a confirmation message on the mobile number getting populated on-screen, post completion of the interactive SMS session, confirming receipt of the transaction request. However, the request for transaction should not be considered as accepted and processed by the AMC/Registrar until receipt of a confirmation SMS from the Registrar on the registered mobile number, displaying the date, time and the amount for which the transaction has been undertaken. In case of non-receipt of such a confirmation SMS / E-mail from the Registrar by the end of that Business Day, User(s) should immediately call the Investor Service Helpline on toll free no. 18002666688 to confirm the status of the transaction request. Similarly, in case of receipt of multiple confirmations against a single transaction requested, the same needs to be brought to the immediate attention of the AMC, Registrar or the Investor Service Helpline.
- (e) User(s) to note that Purchase and Redemption transactions under the M-Transact facility will be processed at the Applicable NAV applicable at the time of receipt of the SMS instruction by the Registrar, subject to acceptance of the transaction request by the AMC / Registrar. Electronic time stamping of such SMS instruction by the Registrar shall be deemed to be in accordance with the requirements under the Regulations. The time and date recorded by the server of the Registrar will be treated as the time and date for the submission of the Purchase / Redemption request.
- (f) At the time of requesting a Purchase transaction under this facility, availability of clear funds should be ensured in the bank account specified in the Registration cum Debit Mandate. The AMC / Registrar shall not be held liable for any unsuccessful transaction due to non availability of funds in the bank account of the User(s). The AMC / Registrar shall attempt to settle the transaction by requesting the registered bank for release of funds. However, in case of non-receipt of the funds, the transaction shall stand cancelled and the Units allotted, if any, would be reversed.
- (g) Any Transaction request on a non-Business Day will be processed on the next Business Day in accordance with the provisions provided in the SID of the Scheme and/or SAI.
- (h) If any transaction under the M-Transact facility is delayed or not effected at all for reasons of incomplete or incorrect information/entry or due to non-receipt of SMS by the service provider or the Registrar, the User(s) will not hold the AMC, the Mutual Fund, its agents or service providers responsible.
- (i) User(s) acknowledges that if any third person obtains access to the mobile phone bearing the registered mobile number, such third party would be able to undertake transactions under the M-Transact facility in the folio. Whilst the AMC shall aim to provide security to prevent any unauthorized access, there cannot be any guarantee from such frauds, hacking and other actions, which could affect the electronic instructions to the AMC.
- (j) The User has to immediately notify the AMC/Mutual Fund on toll-free number 1800 2666688 followed by email from his registered email address informing of the loss or change in mobile number, to enable the AMC/Mutual Fund to de-register the folio mapped to the mobile number for M-Transact facility.
- (k) The software/ technology provided by the AMC from time to time (if any) for availing M-Transact facility as well as other related software (collectively "Software") are the legal property of the AMC. The permission given by the AMC to avail M-Transact facility will not convey any proprietary or ownership rights in the Software. The User(s) agree that he / she / they shall not attempt to modify, translate, disassemble, decompile or reverse engineer the Software or create any derivative product based on the Software. The User(s) further agrees not to use the name, logo or mark of the AMC / Mutual Fund (or any logo or mark similar thereto), and any related patent, trademarks and service marks applications, design rights, copyrights, and all or any similar or equivalent rights arising or subsisting in any country in the world.
- (l) Requests like change in bank account details/mandates (other than under this facility), change of nomination, change in mode of holding, change of address or such other requests as the AMC may decide from time to time will not be permitted by using the M-Transact facility. User(s) should submit relevant request forms available with the ISCs / our website www.idfcmf.com for such requests.
- (m) The User agrees that the AMC / the Mutual Fund has the sole discretion at any time to restrict or permit a particular set/class of User(s) from availing the M-Transact facility.

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- (n) In order to avail the M-Transact facility, the User(s) are required to provide certain data in the Registration cum Debit Mandate, SMS sessions or otherwise. The AMC may in its absolute discretion and in the User's interest, request the User(s) for an oral, fax or written confirmation of any transaction request and/or any additional information with respect to the User(s). The AMC shall not be bound to act on any SMS instructions received until such oral, fax or written confirmation and/or any additional information in a form and manner acceptable to the AMC is received. However, the AMC shall have no obligation to check or verify the authenticity or accuracy of the fax confirmations purporting to have been sent by the User(s) and may act thereon as if the same had been duly given. If for any reason, the AMC is not satisfied with the replies of the User(s), the AMC has, at its sole discretion, the right to refuse to suspend M-Transact facility, without assigning any reasons to the User(s). The User(s) shall ensure that the details provided to the AMC are complete, true, accurate and as at the date of submission. Subject to applicable laws, the AMC has the right to suspend the M-Transact facility for any particular User(s), at its sole discretion, without assigning any reasons to the User(s).
- (o) The User(s) understands that the data / information provided by him / her / them pursuant to dealing with the AMC / Mutual Fund could be dealt/shared by the AMC with the Sponsor or its associates, Trustee Company, Registrar, banks and / or authorized external third parties who are involved in transaction processing, dispatches, etc. of the Scheme or who have been appointed by the Trustees/AMC to provide services to the Scheme, distributors or sub-brokers or any other persons for compliance with any legal or regulatory requirements or directives or to verify the identity of User(s) for complying with anti-money laundering requirements or for prevention of fraud purposes in accordance with the Privacy and Security Policy of the Mutual Fund which is available on its website www.idfcmf.com.
- (p) The AMC / Mutual Fund may at its sole discretion modify / vary or suspend the M-Transact facility in whole or in part, at any time with or without prior notice to the User(s), as may be deemed expedient or necessary. By agreeing to these Instructions, the User(s) shall at all times be bound by any such modifications / variations or suspension to the M-Transact facility.
- (q) The User(s) shall check his / her / its account records carefully and promptly. If the User(s) believes that there has been an error in any transaction using the facility, or that an unauthorized transaction has been effected, the User(s) shall notify the AMC immediately. The AMC shall endeavor to rectify the error. While the AMC will take all reasonable steps to ensure accuracy, the AMC is not liable for any error. If the User(s) defaults in intimating the alleged discrepancies in the statement within a period of thirty (30) days of receipt of the statement, he / she / it waives all his rights to raise the same against the AMC, unless the discrepancy /error is apparent on the face of it.
- (r) Providing M-Transact facility shall not be considered as solicitation to buy or an offer to sell or recommendation for a security or any other product or service, to any person in any jurisdiction where such solicitation, offer, recommendation, purchase or sale would be unlawful under the laws of that jurisdiction.
- (s) The AMC accepts no liability whatsoever, direct or indirect, for non-compliance with the laws of any country other than the Republic of India. The mere fact that the M-Transact facility may be accessed by a User(s) by sending a SMS from a country other than India, shall not be interpreted to imply that the laws of the said country supersede the Instructions and/or other use of M-Transact facility. The M-Transact facility shall be expressly governed by these Instructions at all times.
- (t) The AMC will not be liable to the User(s) for any damages whether direct or indirect, consequential or special, exemplary or punitive losses, costs or injury suffered, by the User(s), or by others, related to the use or cancellation of M-Transact facility.
- (u) The grant of M-Transact facility is not transferable / assignable under any circumstances.
- (v) The User(s) understands that the AMC shall at its discretion, decide to make available additional schemes under the M-Transact facility from time to time. The User(s) acknowledges and agrees to be bound by the terms and conditions of this M-Transact facility for such additional schemes that the AMC may make available from time to time.
- (w) User(s) may please note that the sub-option for the scheme code chosen under this M-transact facility ["Dividend Payout or Dividend reinvestment"]) will substitute any previous sub-option that exists for units held by the User(s) under the same scheme code in the Mutual Fund. In the event, the User(s) wishes to transact directly with the Mutual Fund and chooses a sub-option different from the one chosen under the M-transact facility, the sub-option chosen by the User(s) will substitute the sub-option registered under this M-transact facility.

User(s) to note that by signing this Debit Mandate and/or availing the M-Transact facility, the User(s) also give the following confirmations, declarations and authorizations set out below and also such other confirmations, declarations and authorisations provided in the m-transact Terms and Conditions:

1. The responsibility of the information provided in this Registration cum Debit Mandate or any other application form for this facility solely rests with the User(s) and the AMC / Mutual Fund / Registrar will not be responsible or liable for any loss, claims, liability that may arise on account of any incorrect and / or erroneous data / information supplied by the User(s).
2. The User(s) agrees that in order to be eligible for M-Transact, he/she/they would need to have a GSM mobile phone handset and register their mobile phone number with the AMC. The User(s) further accepts that an application for availing M-Transact does not automatically imply acceptance of the same by the AMC.
3. By opting for the M-Transact facility, the User(s) irrevocably authorizes and instructs the AMC, the Trustee Company, the Mutual Fund, Registrar and their representatives, delegates and/or agents to act as his / her agent and to do all such acts as they may find necessary to provide M-Transact facility.
4. The User(s) agree and confirm that they will promptly inform the AMC/Registrar in writing of any change in the bank account number, mobile number or email address provided in the Registration cum Debit Mandate.
5. The User(s) agree that they shall be liable to pay all charges, fees, interests and costs wherever applicable, which the AMC in its absolute discretion may levy with respect to the M-Transact facility from time to time.
6. The User(s) agrees and acknowledges that any transaction, undertaken using the User's mobile number shall be deemed to be that of the User(s). The User(s) agrees to not let any unauthorized person have access to the mobile phone handset bearing the registered mobile number or leave such mobile phone handset unattended and the responsibility of safeguarding the mobile phone handset from such misuse is solely of the User.
7. The User(s) confirms that he/she is aware that the Transaction can be effected only through the use of mobile number registered with the AMC. The User(s) will not request/demand any evidence or proof for the transaction and the audit trail leading to the confirmatory SMS would be conclusive proof with respect to processing of the transaction(s), including details relating to time stamping, Applicable NAV applicable to the transaction, etc.
8. All correspondence/communication in respect of the folio(s) will be sent by the AMC / Registrar at the registered address/email address/ registered mobile number provided by the User(s).
9. The User(s) hereby confirms, acknowledges and undertakes to make payments for the Purchase from their respective bank account(s) (and not by way of third party payments) and that the payment will be through legitimate sources only.
10. Payment for the transaction request shall be through a payment gateway of the investor's bank and the AMC / Mutual Fund / Registrar will not be liable for any failures in the link or for any fraud (either at the payment gateway's end and / or the bank's end) that could take place at the time of making payment. The User(s) undertakes to inform either the AMC or the Registrar immediately in case his / her / their bank account is debited but corresponding Units are not allotted.
11. The User(s) shall not assign any right or interest or delegate any obligation arising from availing M-Transact facility.
12. The User(s) confirm that the information provided in the Registration cum Debit Mandate, KYC Application Form and all other documentation provided/communicated to the AMC is true, accurate and correct. The User(s) acknowledge their responsibility for information provided in the Registration cum Debit Mandate, SMS sessions or otherwise solely rests with the User(s). As such the AMC / Registrar will not be responsible or liable for any loss, claims, liability which may arise on account of any incorrect and/or erroneous information provided by the User(s) in such form, documents or mediums.
13. The User(s) agree and confirm that if at any stage the information provided is found to be incorrect / false / erroneous, the AMC / Registrar reserves the right to, at its sole discretion, reject the Registration cum Mandate and refund the Purchase amount or if Units have been allotted, freeze the folio or Redeem the Units at Applicable NAV (at applicable Exit Load, if any) and in such a cases the decision of the AMC / Registrar shall be final and binding on the User(s) and the Mutual Fund / AMC will not be responsible for any consequence there from.
14. The User(s) shall take responsibility for all the transactions conducted by using M-Transact facility and will abide by the record of transactions generated by the AMC and/or the R&T with respect to this facility. The User(s) acknowledges and agrees that, the audit trail leading to the confirmatory SMS would be conclusive proof with respect to processing of the transaction(s) and the same may be used as evidence in any proceedings, and the User(s) unconditionally waives all objections in this behalf.
15. The User(s) shall check his/her account records carefully and promptly. If the User(s) believes that there has been an error in any transaction, or that an unauthorized transaction has been effected, the User(s) shall notify the AMC immediately. If the User(s) defaults in intimating the alleged discrepancies in the statement within a period of thirty days of receipt of the statements, he/she waives all his rights to raise the same in favour of the AMC / Mutual fund, unless the discrepancy/error is apparent on the face of it.

16. The User(s) understand that there will be no obligation on the AMC to ensure support all versions of software's if the same is required availing the M-Transact facility. The User(s) shall be responsible for upgrading any software, hardware and the mobile phone from time to time so as to be compatible with that of M-Transact facility. The AMC shall be at liberty to change, vary or upgrade its software, hardware, operating systems etc. from time to time and shall be under no obligation to support the software, hardware, mobile phone of the User(s). The M-Transact facility is however, not available from CDMA handsets. The M-Transact facility can work differently on different handsets depending on the make and settings of the handset and the service provider.
17. The Registration cum Debit Mandate shall be governed by and construed in accordance with Laws of India and the User hereby irrevocably consents to the exclusive jurisdiction and venue of Courts in Mumbai, Maharashtra, India in all disputes arising out of or relating to the use of M-Transact facility. If any part of these Instructions are determined to be invalid, unlawful, void or unenforceable pursuant to applicable law including, but not limited to the liability limitations set forth below, then the invalid or unenforceable provision will be deemed superseded by a valid, enforceable provision that most closely matches the intent of the original provision and the same shall not affect the validity and enforceability of the remaining provisions which shall continue to be in force and effect. The AMC accepts no liability whatsoever, direct or indirect, for non-compliance with the laws of any country other than the Republic of India. The mere fact that the M-Transact facility can be accessed by Users in a country other than India shall not be interpreted to imply that the laws of the said country govern these Instructions and/or the use of the M-Transact facility.
18. The User(s) acknowledges that M-Transact facility entails risks which would inter alia include the following, for which the AMC shall not be responsible or liable:
 - Telecom frauds: Transmission of SMS per se is susceptible to frauds, misuse, hacking and other actions, which could affect the electronic/SMS instructions to the AMC. Whilst the AMC shall aim to provide security to prevent the same, there cannot be any guarantee from such frauds, hacking and other actions that could affect the electronic/SMS instructions to the AMC.
 - Technology Risks: The technology or Software (if any) for enabling M-Transact facility provided by the AMC/ its Registrars/ Service Providers could be affected by virus or other malicious, destructive or corrupting code, program or macro or any other reasons not attributable to the AMC/ its Registrars/ Service Providers. It may also be possible that the servers of the AMC/ its Registrars/ Service Providers may require maintenance and during such times it may not be possible to process the request of the User(s). This could result in delays in the processing of instructions or failure in processing of instructions and other such failures and inability.
19. Additionally, the User(s) confirm that the AMC, Registrar or their respective delegates, agents, representatives or service providers, shall under no circumstances be liable for any damages or losses whatsoever whether such damages or losses are direct, indirect, incidental, consequential and irrespective of whether any claim is based on loss of revenue, investment, production, goodwill, profit, interruption of business or any other loss or want character or nature whatsoever and whether sustained by the User(s) or any other person, due to:
 - a. Error, defect, failure, interruption, disruption or non-availability of M-Transact facility in the desired manner for reasons including but not limited to cancellation of the M-Transact facility, natural calamity, floods, fire and other natural disasters, legal restraints, period maintenance of servers, technical fault/error or virus, any failure of the service provider, loss or corruption of data, mobile device failure or malfunctioning, faults or failures in telecommunication network, software or hardware error or any other reason beyond the control of the AMC;
 - b. any transaction carried out in good faith by the AMC using M-Transact based on instructions of the User(s);
 - c. any unauthorized usage / unauthorized transactions concluded by using M-Transact;
 - d. any error, defect, failure or interruption in the provision of M-Transact;
 - e. any negligence / mistake or misconduct by the User(s) and / or for any breach or non compliance by the User(s) of the provisions of this SID or SAI or any other instructions provided by the AMC;
 - f. accepting instructions from the first holder in case of joint account(s) having mode of operations as 'Anyone or Survivor' or 'Either or Survivor';
 - g. not carrying out any such instructions where the AMC has reason to believe (which decision of the AMC the User(s) shall not question or dispute) that the instructions given are not genuine or are otherwise improper, unclear, vague or raise a doubt;
 - h. carrying out a Transaction after such reasonable verification as the AMC may deem fit regarding the identity of the User(s); and
 - i. Non-compliance with the terms and conditions set out herein.
 - j. any system failure of the concerned bank through which the User has availed this facility;

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- k. Disclosing or failing to take all reasonable steps to prevent disclosure of the access Details to anyone and/or failing to advise the AMC of such disclosure within reasonable time; and
 - l. Not advising the AMC within reasonable time of unauthorized access to or erroneous transactions in their respective account(s),
20. The User(s) agrees to indemnify the AMC for all liabilities, losses, damages and expenses which the AMC may sustain or incur either directly or indirectly as a result of:
- a. any claims (including claims by third parties) for any refusal or for carrying out any Transaction by the AMC using M-Transact based on instructions of the sole / first User(s);
 - b. any unauthorized usage / unauthorized transactions concluded by using M-Transact;
 - c. fraud or dishonesty relating to any instruction by the User(s);
 - d. non compliance with the terms and conditions set out herein.
 - e. inaccurate/incorrect information given by the software used for undertaking M-Transact transactions;
 - f. incorrect / erroneous information provided by the User(s) in this Debit Mandate or any other application form submitted by the User(s) with the AMC; and
 - g. any negligence / mistake or misconduct by the User(s) and / or for any breach or non compliance by the User(s) of the provisions of this SID or SAI or any other instructions provided by the AMC.

All other features shall remain the same as set out in the Scheme Information Document/Key Information Memorandum of the schemes of IDFC Mutual Fund.

This Addendum forms an integral part of the Scheme Information Document(s)/ Key Information Memorandum cum Application Form(s) of the Schemes of IDFC Mutual Fund read with the addenda issued there under.

Dated: July 01, 2012