

STATEMENT OF ADDITIONAL INFORMATION (SAI)

BARODA PIONEER MUTUAL FUND

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STATEMENT OF ADDITIONAL INFORMATION (SAI)

This Statement of Additional Information (SAI) contains details of Baroda Pioneer 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).

The SAI is dated June 30, 2017.

I. INFORMATION ABOUT THE SPONSOR, AMC AND TRUSTEE COMPANY

A. CONSTITUTION OF THE MUTUAL FUND

Baroda Pioneer Mutual Fund ("**Mutual Fund**"), formerly known as BOB Mutual Fund, was constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) on 30th October 1992, originally with Bank of Baroda ("**BOB**") as the Sponsor and the Board of Trustees to the Mutual Fund as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on November 21, 1994 under Registration Code MF/018/94/2.

In 2008, Pioneer Global Asset Management SpA ("**Pioneer**") acquired 51% stake in BOB Asset Management Company Limited ("**AMC**"), which was renamed as Baroda Pioneer Asset Management Company Ltd. effective July 8, 2008 and Pioneer became a co-sponsor of BOB Mutual Fund. The name of BOB Mutual Fund was subsequently changed to Baroda Pioneer Mutual Fund, for which SEBI approval was received vide letter no. IMD/RB/134922/08 dated August 12, 2008.

B. SPONSORS

The Mutual Fund was set up as a trust under the name of BOB Mutual Fund by BOB, who was the sole sponsor of the Mutual Fund, and the settlor of the Mutual Fund trust. BOB entrusted a sum of Rs. 10,00,000/- to the Board of Trustees of the Mutual Fund as the initial contribution towards the corpus of the Mutual Fund. Consequent to its acquisition of 51% in the AMC in 2008, Pioneer became a co-sponsor of the Mutual Fund.

(i) PIONEER

Pioneer is the asset management division of the UniCredit Group, one of Europe's leading banking groups. A wholly owned subsidiary of UniCredit and a multi-discipline investment management firm, Pioneer offers a complete range of traditional, institutional and alternative investment services. Pioneer operates in markets through its trademark, "Pioneer Investments".

The history of Pioneer dates back to 1928, when legendary investor, Philip L. Carret, then a young journalist working for the business publication Barron's, founded the Pioneer Fund, now the third-oldest mutual fund in the United States. Since its inception, Pioneer Fund has endured the test of time, using a consistent investment approach aimed at identifying undervalued securities around the globe. Few investment funds can look back on a comparable history of success.

As of end March 31, 2017 the assets under management of the Pioneer Group was € 228.6 billion. Pioneer has a presence in 28 countries and an experienced team of over 2,050 employees globally, with more than 350 investment professionals as on March 31, 2017. Pioneer's Global Investment Hubs in Boston, Dublin, and London are staffed by teams of investors focused on producing the best possible results for their clients.

The financial performance of Pioneer during the last 3 years is as under :

| Particulars | (In Euro) | | |
|---|---------------|---------------|---------------|
| | CY 2014 | CY 2015 | CY 2016 |
| Total Income | 154,906,641 | 189,924,561 | 265,357,586 |
| Profit after Tax | 105,811,745 | 114,437,196 | 207,205,041 |
| Net worth | 2,142,743,821 | 2,126,525,191 | 2,220,046,886 |
| Assets Under Management (if applicable) | N.A. | N.A. | N.A. |

(ii) BOB

BOB, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and having its head office at Mandvi, Baroda, and central office at Baroda Corporate Centre, C-26, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, is the co-sponsor of the Mutual Fund. BOB has contributed a sum of Rupees Ten Lakh towards the establishment of the Mutual Fund Trust.

BOB was established in July 1908 by the visionary Maharaja - Sir Sayajirao Gaikwad III. During the period since inception, it has maintained its practice of sound value based banking to emerge as one of the premier public sector banks of the country today. It has a track record of uninterrupted profits since its inception in 1908. BOB has a presence in over 25 countries. The financial strength of BOB and its long tradition of efficient customer service are drawn substantially from the extensive reach of its 5,424 strong branch network as on date, covering almost every State and Union Territory in the country. BOB is also one of the few Indian banks with a formidable presence overseas with 107 branches as on date. To diversify its business activities and to perform specialised functions, BOB has the following subsidiaries in India:

| Name of the Subsidiary | Principal Business |
|--------------------------|---|
| BOB Capital Markets Ltd. | Merchant Banking & Primary Dealership in Govt. Securities |
| BOBCARDS Ltd. | Credit Card Operations |
| Nainital Bank Ltd. | Banking |

The financial performance of BOB during the last 3 financial years is as under (Rs.in Crore):

| Particulars | 2014-2015 | 2015-2016 | 2016-2017 |
|---|-----------|------------|-----------|
| Networth | 36,895.25 | 30,585.51 | 30,519.81 |
| Total Income | 47,365.55 | 49,060.13 | 48,957.99 |
| Profit/(Loss) after Tax | 3,398.43 | (5,395.55) | 1,383.14 |
| Assets Under Management (if applicable) | N.A | N.A | N.A |

C. THE TRUSTEE TO THE MUTUAL FUND

Pursuant to the no-objection certificate received from SEBI vide letter no. OW/24482/2011 dated July 28, 2011, Baroda Pioneer Trustee Company Pvt. Ltd. ("Trustee"), was incorporated on December 23, 2011, with Pioneer and BOB holding 51% and 49% respectively of its share capital.

Thereafter, approval of the unit holders of the schemes of the Mutual Fund was obtained to modify the Trust Deed of the Mutual Fund by way of a Supplemental Trust Deed. The Supplemental Trust Deed was registered on July 30, 2012, and since then, the Board of Trustees to the Mutual Fund ceased to be the trustee to the Mutual Fund and the Trustee has taken charge as the sole trustee to the Mutual Fund.

The Trustee shall discharge its obligation as the trustee of the Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI (Mutual Funds) Regulations, 1996 ("Regulations"), and also reviews the activities carried on by the AMC.

The registered address of the Trustee is 501, Titanium, 5th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063.

(i) DETAILS OF TRUSTEE DIRECTORS:

| Name | Age / Qualification | Brief Experience |
|---|---|---|
| Mr. R. L. Baxi Chairman and Independent Director | 78 years / B.Com, LLB, F.C.I.I (London), F.F.I.I. | Mr. R. L. Baxi has more than 50 years of experience in the general insurance industry, investments, accounts and general administration. He also served as Director & General Manager with The National Insurance Co. Ltd. and The New India Assurance Co. Ltd. Mr. Baxi is also a director in few other companies. |
| Mr. V. H. Bhatia Independent Director | 78 years / B. Com, ACA | Mr. V. H. Bhatia has more than 40 years of experience in Banking, Finance, Accounts and General Administration. He retired from BOB as a General Manager. |

| Name | Age / Qualification | Brief Experience |
|--|-------------------------------|---|
| Mr. Shrinivas K. Suvarna Independent Director | 73 years / B. Com, LLB, CAIIB | Mr. Shrinivas K. Suvarna has over 35 years of experience in Banking, Finance, Accounts, General Administration and consultancy. He retired from BOB as a Deputy General Manager. |
| Mr. Eric Tucker Associate Director | 58 years/ B. Com, CAIIB | Mr. Tucker has over three decades of experience in Banking and Finance with specialization in Credit and Forex Operations in India and overseas. He has served in varied capacities at BOB as Branch Head, Regional Manager & Zonal Manager besides a stint in BOB's subsidiary in Uganda and setting up of the Bahrain (AG) territory as Chief Executive of Bahrain Operations. Currently, Mr. Tucker is the General Manager of the international operations of BOB. |
| Ms. Michelle Ang Associate Director | 45 years / B.A.,C.P.A | Ms. Ang has been the Chief Administrative Officer at Pioneer since early 2004 and prior to that, was the Financial & Risk Controller. Before joining Pioneer, she was with HSBC Trustee Singapore Ltd. Ms. Ang is also a director of Pioneer Global Investments (Taiwan) Ltd. |

(iii) RIGHTS, OBLIGATIONS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

As per the Trust Deed and the Regulations, the Trustee has several rights, obligations, duties and responsibilities including the following :

1. To enter into an investment management agreement with the AMC with the prior approval of SEBI.
2. To ensure that the investment management agreement contains such clauses as are mentioned in the Fourth Schedule of the Regulations and such other clauses as are necessary for the purpose of making investment.
3. To obtain from the AMC such information as is considered necessary by the Trustee.
4. To ensure before the launch of any scheme that the AMC has: -
 - a. Systems in place for its back office, dealing room and accounting;
 - b. Appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio - data which shall contain the educational qualification, past experience in the securities market with the trustees, within 15 days of their appointment;
 - c. Appointed auditors to audit its accounts;
 - d. Appointed a compliance officer who shall be responsible for monitoring the compliance of the SEBI Act, 1992, rules and regulation, notification, guidelines instruction, etc. issued by SEBI or the Central Government and for redressal of investor grievances;
 - e. Appointed a registrar and laid down parameters for their supervision;
 - f. Prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - g. Specified norms for empanelment of brokers and marketing agents;
 - h. Obtained, wherever required under the Regulations, prior in-principle approval from the recognized stock exchange(s) where the units are proposed to be listed.
5. To ensure that the AMC has been diligent in empanelling brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
6. To ensure that the AMC has not given any undue or unfair advantage to any associate or dealt with any of the associates of the AMC in any manner detrimental to the interest of the unit holders.

7. To ensure that the transactions entered into by the AMC are in accordance with the Regulations and the terms of the schemes of the Mutual Fund.
8. To ensure that the AMC has been managing the schemes of the Mutual Fund independently of other activities and that the AMC has taken adequate steps to ensure that the interests of one scheme are not being compromised with those of any other scheme or of other activities of the AMC.
9. To ensure that all the activities of the AMC are in accordance with the provisions of the Regulations.
10. Where the Trustee has reason to believe that the conduct of the business of the Mutual Fund is not in accordance with the Regulations and the terms of the schemes of the Mutual Fund, it shall forthwith take such remedial steps as are felt necessary and immediately inform SEBI of the violation and the action taken by it.
11. To file with the Mutual Fund on a quarterly basis, details of transactions of individual directors on dealing in securities.
12. To be accountable for, and be the custodian of, the funds and the property of the respective scheme and to hold the same in trust for the benefit of the unit holders in accordance with the Regulations and the provisions of the Trust Deed, as amended from time to time.
13. To take steps to ensure that the transactions of the Mutual Fund are in accordance with the provisions of the Trust Deed, as amended from time to time.
14. To be responsible for the calculation of any income due to be paid to the Mutual Fund / scheme, and also of any income received in the Mutual Fund for the holder of the units of any schemes in accordance with the Regulations and the Trust Deed, as amended from time to time.
15. To obtain consent of the unit holders:
 - a. Whenever required to do so by the SEBI in the interest of the unit holders; or
 - b. Whenever required to do so on the requisition made by three-fourths of the unit holders of any schemes; or
 - c. When the majority of the directors of Trustee Company decide to wind up or prematurely redeem the units.
16. To ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the schemes and affects the interest of unit holders, is carried out unless:
 - a. a written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the mutual fund is situated; and
 - b. the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
17. To call for details of transaction in securities by the key personnel of the AMC in their own name or on behalf of the AMC and to report to SEBI, as and when required.
18. To review, on a quarterly basis, all transactions carried out between the Mutual Fund, the AMC and its associates.
19. To review, on a quarterly basis, the net worth of the AMC and in case of any shortfall, ensure that the AMC makes up for the shortfall as per Regulation 21(1)(f) of the Regulations.
20. To periodically review all service contracts, such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unit holders.
21. To ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interest of unit holders.
22. To periodically review investor complaints received and their redressal by the AMC.
23. To abide by the Code of Conduct as specified in the Fifth Schedule of the Regulations.
24. To furnish to SEBI on a half yearly basis:-

- a. a report on the activities of the Mutual Fund;
 - b. a certificate stating that the Trustee has satisfied itself that there have been no instances of self dealing or front running by any of the directors of the Trustee and directors and key personnel of the AMC;
 - c. a certificate to the effect that the AMC has been managing the schemes independently of any other activities and in case any activities of the nature referred to in Regulation 24(2) of the Regulations have been undertaken by the AMC, that the AMC has taken adequate steps to ensure that the interests of the unit holders of the schemes of the Mutual Fund are protected.
25. The independent directors of the Trustee referred to in Regulation 16(5) of the Regulations shall give their comments on the report received from the AMC regarding investments made by the schemes in the securities of group companies of the sponsor.
26. To maintain arms' length relationship with other companies, or institutions or financial intermediaries or any body corporate with which any of the directors of the Trustee may be associated.
27. To ensure that no director of the Trustee participates in meetings of the Board of Directors of the Trustee or in any decision making process for any investments in which he/she may be deemed to be interested.
28. To furnish to the Trustee, particulars of interest that each of the directors of the Trustee may have in any other company or institution or financial intermediary or any corporate by virtue of his/her position as director, partner or with which he/she may be associated in any other capacity.
29. As per Regulation 18(25) of the Regulations, the Trustee shall exercise due diligence as under:
- (A) General due diligence :
- a. The Trustee shall be discerning in the appointment of directors on the Board of the AMC;
 - b. The Trustee shall review the desirability or continuance of the AMC if substantial irregularities are observed in any of the schemes and shall not allow the AMC to float the new schemes;
 - c. The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons;
 - d. The Trustee shall ensure that all services providers are holding appropriate registrations with SEBI or concerned regulatory authority;
 - e. The Trustee shall arrange for test checks of service contracts;
 - f. The Trustee shall immediately report to SEBI of any special development in the Mutual Fund.
- (B) Specific due diligence :
- a. The Trustee shall obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee;
 - b. The Trustee shall obtain compliance certificates at regular intervals from the AMC;
 - c. The Trustee shall hold meetings of the Board of Directors of the Trustee Company at frequent intervals;
 - d. The Trustee shall consider the reports of the independent auditors and compliance reports of the AMC at the meetings of the Trustee for appropriate action;
 - e. The Trustee shall maintain records of the decisions of the Trustee at its meetings and of the minutes of the meetings;
 - f. The Trustee shall prescribe and adhere to a code of ethics by the Trustee, the AMC and its personnel;
 - g. The Trustee shall communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.

Notwithstanding the aforesaid, the Trustee shall not be held liable for acts done in good faith, if it has exercised adequate due diligence honestly.

30. The independent directors of the Trustee and AMC shall pay specific attention to the following, as may be applicable, namely:-

- a. The Investment Management Agreement and the compensation paid under the agreement;
- b. Service contracts with affiliates - whether the AMC has charged higher fees than outside contractors for the same services;
- c. Selection of the AMC's independent directors;
- d. Securities transactions involving affiliates to the extent such transactions are permitted;
- e. Selecting and nominating individuals to fill independent directors' vacancies;
- f. Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions;
- g. The reasonableness of fees paid to the sponsors, AMC and any others for services provided;
- h. Principal underwriting contracts and their renewals;
- i. Any service contracts with the associates of the AMC.

(iv) SUPERVISORY ROLE OF THE TRUSTEE

The Trustee monitors the activities of the AMC. From time to time, it seeks information from the AMC in the form of performance reports, compliance reports, etc. On a quarterly basis, a review report is prepared by the AMC and placed at the Board meetings of the Trustee. Specific approval of the Trustee is also obtained on various important matters. An Audit Committee, comprising of four directors with an independent director chairing the Committee, has been constituted, pursuant to SEBI circular MFD/CIR/010/024/ 2000 dated January 17, 2000 to, *inter alia*, review internal audit systems and reports from internal auditors. Six meetings of the Board of Directors of the Trustee were held during the last calendar year while during the current year till date, three meetings have been held.

(v) MODIFICATION OF THE TRUST DEED

The Deed of Trust dated 30th October 1992 entered into between the Settlor, viz., BOB, and the erstwhile Board of Trustees establishing the Mutual Fund was modified and a Supplemental Deed dated July 30, 2012 was entered into between the Sponsors, and the Trustee.

No further amendment to the Trust Deed will be carried out without the prior approval of SEBI, and unit holders' approval will be obtained, where it affects the interest of unit holders.

D. ASSET MANAGEMENT COMPANY

The AMC is a public limited company, which was incorporated under the Companies Act, 1956 on November 5, 1992 under the name, BOB Asset Management company Limited. The AMC's registered office is situated at 501, Titanium, 5th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063 and has its branch offices in Chennai and New Delhi. The AMC has been appointed as the asset management company of the Mutual Fund by the Trustee vide Investment Management Agreement ("Old IMA") dated November 24, 1992. With a view to (i) replacing the four individual Trustees who were party to the Old IMA, with the Trustee, as a party to the IMA, (ii) changing the name of BOB Asset Management Company Limited to Baroda Pioneer Asset Management Company Limited and (iii) incorporating a number of regulatory changes since the date of entering into the IMA in 1992, a new IMA was executed on January 24, 2013. Further details of the AMC are as follows :

The AMC was a wholly owned subsidiary of BOB, operating under the name, BOB Asset Management Company Ltd. On June 27, 2008, Pioneer acquired a 51% shareholding in the AMC. Subsequently, the name of the AMC was changed to Baroda Pioneer Asset Management Company Limited and a fresh certificate of incorporation was issued by the Registrar of Companies, Mumbai, Maharashtra, on July 8, 2008. In compliance of the requirement of the Regulations, 50% of the Board of Directors of the AMC comprises independent directors and the remaining are nominated for appointment by the sponsors of the Mutual Fund.

The AMC provides non-binding investment advice ("**Advisory Business**") to Pioneer Investment Management Limited for investments in the Indian equity market by SEBI registered FII sub-accounts. SEBI has given its no-objection to the AMC vide letter no. OW/20656/2011 dated June 29, 2011. There is no conflict of interest between this activity and the mutual fund business.

For the Advisory Business:



- the AMC has satisfied SEBI that there are no securities accounts for the Advisory Business and that the bank account for the Advisory Business is segregated and distinct from those in the mutual fund business;
- there are no separate capital adequacy requirements and the AMC has obtained an NOC, as mentioned above;
- the AMC has ensured that there is no conflict of interest vis-à-vis the mutual fund business;
- the AMC has ensured independence to the key person handling the Advisory Business through removal of direct link between remuneration to the said key person and revenues generated by the Advisory Business.

The present shareholding pattern of the AMC is as follows:

| Name of Shareholders | % Holding |
|----------------------|-----------|
| Pioneer | 51% |
| BOB | 49% |

The AMC manages the schemes of the Mutual Fund in accordance with the provisions of the IMA, the Trust Deed, the Regulations and the objectives of each of the schemes.

(i) DETAILS OF AMC DIRECTORS:

| Name | Age/Qualification | Brief Experience |
|--|--|---|
| Mr. Jack Lin Chairman and Associate Director | 50 years / BA in Economics, Law and MBA in Finance | Mr. Jack Lin is the head of Asia & Middle East at Pioneer. Prior to joining Pioneer, Mr. Lin was the Managing Director – Asia Pacific of Janus Capital Asia Ltd. Mr. Lin has more than 18 years of experience with leading global asset management firms in the areas of investment & research, business development, strategy formulation and general management with P&L responsibilities. |
| Mr. Mayank Mehta Associate Director | 58 years / B.Sc., CAIIB | Mr. Mayank Mehta is an Executive Director at Bank of Baroda. Prior to joining the Bank, Mr. Mehta was the General Manager (FPIR) at Union Bank of India. Mr. Mehta holds a Bachelor's degree in Science from South Gujarat University and is also a Certificated Associate of Indian Institute of Banking and Finance (CAIIB). Mr. Mehta started his career in Union Bank of India in 1977 and rose to the position of General Manager in October 2012. He has held wide range of responsibilities in various capacities before his elevation as General Manager of Union Bank of India. Mr. Mehta, an expert in International banking, has also been instrumental in technological development of the Bank and successful implementation of Core Banking solution of the Bank. Mr. Mehta is a nominee director representing the Bank on some of its offshore subsidiaries. |
| Mr. Sanjay Grover Associate Director | 47 years / M.A. in Economics | Mr. Sanjay Grover is Deputy General Manager – Treasury at Bank of Baroda. Mr. Grover holds M.A. (Economics) and has more than 23 years of experience across various functions like Branch Operations, Treasury Dealing, Treasury Operation etc. Mr. Grover holds directorship in FIMMDA and was also the Secretary / Chairman of Forex Association of India from 2009 to 2014. |
| Mr Anthony Heredia Associate Director & Chief Executive Officer | 44 years / B.Com, C.A. | Mr. Anthony Heredia has more than 21 years of experience predominantly in the investment management industry. Prior to joining the AMC, Mr. Heredia was the Managing Director of Morgan Stanley Investment Management Private Limited. He was also associated with HSBC Asset Management India as Senior Vice President and prior to that with Birla Sun Life Asset Management as Associate Vice President-Business Development. |

| Name | Age/Qualification | Brief Experience |
|---|--|--|
| Mr. Shiv Dayal Independent Director | 52 years / Masters from London Business School | Mr. Shiv Dayal is a founder and the Managing Director of Langham Capital, and is responsible for managing all aspects of the firm's activities, including origination and executing transactions, client relationship management and financial management. He is also the Chairman of F1F9 (India) Private Ltd. Immediately prior to founding Langham Capital, Mr. Dayal managed two technology ventures in Europe, worked in the Mergers & Acquisitions groups at JPMorgan and Dresdner Kleinwort Benson in London and New York. Mr. Shiv Dayal has a Bachelor's degree in Economics from the University of Sussex, a Master's degree in Development Economics from the University of East Anglia and an MBA from London Business School. He is also a director in various companies. |
| Mr. M. P. Mehrotra Independent Director | 76 years / FCA, LLB, B.Com | Mr. M.P. Mehrotra is a founder partner of Mehrotra & Mehrotra, a firm of chartered accountants in existence for over 49 years. During this period, Mr. Mehrotra has supervised audits for a number of leading Indian conglomerates, companies, financial services entities and banks, including the Essar Group, ABG Group, SAIL, BHEL, NTPC, LIC, Punjab National Bank etc. Mr. Mehrotra has also handled varying matters under the Companies Act, 1956 and the Income Tax Act, 1961, in addition to handling takeovers, mergers, acquisitions etc. He has also held important Government offices, such as member of the Central Board of Trustees, EPFO, member of the Task Force for MOU, Ministry of Heavy Industries & Public Enterprises, Govt. of India, trustee of Cochin Port Trust etc. Currently Mr. Mehrotra serves as the official advisor to the High Commission of Malta, New Delhi, in addition to being director on various companies of repute. Mr. Mehrotra is a fellow member of the Institute of Chartered Accountants of India, and holds a degree in law and a bachelor's degree in commerce. |
| Mr. Dhanpal Jhaveri Independent Director | 48 years / B.Com and MBA from Babson College, US | Mr. Dhanpal Jhaveri is a Partner & CEO of Everstone Capital Advisors Private Ltd. Prior to this, Mr. Jhaveri was the Executive Director of Capital First Limited (formerly known as Future Capital Holdings Ltd.). Mr. Jhaveri's expertise lies in hand-on leadership supported by over 22 years of experience in Investments, Strategy, M&A and Investment Banking. He has extensive experience in financial services, natural resources, industrial and infrastructure sectors, and serves on the board of several companies. |

(ii) DUTIES AND OBLIGATIONS OF THE AMC

Duties and obligations of the AMC as specified in the Regulations are as under:

1. The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of the Regulations and the Trust Deed.
2. The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall obtain, wherever required under the Regulations, prior in-principle approval from the recognized stock exchange(s) where units of the schemes of the Mutual Fund are proposed to be listed.

4. The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the AMC.
5. The AMC shall submit to the Trustee, quarterly reports of each year on its activities and the compliance with the Regulations.
6. The Trustee, at the request of the AMC, may terminate the assignment of the AMC at any time:

Provided that such termination shall become effective only after the Trustee has accepted the termination of assignment and communicated its decision in writing to the AMC.

7. Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the Mutual Fund for their acts of commission or omissions, while holding such position or office.
8. The Chief Executive Officer (whatever his designation maybe) of the AMC shall ensure that the Mutual Fund complies with all the provisions of the Regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the Mutual Fund.
9. The Fund Managers (whatever the designation may be) shall ensure that the funds of the schemes are invested to achieve the objectives of the schemes and in the interest of the unit holders.
10. (a) The AMC shall not, through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its schemes

Provided that for the purpose of this clause, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the Mutual Fund

Provided further that the aforesaid limit of 5% shall apply for a block of any three months.

(b) The AMC shall not purchase or sell securities through any broker [other than a broker referred to in Regulation 25(7)(a) of the Regulations] which is average of 5% or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its schemes, unless the AMC has recorded in writing the justification for exceeding the limit of 5%, and reports of all such investments are sent to the Trustee on a quarterly basis

Provided that the aforesaid limit shall apply for a block of three months.

11. The AMC shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities

Provided that the AMC may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the Mutual Fund

Provided further that the Mutual Fund shall disclose at the time of declaring half-yearly and yearly results:

- a) Any underwriting obligations undertaken by the schemes of the Mutual Fund with respect to issue of securities associate companies;
- b) Devolvement, if any;
- c) Subscription by the schemes in the issues lead managed by associate companies; and
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.

12. The AMC shall file with the Trustee, details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to SEBI as and when required by the SEBI.
13. In case the AMC enters into any securities transactions with any of its associates, a report to that effect shall be sent to the Trustee at its next meeting.
14. In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the Mutual Fund in that company or its subsidiaries shall be brought to the notice of the Trustee by the AMC and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.

15. The AMC shall file with the Trustee and SEBI –

- (a) Detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;
- (b) Any change in the interests of directors every six months; and
- (c) A quarterly report to the Trustee giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the AMC as the case may be, by the Mutual Fund during the said quarter.

16. Each director of the AMC shall file the details of his transactions of dealing in securities with the Trustee on a quarterly basis in accordance with the guidelines issued by SEBI.

17. The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.

18. The AMC shall appoint registrars and share transfer agents who are registered with SEBI:

Provided that if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the schemes and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.

19. The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule of the Regulations.

20. The AMC shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the Scheme Information Document. Provided that the AMC shall not be entitled to charge any fees on its investment in that Scheme.

21. The AMC shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India.

22. The AMC shall compute and carry out valuation of investments made by the scheme(s) of the Fund in accordance with the investment valuation norms specified in Eighth Schedule, and shall publish the same.

23. The AMC and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.

24. The AMC shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by SEBI from time to time.

Further the AMC shall ensure the following:

- a) Not to acquire any of the assets out of the schemes' property which involves the assumption of any liability which is unlimited or which may result in encumbrance of the schemes' property in any way;
- b) Not to take up any activity in contravention of the Regulations; and
- c) To ensure that no loss or damage or expenses incurred by the AMC or officers of the AMC or any person delegated by the AMC is met out of the trust property.

(iii) KEY PERSONNEL AND RESEARCH ANALYSTS OF THE AMC

Details of the key personnel of the AMC are as under:

| Name & Designation | Age / Qualification | Brief Experience |
|--|---|--|
| Mr. Anthony Heredia Chief Executive Officer | 44 years / B.Com, C.A. | Mr. Anthony Heredia has more than 21 years of experience predominantly in the investment management industry. Prior to joining the AMC, Mr. Heredia was the Managing Director of Morgan Stanley Investment Management Private Limited. He was also associated with HSBC Asset Management India as Senior Vice President and prior to that with Birla Sun Life Asset Management as Associate Vice President-Business Development. |
| Mr. Kiran Deshpande | 48 years / B.Com, Masters in Investment | Prior to joining the AMC in May 2014, Mr. Deshpande worked with Deutsche Asset Management (India) Pvt Ltd as Chief Operating Officer with prime responsibilities of business |

| Name & Designation | Age / Qualification | Brief Experience |
|--|---|--|
| Chief Operating Officer & Chief Financial Officer | Management, CMA, ACS, CFP, Fellow of Insurance Institute of India | management, oversight of business operations including support functions, implementation of global policies and assisting the Business Head in the execution of strategies. He was with Deutsche for over 6.5 years. His total work experience is over 28 years, all through in financial services. During the course of his employment with different organisations, he has handled various functions that include Finance & Accounts, Sales & Marketing, Client Services, Operations, Channel Management, Product Development, Life Insurance, Compliance, Corporate Secretarial and General Management. |
| Mr. Sanjay Chawla Chief Investment Officer | 50 years / MMS-BITS, Pilani | Mr. Chawla has over 25 years of experience in fund management, equity research and Management Consultancy. Prior to joining the AMC, he has worked with Birla SunLife AMC as Sr. Fund Manager-Equity, managing various schemes with different strategies. Mr. Chawla has also worked as Head of Research with SBI Capital Markets and in various capacities in the equity research space in Motilal Oswal Securities, IDBI Capital Markets, SMIFS Securities, IIT Invest Trust & Lloyds Securities. He is the fund manager along with Mr. Dipak Acharya for few equity schemes of the Mutual Fund. |
| Mr. Mahmood Basha Head - Sales | 42 years / MBA (Finance), Osmania University CFP | Mr. Mahmood Basha brings with him 20 years of total experience. In his previous assignment, he was National Sales Head for Pine Bridge Investment Asset Management Company (India) Private Ltd. He has also worked for companies like Franklin Templeton Investments and Karvy Consultants. |
| Mr. Alok Sahoo Head - Fixed Income | 40 years / BE, MBA (Finance, Xavier Institute of Management, Bhubaneswar), CFA, FRM | Mr. Alok Sahoo has been working in the investment area in the asset management industry for over 16 years. Prior to joining the AMC, he was fixed income fund manager at UTI Mutual Fund and at HSBC Mutual Fund. He was also the Fund Manager for Employee Provident Fund at HSBC Asset Management. He has experience in the credit research of companies as well. |
| Mr. Dipak Acharya Fund Manager (Equity) | 53 years / M.Com. AICWA, CAIIB and PGPMs | Mr. Dipak Acharya has been working in the investment area in the asset management industry for over 13 years. He is the Fund Manager for the equity schemes of the Mutual Fund and has been with the organization since September 2008. He was also the Fund Manager at BoB Mutual Fund from August 2003. Prior to this, Mr. Acharya was with Bank of Baroda, where he worked in the Treasury Dept. and Credit Dept for 10 years. |
| Ms. Hetal P. Shah Fund Manager (Debt) | 36 years / B.Com, MBA (Finance), and JAIIB | Ms. Hetal P. Shah has 17 years of experience in treasury and fund management. Before joining Baroda Pioneer Asset Management Co. Ltd in December 2006, she was working in the Treasury Department of Bank of India from May 1999. |
| Ms. Farhana Mansoor Head – Compliance and Company Secretary | 42 years / B.Com, ACS, LL.B | Ms. Farhana Mansoor has more than 17 years of experience. Prior to joining Baroda Pioneer AMC, she was the Head - Compliance & Company Secretary at Daiwa Asset Management (I) Pvt. Ltd. where she was responsible for the compliance, legal and corporate secretarial functions of the company. She has also worked for companies like JM Financial Asset Management Company Ltd., Alliance Capital Asset Management (I) Pvt. Ltd., FDC Ltd. and Mahindra & Mahindra Ltd. in the compliance, corporate secretarial and legal functions. |
| Mr. Amitabh Ambastha Head - Transfer Agency Services | 44 years/ B.Sc. (Hons), PGDM, | Mr. Amitabh Ambastha has more than 18 years of experience in Asset Management Industry primarily in Investor Service, Operations & Risk (AML, KYC). He is a management graduate, |

| Name & Designation | Age / Qualification | Brief Experience |
|------------------------------|------------------------------|--|
| (Investor Relations Officer) | CAIIB, EEPsM (IIM Kozhikode) | holds Strategy Management Diploma from IIM Kozhikode (EEPsm) and is a Green Belt certificate holder. He also holds KYC & AML certification from Certificate Associates in Indian Institute of Banking. Prior to joining Baroda Pioneer Asset Management Co. Ltd., he was associated with TATA Asset Management Co. Ltd and UTI Technology Services Ltd |

Details of research analysts of the AMC are as under :

| Name & Designation | Age / Qualification | Brief Experience |
|---|-----------------------------------|--|
| Mr. Pratish Krishnan Senior Equity Analyst | 42 years / B. Com, MMS (Finance) | Mr. Pratish Krishnan has over 13 years of experience in equity research. Prior to joining the Mutual Fund, he was working with leading institutional brokerage houses such as Antique Finance (April 2012- August 2014) and Bank of America Merrill Lynch (Sept 2006- April 2012) as a sell side analyst. |
| Mr. Ashwani Kumar Agarwalla Senior Analyst | 39 years / B.Com (H), MBA Finance | Prior to joining the Mutual Fund, Mr. Ashwani Kumar Agarwalla was working for JM Financial Mutual Fund for 4 years (Aug 2008 to May 2012) as an equity analyst reporting to the Fund Manager, and prior to that, for Pioneer Investcorp Ltd (Dec 2006- Aug 2008) as a sell-side equity analyst, Adventity India as an analyst (Mar 2006 to Oct 2006) and CARE Ratings (May 2005- Feb 2006) also as an analyst. |
| Mr. Karn Kumar Fund Manager & Senior Analyst | 37 years / CA, B.Com (Hons) | Mr. Karn Kumar has 12 years of experience in credit research and corporate finance. Prior to joining the AMC, he worked with CRISIL Ltd, managing credit rating for Corporate and Financial Sector entities. He started his career in Corporate Finance with Sterlite Industries Limited and went on to work for ICICI Bank in the Securitization function. |

All key personnel and research analysts are based in the registered office of the AMC in Mumbai.

(iv) PROCEDURE FOLLOWED FOR INVESTMENT DECISIONS

The Board of Directors of the AMC has appointed an "Investment Committee" to review the investment activities of the schemes of the Mutual Fund. First time investment decisions in respect of equities / equity related instruments of a company are approved by the Investment Committee, after taking into consideration the fundamentals of business and market capitalization of the company, industry structure, quality of management, etc., and then these are included in the investment universe for the schemes. Investments in such equities which are not in the investment universe, either through the secondary market or in an IPO, may be made up to 5% of the total net asset value of the respective scheme, as long as such investments fall within the investment guidelines of that scheme and the fund manager (equity) does so subject to the approval of the Managing Director / Chief Executive Officer. Such investments are reported to the Investment Committee at its next meeting for ratification.

The process of approval and execution of individual transactions is carried out by the investment team, presently comprising of Chief Investment Officer, Head of Fixed Income, Fund Manager - Equity and Fund Manager - Fixed Income. Investment decisions are taken after considering factors such as economic scenario, fundamental analysis, technical analysis, interest rate movements, liquidity, industry weight age, etc. All investment decisions are recorded on a daily basis.

Performance of the schemes is monitored by the Boards of AMC and Trustee on a periodic basis vis-à-vis their respective benchmark indices, as mentioned in the relevant Scheme Information Document.

Industry-wise exposure of the schemes is reported to the Investment Committee on a regular basis.

(v) SOFT DOLLAR ARRANGEMENT:



The AMC may, from time to time, have soft dollar arrangements with its empanelled brokers. Soft-dollar arrangement refers to an arrangement between the AMC and its empaneled brokers in which the AMC executes trades through a particular broker and in turn the broker may provide benefits such as free research, hardware, software or even non-research-related services, etc., to the AMC. While entering into such arrangements, the AMC shall ensure that such arrangements are limited to only benefits like free research report and incidental activities thereto, that are in the interest of investors.

E. SERVICE PROVIDERS

(i) CUSTODIAN

Citibank N.A.

Securities & Funds Services
First International Financial Centre
11th Floor, Plot Nos. C 54 and C55, G Block
Bandra Kurla Complex, Bandra East,
Mumbai - 400 051.
SEBI Registration Number: IN/CUS/004

(ii) REGISTRAR AND TRANSFER AGENT

Karvy Computershare Pvt. Ltd.

Karvy Selenium Tower B,
Plot number 31 & 32,
Financial District Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032.
SEBI Registration Number: INR000000221

The Trustee and the AMC have ensured that Karvy Computershare Pvt. Ltd. ("Registrar") is registered with SEBI, with a valid certificate, and that it has adequate facilities to discharge its responsibilities with regard to processing of applications, dispatch of account statements / unit certificates to unit holders, within the time limit prescribed by the Regulations, and that it also has sufficient capacity to handle investors' complaints.

(iii) STATUTORY AUDITORS OF THE MUTUAL FUND

M/s. Price Waterhouse LLP

Chartered Accountants
252, Veer Savarkar Marg, Shivaji Park
Dadar, Mumbai 400 028, India

(iv) LEGAL COUNSEL

The AMC appoints appropriate legal counsel on a case to case basis.

(v) FUND ACCOUNTANT

SBI-SG Global Securities Private Limited Jeevan Seva Annexe, LIC Complex, S. V. Road, Santacruz (West), Mumbai-400 054.

(vi) COLLECTING BANKERS

For collecting bankers for New Fund Offers ("NFO"), if any, investors may refer the Scheme Information Document of the relevant schemes of the Mutual Fund.

F. CONDENSED FINANCIAL INFORMATION

Historical Per Unit Statistics is presented scheme wise for all the schemes launched by the Mutual Fund during the last three fiscal years (excluding redeemed schemes) for each of the years.

| Sr. No. | Scheme Name | BARODA PIONEER FIXED MATURITY PLAN-SERIES E ^{&} | | |
|---------|---|--|-----------|-----------|
| | Financial Year | 2015-2016 | 2014-2015 | 2013-2014 |
| | Allotment Date | 30-Aug-13 | | |
| 1 | NAV at the beginning of the year (as on allotment date / April 1) (Rs.) | | | |
| | Plan A – Growth | 11.6723 | 10.6635 | 10.0000 |
| | Plan A – Dividend | 10.5612 | 10.6635 | 10.0000 |
| | Plan B (Direct) – Growth | 11.7088 | 10.6760 | 10.0000 |
| | Plan B (Direct) – Dividend | 10.5736 | 10.6760 | 10.0000 |
| 2 | Dividends (gross per unit) (Rs.) | | | |
| | Plan A – Dividend | - | 2.10403 | - |
| | Plan B (Direct) - Dividend | - | 2.14851 | - |
| 3 | NAV at the end of the year (as on March 31) (Rs.) | | | |
| | Plan A – Growth | 12.6711 | 11.6723 | 10.6610 |
| | Plan A – Dividend | 11.4649 | 10.5612 | 10.6610 |
| | Plan B (Direct) – Growth | 12.7361 | 11.7088 | 10.6734 |
| | Plan B (Direct) - Dividend | 11.5017 | 10.5736 | 10.6734 |
| 4 | Annualized Return (%) | | | |
| | Plan A - Growth | 8.56 | 9.49 | 6.61 |
| | Plan B (Direct) – Growth | 8.77 | 9.70 | 6.73 |
| 5 | Benchmark Returns (%) CRISIL Short-Term Bond Fund Index | 8.47 | 10.33 | 7.01 |
| 6 | Standard Returns (%) CRISIL 10 Year Gilt Index | 7.97 | 14.57 | 1.48 |
| 7 | Net Assets at end of period (Rs. In Crs.) | | | |
| | Plan A – Growth | 21.55 | 19.85 | 56.99 |
| | Plan A – Dividend | 0.46 | 0.42 | 1.02 |
| | Plan B (Direct) – Growth | 7.74 | 7.11 | 77.99 |
| | Plan B (Direct) - Dividend | 0.00 | - | 0.11 |
| 8 | Ratio of Recurring Expenses to Net Assets | 0.50% | 0.30% | 0.18% |

[&] The scheme matured on September 6, 2016.

| Sr. No. | Scheme Name | BARODA PIONEER FIXED MATURITY PLAN-SERIES J ^{&} | | |
|---------|---|--|-----------|-----------|
| | Financial Year | 2015-2016 | 2014-2015 | 2013-2014 |
| | Allotment Date | 23-Dec-13 | | |
| 1 | NAV at the beginning of the year (as on allotment date / April 1) (Rs.) | | | |
| | Plan A – Growth | 11.1908 | 10.2616 | 10.0000 |
| | Plan A – Dividend | - | 10.2616 | 10.0000 |
| | Plan B (Direct) – Growth | 11.2066 | 10.2644 | 10.0000 |
| | Plan B (Direct) – Dividend | - | 10.2644 | 10.0000 |
| 2 | Dividends (gross per unit) (Rs.) | | | |
| | Plan A – Dividend | - | 1.86831 | - |
| | Plan B (Direct) - Dividend | - | 1.89040 | - |
| 3 | NAV at the end of the year (as on March 31) (Rs.) | | | |
| | Plan A – Growth | 12.1594 | 11.1908 | 10.2593 |
| | Plan A – Dividend | - | - | 10.2593 |
| | Plan B (Direct) – Growth | 12.1950 | 11.2066 | 10.2620 |
| | Plan B (Direct) - Dividend | - | - | 10.2620 |
| 4 | Annualized Return (%) | | | |
| | Plan A – Growth | 8.66 | 9.08 | 2.59 |
| | Plan B (Direct) – Growth | 8.82 | 9.20 | 2.62 |
| 5 | Benchmark Returns (%) CRISIL Short-Term Bond Fund Index | 8.47 | 10.33 | 2.70 |
| 6 | Standard Returns (%) CRISIL 10 Year Gilt Index | 7.97 | 14.57 | 2.44 |
| 7 | Net Assets at end of period (Rs. In Crs.) | | | |
| | Plan A – Growth | 5.50 | 5.06 | 9.64 |
| | Plan A – Dividend | - | - | 0.10 |
| | Plan B (Direct) – Growth | 68.34 | 62.80 | 65.14 |
| | Plan B (Direct) - Dividend | - | - | 0.10 |
| 8 | Ratio of Recurring Expenses to Net Assets | 0.21% | 0.09% | 0.09% |

[&] The scheme matured on December 28, 2016

| Sr. No. | Scheme Name | BARODA PIONEER FIXED MATURITY PLAN-SERIES M [^] | | |
|---------|---|--|-----------|-----------|
| | Financial Year | 2015-2016 | 2014-2015 | 2013-2014 |
| | Allotment Date | 10-Mar-14 | | |
| 1 | NAV at the beginning of the year (as on allotment date / April 1) (Rs.) | | | |
| | Plan A - Growth | 11.0052 | 10.1096 | 10.0000 |
| | Plan A - Dividend | 11.0052 | 10.1096 | 10.0000 |

| Sr. No. | Scheme Name | BARODA PIONEER FIXED MATURITY PLAN-SERIES M ^ | | |
|---------|---|---|-----------|-----------|
| | Financial Year | 2015-2016 | 2014-2015 | 2013-2014 |
| | Allotment Date | 10-Mar-14 | | |
| | Plan B (Direct) – Growth | 11.0244 | 10.1106 | 10.0000 |
| | Plan B (Direct) – Dividend | 11.0244 | 10.1106 | 10.0000 |
| 2 | Dividends (gross per unit) (Rs.) | | | |
| | Plan A - Dividend | 1.02300 | - | - |
| | Plan B (Direct) - Dividend | 1.04280 | - | - |
| 3 | NAV at the end of the year (as on March 31) (Rs.) | | | |
| | Plan A – Growth | 11.8928 | 11.0052 | 10.1073 |
| | Plan A – Dividend | - | 11.0052 | 10.1073 |
| | Plan B (Direct) – Growth | 11.9417 | 11.0244 | 10.1082 |
| | Plan B (Direct) - Dividend | 10.8140 | 11.0244 | 10.1082 |
| 4 | Annualized Return (%) | | | |
| | Plan A - Growth | 8.07 | 8.88 | 1.07 |
| | Plan B (Direct) – Growth | 8.32 | 9.06 | 1.08 |
| 5 | Benchmark Returns (%) CRISIL Short-Term Bond Fund Index | 8.47 | 10.33 | 0.83 |
| 6 | Standard Returns (%) CRISIL 10 Year Gilt Index | 7.97 | 14.57 | 0.16 |
| 7 | Net Assets at end of period (Rs. In Crs.) | | | |
| | Plan A - Growth | 8.60 | 32.60 | 29.94 |
| | Plan A - Dividend | - | 0.16 | 0.15 |
| | Plan B (Direct) – Growth | 49.18 | 137.22 | 125.81 |
| | Plan B (Direct) - Dividend | 0.03 | 0.03 | 0.03 |
| 8 | Ratio of Recurring Expenses to Net Assets | 0.20% | 0.04% | 0.05% |

^ The scheme matured on April 10, 2017

| Sr. No. | Scheme Name | BARODA PIONEER FIXED MATURITY PLAN-SERIES N ^^ | | |
|---------|---|--|-----------|-----------|
| | Financial Year | 2015-2016 | 2014-2015 | 2013-2014 |
| | Allotment Date | 28-Mar-14 | | |
| | NAV at the beginning of the year (as on allotment date / April 1) (Rs.) | | | |
| 1 | Plan A - Growth | 10.9089 | 10.0165 | 10.0000 |
| | Plan A - Dividend | 10.9089 | 10.0165 | 10.0000 |
| | Plan B (Direct) – Growth | 10.9199 | 10.0166 | 10.0000 |
| | | | | |

| Sr. No. | Scheme Name | BARODA PIONEER FIXED MATURITY PLAN-SERIES N ^^ | | |
|---------|---|--|-----------|-----------|
| | Financial Year | 2015-2016 | 2014-2015 | 2013-2014 |
| | Allotment Date | 28-Mar-14 | | |
| | Plan B (Direct) – Dividend | - | - | - |
| 2 | Dividends (gross per unit) (Rs.) | | | |
| | Plan A - Dividend | 0.92780 | - | - |
| | Plan B (Direct) - Dividend | - | - | - |
| 3 | NAV at the end of the year (as on March 31) (Rs.) | | | |
| | Plan A – Growth | 11.7918 | 10.9089 | 10.0142 |
| | Plan A – Dividend | - | 10.9089 | 10.0142 |
| | Plan B (Direct) – Growth | 11.8306 | 10.9199 | 10.0143 |
| | Plan B (Direct) - Dividend | - | - | - |
| 4 | Annualized Return (%) | | | |
| | Plan A - Growth | 8.09 | 8.98 | 0.14 |
| | Plan B (Direct) – Growth | 8.34 | 9.09 | 0.14 |
| 5 | Benchmark Returns (%) CRISIL Short-Term Bond Fund Index | 8.47 | 10.33 | 0.07 |
| 6 | Standard Returns (%) CRISIL 10 Year Gilt Index | 7.97 | 14.57 | 0.05 |
| 7 | Net Assets at end of period (Rs. In Crs.) | | | |
| | Plan A - Growth | 25.18 | 55.70 | 51.13 |
| | Plan A - Dividend | - | 0.01 | 0.01 |
| | Plan B (Direct) – Growth | 4.55 | 58.32 | 53.48 |
| | Plan B (Direct) - Dividend | - | - | - |
| 8 | Ratio of Recurring Expenses to Net Assets | 0.34% | 0.07% | 0.08% |

^^ The scheme matured on April 10, 2017

| Sr. No. | Scheme Name | BARODA PIONEER EQUITY TRIGGER FUND-SERIES I | | BARODA PIONEER CREDIT OPPORTUNITIES FUND | | BARODA PIONEER HYBRID FUND - SERIES I | |
|---------|--|---|-----------|--|-----------|---------------------------------------|-----------|
| | Financial Year | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| | Allotment Date | 29-Dec-14 | | 23-Jan-15 | | 25-Mar-15 | |
| 1 | NAV at the beginning of the year (as on allotment date / April 1) | | | | | | |
| | Plan A - Growth | 10.29 | 10.00 | 10.2385 | 10.0000 | 10.0260 | 10.0000 |

| Sr. No. | Scheme Name | BARODA PIONEER EQUITY TRIGGER FUND-SERIES I | | BARODA PIONEER CREDIT OPPORTUNITIES FUND | | BARODA PIONEER HYBRID FUND - SERIES I | |
|---------|--|---|-----------|--|-----------|---------------------------------------|-----------|
| | | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| | Financial Year | | | | | | |
| | Allotment Date | 29-Dec-14 | | 23-Jan-15 | | 25-Mar-15 | |
| | Plan A - Dividend | 10.29 | 10.00 | - | - | 10.0260 | 10.0000 |
| | Plan B (Direct) – Growth | 10.33 | 10.00 | 10.2594 | 10.0000 | 10.0288 | 10.0000 |
| | Plan B (Direct) – Dividend | 10.33 | 10.00 | - | - | 10.0288 | 10.0000 |
| | Plan A - Bonus | - | - | 10.2385 | 10.0000 | - | - |
| | Plan B (Direct) – Bonus | - | - | 10.2594 | 10.0000 | - | - |
| | Plan A - Monthly | - | - | 10.2385 | 10.0000 | - | - |
| | Plan B (Direct) – Monthly | - | - | 10.2594 | 10.0000 | - | - |
| | Plan A - Quarterly | - | - | 10.2385 | 10.0000 | - | - |
| | Plan B (Direct) – Quarterly | - | - | 10.2594 | 10.0000 | - | - |
| 2 | Dividends (gross per unit) | | | | | | |
| | Plan A - Monthly Dividend | - | - | 0.70001 | - | - | - |
| | Plan A - Quarterly Dividend | - | - | 0.84000 | - | - | - |
| | Plan B - Monthly Dividend | - | - | 0.70001 | - | - | - |
| | Plan B - Quarterly Dividend | - | - | 0.84000 | - | - | - |
| 3 | NAV at the end of the year (as on March 31) | | | | | | |
| | Plan A - Growth | 9.58 | 10.29 | 11.2418 | 10.2385 | 9.6238 | 10.0260 |
| | Plan A - Dividend | 9.58 | 10.29 | - | - | 9.6238 | 10.0260 |
| | Plan B (Direct) – Growth | 9.78 | 10.33 | 11.3949 | 10.2594 | 9.8025 | 10.0288 |
| | Plan B (Direct) – Dividend | 9.78 | 10.33 | - | - | 9.8025 | 10.0288 |
| | Plan A - Bonus | - | - | - | 10.2385 | - | - |
| | Plan B (Direct) – Bonus | - | - | 11.3949 | 10.2594 | - | - |
| | Plan A - Monthly | - | - | 10.5156 | 10.2385 | - | - |
| | Plan B (Direct) – Monthly | - | - | 10.6831 | 10.2594 | - | - |
| | Plan A - Quarterly | - | - | 10.3705 | 10.2385 | - | - |
| | Plan B (Direct) – Quarterly | - | - | 10.5196 | 10.2594 | - | - |
| 4 | Annualized Return (%) | | | | | | |
| | Plan A - Growth | (6.90) | 2.90 | 9.80 | 2.38 | (4.01) | 0.26 |
| | Plan B (Direct) – Growth | (5.32) | 3.30 | 11.07 | 2.59 | (2.26) | 0.29 |

| Sr. No. | Scheme Name | BARODA PIONEER EQUITY TRIGGER FUND- SERIES I | | BARODA PIONEER CREDIT OPPORTUNITIES FUND | | BARODA PIONEER HYBRID FUND - SERIES I | |
|---------|---|--|-----------|--|-----------|---------------------------------------|-----------|
| | Financial Year | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| | Allotment Date | 29-Dec-14 | | 23-Jan-15 | | 25-Mar-15 | |
| 5 | Benchmark Returns (%) | 0.25 | 0.11 | 8.47 | 1.58 | 5.67 | 0.17 |
| | Benchmark | S&P BSE Mid-cap index | | CRISIL Short Term Bond Fund index | | CRISIL MIP Blended Fund index | |
| 6 | Standard Returns (%) | (8.86) | 2.97 | 7.97 | 1.10 | 7.97 | 0.32 |
| | Standard Benchmark | Nifty 50 | | CRISIL 10 Year Gilt Index | | CRISIL 10 Year Gilt Index | |
| 7 | Net Assets at end of period (Rs. In Crs.) | | | | | | |
| | Plan A - Growth | 29.28 | 31.45 | 76.67 | 26.31 | 25.97 | 27.06 |
| | Plan A - Dividend | 22.55 | 24.22 | - | - | 1.72 | 1.80 |
| | Plan B (Direct) – Growth | 0.66 | 0.70 | 13.95 | 4.38 | 0.74 | 0.76 |
| | Plan B (Direct) – Dividend | 7.01 | 7.41 | - | - | 0.00 | - |
| | Plan A - Bonus | - | - | - | - | - | - |
| | Plan B (Direct) – Bonus | - | - | 0.01 | - | - | - |
| | Plan A - Monthly | - | - | 5.20 | 1.69 | - | - |
| | Plan B (Direct) – Monthly | - | - | 0.01 | 0.02 | - | - |
| | Plan A - Quarterly | - | - | 0.71 | 0.37 | - | - |
| | Plan B (Direct) – Quarterly | - | - | 0.02 | 0.02 | - | - |
| 8 | Ratio of Recurring Expenses to Net Assets | 2.98% | 2.66% | 1.58% | 1.19% | 2.81% | 2.27% |

Past performance may or may not be sustained in future.

II. HOW TO APPLY

A. PURCHASE

1. New investors may purchase units by using an application form. Existing investors may use an application form (eg. for purchase in an NFO) or a transaction slip (for additional purchase). Existing unit holders/investors in the category of HUF, Sole Proprietor or Individual and whose mode of holding in the folio is either "Single" / "Anyone or Survivor" shall be eligible to avail tele transact facility for permitted transactions on the terms and conditions set out by the Mutual Fund, by making a phone call to our **Toll Free No.1800-2670-189**. Application forms / transaction slips are available at Investor Service Centers ("ISC"), with distributors and the Registrar, or may be downloaded from the website of the AMC, viz., www.barodapioneer.in. Investors may also undertake transactions through the online /electronic mode offered by the AMC (www.barodapioneer.in) or through the online / electronic modes offered by specified banks, financial institutions, distributors, etc. with whom the AMC has entered into or may enter into specific arrangements including through secured internet sites operated by Karvy. Accordingly, the servers of the AMC and Karvy will be the official point of acceptance for all such online / electronic transaction facilities offered by the AMC.
2. Investors are requested to provide the details asked for in the relevant space provided for them in the application form. This measure is intended to avoid fraud / misuse or theft while investing in the units of any of the schemes of the Mutual Fund.
3. Application forms / transaction slips, complete in all respects, together with the necessary payment instrument or other remittance, may be submitted at any of the Official Points of Acceptance, as mentioned in the respective Scheme Information Document, and/or as may be designated by the AMC from time to time. The relevant Official Point of Acceptance will sign/stamp and return the acknowledgement slip in the application form, to acknowledge receipt of the application, subject to verification. Investors are advised to retain the acknowledgement slip signed/stamped by the ISC where they submit the application form.
4. Investments may be made by way of a cheque or a Demand Draft ("DD") or through a fund-transfer request or National Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS"). Investors may also invest online using the net banking facility with select banks, through their registered bank accounts. If it is found that the payment is not made from a registered bank account or that the payment is made from an account not belonging to the first named investor, the AMC will reject the transaction with due intimation to the investor. Investors may note that the Mutual Fund will not accept any third-party payment instrument. Please refer below to section E - Third Party Payments for further details. Post-dated cheques will not be accepted, provided that payment by post-dated cheques will be accepted only for investments made through the Systematic Investment Plan ("SIP") facility. The AMC may, at a later date, provide investors with the facility of transacting using debit cards and /or Mobile transactions.
5. If payment is made by way of a cheque / DD, such instrument shall be payable in favour of the scheme concerned and crossed "ACCOUNT PAYEE & NOT NEGOTIABLE" (Please see the Common Key Information Memorandum & Application Form or the Key Information Memorandum & Application Form of the respective scheme of the Mutual Fund for more instructions). Cheques / DDs should be payable at the center where the application is lodged.
6. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case returned cheques are presented again, the necessary charges are liable to be debited to the investor.
7. If payment is made by way of RTGS, NEFT, ECS, bank transfer, any other mode approved in the banking system etc., the investor should attach with the purchase application an acknowledged copy of his/her/its instruction to the bank stating the account number to be debited. The AMC / the Registrar will check whether the account number mentioned on the copy of the instruction attached is a registered pay-in account or belongs to the first named applicant / investor. Investors should mention the UTR No. on the application form if the payment is made through electronic mode (RTGS & NEFT).
8. DD / bank charges for applicants who are residents of a city, the banking clearing circle of which is different from that of an ISC, will be borne by the AMC. The AMC will not refund any DD charges incurred by investors. In case of applications for debt / income schemes, the AMC will not bear or refund any DD / Bank charges incurred by the applicant. In case of applications pertaining to equity schemes, the AMC may, at its own discretion, refuse to bear any DD / Bank charges incurred by the applicant. Applications accompanied by cheques / drafts not fulfilling the above criteria are liable to be rejected.

9. In order to protect the interest of unit holders from fraudulent encashment of cheques, SEBI has made it mandatory for investors to state their bank account number(s) in their application forms. Investors are therefore advised to fill up the details of their bank account number(s) in the application form in the space provided. **Application forms without the mandatory bank details are liable to be rejected. In case the investor wants to furnish details of more than one bank, he/she/it has to fill in the Multiple Banks Registration Form. This form can be downloaded from www.barodapioneer.in. For details on Multiple Banks Registration, please refer Section F.**
10. Investors would be required to submit any one of the following documents, in case the cheque provided along with fresh subscription/new folio creation does not belong to the bank mandate specified in the application form:
 - (i) Original cancelled cheque or photocopy of the cheque having the First Holder name printed on it;
 - (ii) Original cancelled cheque or photocopy of the cheque without having the name printed on it and either of (a) Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application (b) Photocopy of the bank statement/ bank pass book duly attested by the bank manager/ authorized official and bank seal (c) Bank Confirmation for the name and Bank Account Number of the First Holder along with MICR & IFSC details duly signed by the bank manager/authorized official.

In case, the application for subscription does not comply with the above requirements, the AMC may, at its sole and absolute discretion, reject/not process such application and refund the subscription amount to the bank account from where the investment was made and shall not be liable for any such rejection/refund.

11. The AMC reserves the right to reject an application form, or call for additional details, if the payment bank account and other details are not mentioned on the application form and/or do not match with the payment instrument and/or necessary documents and declaration, as applicable to respective investors and transactions, are not attached or are insufficient. In case the funds are transferred to the Scheme's account prior to the rejection of the application form, the amount transferred may not be refunded or redeemed unless the investor establishes KYC with additional documentation.
12. Subject to the Regulations, any application for purchase of Units may be accepted or rejected at the sole and absolute discretion of the AMC. For example, the AMC may reject any application for purchase of Units, if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the schemes' Unit capital is not in the general interest of the unit holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the schemes or its unit holders to accept such an application. Also, defective applications are liable for rejection. So, application forms (i) which are incomplete or (ii) which have any over writing on any field without the counter signature of all the applicants or (iii) which are invalid / ambiguous / not accompanied by necessary supporting documents or (iv) not accompanied by a payment instrument or an account-to-account transfer instruction for the amount payable or (v) the Trustee chooses to reject for any other reason determined at its sole discretion are liable to be rejected. In the event of non-allotment of Units, no interest will be paid on the money refunded to the applicant, subject to applicable regulatory requirements. In case of any representation to the AMC against the disqualification of any application, the decision of the AMC will be final.
13. The AMC / the Trustee may need to obtain from investors, verification of identity or other details relating to the subscription of Units as may be required under any applicable law, which may result in delay in processing applications.
14. Unit holders may opt to hold their Units in demat mode, for which they must provide their Demat account details in the relevant section of the application form. Unit holders who opt to hold their Units in Demat mode shall have a beneficiary account with a Depository Participant ('DP') registered with NSDL or CDSL and will be required to indicate in the application form, the DP's name, DP ID number and the beneficiary account number of the Unit holder with the DP. In case a Unit holder does not provide his/her/its Demat account details or provides incomplete details, or the details do not match with the records as per the Depository(ies), he/she/it will not get credit of units in his demat account and will have to hold the units in physical form. Unit holders who wish to convert their physical units into demat form at a later date, will be required to open a beneficiary account with a DP of NSDL or CDSL and submit a Conversion Request Form ('CRF') along with Statement of Account (SoA) asking for conversion of units into demat form. CRF form is available on our website site www.barodapioneer.in Such Unit holder will be required to fill in the CRF in triplicate along with the relevant details and submit it to the Registrar. The combination of names in the folio must be same as that in the demat account. Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996, as amended from time.

15. The Mutual Fund offers investors in the open ended schemes of the Mutual Fund, as mentioned in their respective Scheme Information Documents, the facility of transacting in their units, through the mutual fund trading platform of the National Stock Exchange ("NSE") and/or the Bombay Stock Exchange ("BSE"). Investors who wish to transact through the stock exchange mechanism, for the specified schemes, shall submit their application form to any of the registered stock brokers of NSE/BSE for transacting through MFSS or BSE StAR MF, which are the currently available stock exchange trading platforms
16. In order to help enhance the reach of the Schemes amongst small investors, who may not be tax payers and may not have PAN accounts, such as farmers, small traders/businessmen/workers, cash transactions in the Schemes to the extent of Rs.50,000/- per investor, per mutual fund, per financial year will be allowed subject to (i) compliance of PMLA and Rules framed there under, SEBI circulars on AML and other applicable AML rules, regulations and guidelines and (ii) sufficient systems and procedures in place.

The AMC is currently working on the operational aspects and on getting the systems and procedures in place for acceptance of cash. Hence, the exact date from which cash will be accepted by the AMC as a mode of payment for purchase of units of the schemes of the Mutual Fund will be intimated to investors by way of an appropriate notice displayed at the ISCs.

17. Transactions through electronic mode:

Subject to the applicable terms and conditions, the AMC/ Mutual Fund/ Registrar/ or any of their agents or representative ("Recipient") may accept instructions/transaction requests transmitted through any electronic mode including fax as may be permitted by the AMC from time to time ("electronic transactions") by such investor ("transmitter").

The acceptance of the electronic transactions will be solely at the risk of the transmitter and the Recipient shall not be liable and/or responsible for any loss or damage caused to the transmitter directly and/or indirectly, as a result of sending and/or purporting to send such electronic transactions including where such transactions are not processed by the Recipient for any reason whatsoever.

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

The transmitter authorizes the Recipient to accept and act on the electronic transactions that the Recipient believes in good faith to be given by the transmitter duly signed. The Recipient at its discretion may treat such electronic transactions as final for all record purposes. In case there is any discrepancy between the particulars mentioned in the electronic transactions and the original document/s that may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom.

The transmitter agrees that security procedures adopted by the Recipient may include signature verification and such other measures as the Recipient may deem fit. The transmitter accepts that the electronic transactions shall be time stamped (wherever required) upon receipt by the Recipient in accordance with SEBI (MF) Regulations.

In consideration of the Recipient accepting and at its sole discretion acting on any electronic transactions received / purporting to be received from the transmitter, the transmitter hereby agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustee (hereinafter referred to as 'indemnified parties') from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, against the indemnified parties whatsoever arising from and/or in connection with or in any way relating to the indemnified parties in good faith accepting and acting on the electronic transactions.

The AMC reserves the right to modify the terms and conditions and/or to discontinue the facility at any time.

18. Tele Transact Facility:

Existing unit holders/investors in the category of HUF, Sole Proprietor or Individual and whose mode of holding in the folio is either "Single" / "Anyone or Survivor" shall be eligible to avail tele transact facility for permitted transactions on the terms and conditions set out by the Mutual Fund, by making a phone call to our Toll Free No. **1800-2670-189**. This facility is available to investors who have accounts with select banks participating in

National Automated Clearing House (NACH). Investors can refer to the website of NACH (www.npci.org.in) for further details.

The facility is currently available only for lump sum/additional purchase and is not available for Switch / Redemption/ SIPs. This facility is not available for transactions which are of non-commercial nature.

Once registered, the maximum amount that can be invested through the facility is Rs. 2,00,000/- per business day. However, the actual amount of investment cannot exceed the value mentioned by the investor in the mandate form.

The AMC has the right to ask additional information from the investors before allowing them to avail the facility. If, for any reason, the AMC is not satisfied with the replies of the investors, the AMC, at its sole discretion, can refuse access of this facility to the investors.

The cut off time for the facility is 1.00 pm for liquid and 2.00 pm for all non liquid purchases on all business days. If the call is received after the above cut off time, the same would be considered as transaction for the next business day. All calls received up to the specified cut off times, shall be eligible for the applicable NAV.

Investors shall take responsibility for all the transactions conducted by using the facility and shall abide by the records at the AMC. Further, the Investors may note that such records generated by the AMC shall be conclusive proof and binding for all purposes and may be used as evidence in any proceedings and the investor by using the facility, unconditionally waives all objections in this behalf. The AMC may at its sole discretion suspend the facility in whole or in part at any time without any prior notice.

Investors shall at all times be bound by any modifications and/or variations made to these Terms and Conditions by the AMC at its sole discretion and without notice to them. Investors shall not assign any right or interest or delegate any obligation arising herein.

Investors shall not hold the AMC liable for the following:

- For any transaction using the facility carried out in good faith by the AMC on instructions of the investors.
- For unauthorized usage/ unauthorized transactions conducted by using the facility.
- For any direct or indirect loss or damage incurred or suffered by the investors due to any error, defect, failure or interruption in the provision of the facility arising from or caused by any reason whatsoever.
- For any negligence/mistake or misconduct by the investors.
- For any breach or non-compliance by the investors of the rules/ terms and conditions stated in the SID.
- For AMC accepting instructions given by any one of the investors in case of joint account/s having mode of operations as "Either or Survivor" or "anyone or survivor".
- For allowing any person who provides the relevant information pertaining to the investors, to transact using the facility. The AMC shall be under no obligation to further ascertain the identity of the investors.
- For not carrying out any such instructions where the AMC has reasons to believe (which decision of the AMC the investors shall not question or dispute) that the instructions given are not genuine or are otherwise improper, unclear, vague or cause for doubt.
- For carrying out a transaction after such reasonable verification as the AMC may deem fit regarding the identity of the investors.
- In case of error in NAV communication.
- For accepting instructions given by any one of the investors or their authorized person.

For detailed terms and conditions investors are requested to refer the tele-transact mandate registration form available on our website www.barodapioneer.in.

B. ADDITIONAL MODE OF PAYMENT THROUGH APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA) FOR INVESTING IN NFOs

Pursuant to SEBI circular vide ref no. SEBI/IMD/CIR No. 18/198647/2010 dated March 15, 2010, an investor can subscribe to the units of mutual fund schemes during NFO through the ASBA facility using the ASBA application form and following the requisite procedure.

What is ASBA?

ASBA is an application containing an authorization by an investor to block the application money in his specified bank account towards the subscription of units offered during the NFO of scheme(s) of mutual funds.



What is a Self Certified Syndicate Bank (SCSB)?

An SCSB is a banker to an issue which is registered with SEBI and offers the facility of applying through the ASBA process. Please visit www.sebi.gov.in/pmd/scsb.html or www.nseindia.com for the list of currently available SCSBs offering ASBA facility through their designated branches.

What are the key points with regard to investing through ASBA?

1. If an investor wishes to invest in the schemes of the Mutual Fund using the ASBA facility, he/she/it should submit the ASBA Application Form at any of the designated branches of an SCSB with which he/she/it holds a bank account which is intended to be blocked for the subscription amount and will be mentioned as such in the ASBA Application form ("Bank Account"). The investor should check with his/her/it's bank branch and confirm whether the branch offers ASBA facility. The investor may submit the ASBA Application form physically or electronically. In case the investor wishes to submit the ASBA Application form in physical mode, he/she/it may submit it at any of the designated branches of the SCSB concerned. If, however, the investor wishes to submit the ASBA Application form in electronic mode, he/she/it may submit the ASBA Application form either through the internet banking facility available with the SCSB concerned, or through any other electronically enabled mechanism for subscribing to the units of the schemes of the Mutual Fund, which authorizes the SCSB concerned to block the subscription money. Please note that the ASBA Application form will not be accepted by the AMC at any of the ISCs or by the Registrar.
2. Investors shall ensure to mention in the ASBA Application form, the correct number of their Bank Account with the SCSB concerned, and that funds equal to their subscription amount are available in the said bank account at the time of submission of the ASBA Application form in physical or electronic mode.
3. Upon submission of the ASBA Application form with the SCSB concerned, whether in physical or electronic mode, investors shall have deemed to agree to block the entire subscription amount specified in the said form, and have authorized the designated branch of the SCSB concerned to block such amount in the Bank Account. Investors should note the following in respect of submission of the form with the SCSB concerned:
 - a) The SCSB concerned will not accept any ASBA after 3.00 p.m. on the date of closure of the NFO Period; and
 - b) The SCSB concerned will give an acknowledgment for the receipt of the ASBA Application form.
4. On the basis of the authorization given by the investor through the ASBA Application form, the SCSB concerned will block the subscription money in the Bank Account. The subscription money will remain blocked in the Bank Account till allotment of units under the Scheme of the Mutual Fund or till rejection of the application or refund, as the case may be.
5. If the Bank Account does not have sufficient credit balance to meet the subscription money, the ASBA application will be rejected by the SCSB concerned.
6. Investors shall not enclose, along with the ASBA Application form, a cheque, a DD or any mode of payment, as the ASBA Application form already contains an authorization to block the subscription amount in the Bank Account.
7. Investors shall submit a copy of the acknowledgment receipt of the ASBA Application form (as submitted with the SCSB concerned) along with the NFO application form at any of the official points of acceptance for the AMC.
8. In case of application for units in demat mode, all investor related details for allotment of Units, such as names of the applicants, mode of holding, bank account, etc., will be updated as per the demat account, and investors should check their demat accounts for allotment of Units within 10 working days of the NFO closure.
9. The AMC, Registrar, and Trustee shall not be liable for any negligence or mistake committed by any SCSB.
10. All grievances relating to the ASBA facility may be addressed to the AMC / Registrar, with a copy to the SCSB concerned, giving full details such as name, address of the applicant, subscription amount blocked on application, Bank Account number and the designated Branch or the collection center of the SCSB where the ASBA form was submitted.
11. The ASBA facility will operate in accordance with applicable SEBI guidelines in force from time to time.

C. PERMANENT ACCOUNT NUMBER (PAN):

1. SEBI has made it mandatory for all investors (including NRIs, Power of Attorney holders and Guardians of minors) to mention in the application form for purchase, their PAN, irrespective of the amount of purchase.
2. In case the application is in joint names, PAN of each of the investors shall be mentioned.
3. Where the investor is a minor and does not possess his / her own PAN, he / she shall quote the PAN of his/her father or mother or the court appointed legal guardian, as the case may be.
4. In order that the AMC / Registrar may verify that the PAN of the investor (in case of application in joint names, PAN of each of the applicants) has been correctly quoted in the application form, investors are advised to attach along with the application form, a self-certified photocopy of the PAN card(s), or to provide the original PAN Card for verification. The original PAN Card will be returned immediately across the counter after verification.
5. Applications that are not accompanied by duly verified copy(ies) of the PAN card(s) are liable to be rejected.
6. Exemption from the requirement of PAN:
 - a. Investors residing in the state of Sikkim are exempt from the requirement of PAN, subject to the AMC verifying the veracity of the claim of the said investors that they are residents of Sikkim, by collecting sufficient documentary evidence in this behalf.
 - b. Investments by officials appointed by courts such as official liquidator, court receiver etc. and subscriptions by the Central Government and/or a State Government are also exempt from the requirement of PAN.
 - c. SEBI, vide letter no. MRD/DoP/PAN/PM/166999/2009 dated June 19, 2009, has granted exemption from the requirement of PAN to SIPs upto Rs. 50,000/- per year per investor ("Micro SIP"). This exemption is subject to the following terms & conditions:
 - The aggregate of all installments in a rolling 12 month period or in a financial year, i.e. April to March, shall not exceed Rs 50,000/-;
 - The exemption will not be applicable to normal purchase transactions upto Rs. 50,000/-, as they will continue to be subject to PAN requirement;
 - This exemption will be available only to investments by individuals, including NRIs (but not PIOs), minors, sole proprietary firms and joint holders. HUFs and other categories of investors shall not be eligible for Micro SIPs.
 - d. Investors mentioned above, however, need to complete the necessary KYC requirements, and get a unique reference number from the system of the KYC Registration Agency ("KRA"). A copy of the KRA issuance letter containing the unique reference number shall be attached with each application form.
7. Verification of the photocopy of the PAN Card will be carried out with the Income tax database. In case of failure, communication will be sent to the investor concerned, requesting him/her/it to provide the correct PAN details or communication from the Income Tax authorities, if any, evidencing the validity of the PAN. Such folios will be blocked for additional purchases and SIP registrations till receipt of the above documents and verification with the original. In case of web-based transactions, investors will be allowed to transact, subject to PAN validation.

In the event of any application form being subsequently rejected for mismatch of applicant's PAN details with the details on the website of the Income Tax Department, the investment transaction will be cancelled and the amount may be redeemed at the applicable NAV, subject to levy of exit load, if any.

D. WHO CAN INVEST?

Investors are advised to satisfy themselves that they are not prohibited by any law governing them and any Indian law from investing in the schemes of the Mutual Fund and that they are authorized to purchase units of mutual funds as per their respective constitution, charter document, corporate / other authorization and relevant statutory provisions.



The following is an indicative list of persons who are generally eligible and may apply for subscription to the units of the schemes of the Mutual Fund:

- Indian resident adult individuals, either singly or jointly (not exceeding three);
- Minors through their parent / lawful guardian (please see Section E. below on 'Investment on Behalf of Minor' for details);
- Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;
- Religious and charitable trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorised to invest in mutual fund schemes under their trust deeds;
- Partnership firms constituted under the Partnership Act, 1932;
- A Hindu Undivided Family (HUF) through its Karta;
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;
- Non-Resident Indians (NRIs) / Persons of Indian Origin (PIO), on full repatriation basis or on non repatriation basis;
- Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs) registered with SEBI, on full repatriation basis;
- Army, Air Force, Navy and other para-military funds and eligible institutions;
- Scientific and Industrial Research Organisations;
- Provident / Pension / Gratuity and such other Funds, as and when permitted to invest;
- International Multilateral Agencies approved by the Government of India / RBI;
- The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws); and
- A mutual fund through its schemes, including fund of funds schemes.

Notes:

1. Non Resident Indians (NRI) and Persons of Indian Origin (PIO) residing abroad / Foreign Institutional Investors (FIIs) have been granted a general permission by the Reserve Bank of India [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000] for investing in / redeeming units of mutual fund schemes, subject to the conditions set out in the aforesaid Regulations.
2. In case of an application under a Power of Attorney or by a company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy thereof, duly notarized, or the relevant resolution or authority to make the application, as the case may be, or a duly notarised certified true copy thereof, alongwith a certified copy of the Memorandum and Articles of Association and/or bye-laws and/or trust deed and/or partnership deed and/or certificate of registration, if any, shall be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorised officials, duly certified / attested should also be attached to the application form. In case of a trust / fund, it shall submit a resolution from the Trustee authorizing the purchase/redemption. All such documents should be in English or be a notarized translated copy in English Language. **Applications not complying with these requirements are liable to be rejected.**

3. Who cannot invest?

It should be noted that at present the following person/ entities cannot invest in the schemes of the Mutual Fund:

- a. Any individual who is a foreign national;
- b. Overseas Corporate Bodies (OCBs), i.e. firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs, and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons.
- c. NRIs residing in Non-Compliant Countries and Territories ("NCCTs") as determined by the Financial Action Task Force ("FATF") from time to time / A resident of a country which is not a signatory of International Organization of Securities Commissions, (IOSCO) Multilateral Memorandum of Undertaking.
- d. NRIs and PIOs who are resident of United States of America and Canada.
- e. NRIs and PIOs who are resident of OFAC/EU sanctioned parties and countries viz. North Korea, Sudan (excluding Southern Sudan), Burma (Myanmar), Syria, Cuba and Iran.

Notes :

- i. No fresh/ additional purchases/switches in the Schemes of the Fund would be allowed and existing registered Systematic Investment Plans and Systematic Transfer Plans would be ceased. If an existing Unit Holder(s) subsequently becomes a U.S. Person(s) or Resident(s) of the aforesaid places, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Schemes of the Fund. However existing unit holders will be allowed to redeem their units from the Schemes of the Fund.
 - ii. For transactions on the Stock Exchange platform, while transferring units to the investor's account, if the investor has an address of any of the above mentioned countries, then such transactions are liable to be rejected / folio frozen.
4. The Trustee of the Mutual Fund reserves the right to include new categories of investors in or exclude existing categories of investors from the list of eligible investors from time to time, subject to the Regulations and other prevailing regulations/laws etc., if any.
 5. Any request for withdrawal of application made during the NFO Period will be treated as a redemption request and shall be processed at the Redemption Price based on the first NAV declared by the schemes of the Mutual Fund after the close of NFO.
 6. **Investment on Behalf of Minor**

At the Time of Investment:

A minor can invest in any scheme of the Mutual Fund through his/her guardian only. For investments made on behalf of minors, investors may please note the following:

- a. The minor shall be the first and the sole holder in the account. There shall not be any joint holder.
- b. In a folio on behalf of a minor, the guardian can be either a natural guardian (i.e. father or mother) or a court appointed legal guardian.
- c. It is mandatory for the guardian to submit documentary evidence confirming the relationship status;
- d. It is mandatory to provide the minor's date of birth in the application form, along with a photocopy of any of the following supporting documents:
 - Birth certificate of the minor; or
 - School leaving certificate / mark sheet issued by the Higher Secondary Board of the respective state, ICSE, CBSE etc.; or
 - Passport of the minor; or
 - Any other suitable proof evidencing the date of birth of the minor.

On Attaining Majority:

- a. The AMC / Registrar shall send advance notice, at the registered correspondence address, advising the minor and guardian to submit prescribed documents, in order to effect change of status from 'minor' to 'major';
- b. In case the requisite documents to change the status are not received by the date of the minor attaining the age of majority, no transaction (financial and non-financial) including fresh registration of SIP, Systematic Transfer Plan ("STP") and Systematic Withdrawal Plan ("SWP") will be permitted after the date of minor attaining the age of majority;
- c. Existing SIPs, SWPs and STPs registered prior to the minor attaining the age of majority, will continue to be processed till the time an instruction from the major to terminate the standing instruction is received by the AMC / Registrar along with the prescribed documents;
- d. New SIPs, SWPs and STPs will be registered in the folio of a minor upto the date of the minor attaining the age of majority, though the instruction may be for a period extending beyond that date;
- e. List of standard documents to be submitted along with the application form for change of account status from minor to major:

- Service Request Form, duly filled-in, and containing details like name of major, folio numbers, etc.;
- New Bank mandate where account changed from minor to major;
- Signature attestation of the major by a manager of a scheduled bank / Bank Certificate/ Letter;
- KYC acknowledgement of the major.

For Change in Guardian:

When there is a change in guardian either due to mutual consent or demise of existing guardian, the new guardian must be a natural guardian (i.e. father or mother) or a Court appointed legal guardian. The following documents shall be submitted to register the new guardian:

- Request letter from the new guardian;
- No Objection Letter ('NoC') or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive;
- Copy of death certificate of the deceased guardian either notarized or attested by special executive magistrate, AMC authorized official or manager of a scheduled bank;
- A document evidencing the relationship if the same is not available in documents submitted as per specified in point a. (3) above;
- Bank attestation attesting signature of new guardian in a bank account of the minor where the new guardian is registered as a guardian; and
- KYC of the new guardian.

7. Joint Applicants

- An application can be made by up to a maximum of three applicants. Applicants must specify the 'Mode of Holding' in the application form.
- Joint applicants can specify the mode of holding in the application form as 'Joint' or 'Any one or Survivor'. If the mode of holding is not mentioned in the application form, it will be deemed to be 'Joint'.
- In case the mode of holding is specified as 'Joint', redemption requests will have to be signed by all joint holders in the same order as registered with the Mutual Fund. However, in case the mode of holding is specified as 'Anyone or Survivor', any one of the unit holders will have the power to make a redemption request, without it being necessary for all the unit holders to sign. However, in all cases, the proceeds of the redemption will be paid only to the first-named holder.
- In the case of application by a minor, there shall not be any joint holder.
- In the event a folio/account has more than one registered holder, the first-named holder will receive allotment confirmations, notices and correspondence with respect to the account/folio, as well as the proceeds of any redemption request or dividend or other distribution. In addition, first-named holder will have the voting rights, as permitted, associated with such units, as per the applicable guidelines.
- In case of death/insolvency of any one or more of the persons named in the Register of unit holders as the joint holders of any Units, the AMC shall not be bound to recognize any person(s) other than the remaining holders. In all such cases, the proceeds of the Redemption will be paid to the first-named of such remaining unit holders.

E. THIRD PARTY PAYMENTS

- A third party payment means a payment made from a bank account other than that of the beneficiary investor. With respect to any payment made from a joint bank account, it shall be regarded as a third party payment, if the first holder of the folio / first applicant for subscription is not one of the joint holders of the said bank account.
- In order to mitigate risks associated with transactions involving third party payments, the AMC / Registrar will not accept any application for subscription to the units of the schemes of the Mutual Fund, where such application is accompanied by a third party payment. Therefore, the first applicant / investor has to be one of the joint holders of

the bank account from which the payment is made via cheque / DD / Funds transfer / RTGS / NEFT etc. Also, the applicant / investor should mention the bank account number, bank name & branch address from where the payment is made and ensure that they match with the details on the payment instrument, where applicable.

- c. In the following exceptional situations, the AMC / Registrar will accept third party payments:
- Payment made by parents / grand parents / related persons (persons investing on behalf of minors in consideration of natural love and affection) or as a gift on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- for each regular purchase or per SIP installment.;
 - Payment made by a guardian on behalf of a minor, if the guardian's name is registered in the records of the Mutual Fund in the folio concerned;
 - Payment made by an employer on behalf of his/her/its employees under an SIP through payroll deductions; and
 - Payment made by a custodian on behalf of a Foreign Institutional Investor or a client.
- d. In the exceptional situations mentioned in c. above, investors will be required to submit the following documents, without which the application for subscription of units of the Mutual Fund are liable to be rejected:
- Mandatory Know Your Customer ("KYC") for all investors (for the guardian in case of minor) and for the person making the payment. KYC Acknowledgement Letter for the investor as well as the person making the payment should be attached to the application form; and
 - Third Party Declaration from the investors (for the guardian in case of minor) and for the person making the payment (third party), stating details of the bank account from which the payment is made and the relationship with the investor(s).
- e. The AMC / Registrar will not accept any purchase application accompanied by a pre-funded instrument issued by a bank against cash (eg. pay order, DD, banker's cheque, etc.), if the amount is Rs. 50,000/- or more. For purchase applications of amount less than Rs. 50,000/-, the AMC / Registrar may accept a pre-funded instrument if the investor attaches to the application form, a certificate from the Issuing banker to the purchase application, stating the details of the bank account which has been debited for issue of the instrument account. Details mentioned in the certificate shall include account holder's name, bank account number, account holder's address and PAN. The bank account number mentioned in the certificate must be the bank account which is registered with the Mutual Fund, or the first named applicant / investor should be one of the holders of the said bank account. The AMC / Registrar will check whether the name stated in the certificate matches with that of the first named applicant / investor.
- f. Investors are advised to visit www.barodapioneer.in for more details, including formats.

F. MULTIPLE BANK ACCOUNTS REGISTRATION FACILITY

- a. With a view to mitigating the risk related to simultaneous change of bank mandate and redemption requests on multiple occasions, the Mutual Fund offers its unit holders the facility to register multiple bank accounts for pay-ins & pay-outs, and to designate one such registered bank account as the "Default Bank Account". The registered bank account details will also be used by the AMC / Registrar to ensure that third party payments are not made while subscribing to units of the schemes of the Mutual Fund.
- b. Investors are urged to register with the Mutual Fund, multiple bank accounts, by using the "Multiple Bank Accounts Registration Form", which is available at the ISCs and can also be downloaded from the website of the AMC, www.barodapioneer.in. Individuals, HUFs and sole proprietary firms can register upto five bank accounts and non-individual investors can register upto ten bank accounts in a folio. The first/sole unit holder in the folio should be one of the holders of the bank account being registered.
- c. Existing unit holders may update / change the bank accounts in their existing folios / accounts at any time either through the Multiple Bank Accounts Registration Form or through a standalone separate Change of Bank Mandate form. The AMC / Registrar / the Mutual Fund will accept a request for registration of additional bank accounts, only if there is scope to register additional bank accounts in the folio, subject to a maximum of five in the case of individuals and ten in the case of non-individuals.
- d. As mentioned in (b) and (c) above, new bank accounts / change of bank mandate can be registered using the Multiple Bank Accounts Registration Form or through a standalone separate Change of Bank Mandate form.

- e. In case a Unit holder provides a new and unregistered bank mandate or a change of bank mandate request along with a specific redemption / dividend payment request (with or without necessary supporting documents), such bank account will not be considered for payment of redemption / dividend proceeds. The proceeds of such a redemption / dividend payment request will be sent only to the bank account that is already registered and validated in the folio at the time of processing the transaction. Investors may note that any payment to an unregistered bank account or a new bank account forming part of redemption request shall not be entertained or processed.
- f. Valid change of bank mandate requests with supporting documents will be processed within ten days of the documents reaching the head office of the Registrar, and any financial transaction request received in the interim will be carried out based on the previously registered details. Investors may note that a new unregistered bank account specified in any redemption request for receiving redemption proceeds will not be considered.
- g. For any request for registering new bank accounts / change of bank mandate using the Multiple Bank Accounts Registration Form or a standalone Change of Bank Mandate form, investors shall enclose any one of the following, in respect of the new bank account:
 - an original cancelled cheque leaf of the new bank account, with the first unit holder's name and Bank account number printed on the face of the cheque;
 - a latest original Bank statement;
 - the original Bank passbook with current entries not older than 3 months;
 - an original letter duly signed by the branch manager/authorized personnel of the bank.

If photocopy of any document is submitted, the copy should be certified by the bank, or the original should be produced for verification.

In addition to the above, the AMC may require, in respect of the existing bank mandate which is undergoing a change on account of registering the new bank account, any one of the following documents:

- an original cancelled cheque with the first unit holder's name and bank account number printed on the face of the cheque;
- a latest original copy of bank statement/passbook (if photocopy is submitted, it has to be certified by the bank, or the original has to be produced for verification);
- original letter issued by the bank on the letterhead, confirming the bank account holder with the account details, duly signed and stamped by the branch manager; or
- in case the bank account is already closed, a duly signed and stamped original letter from such bank on the letter head of bank, confirming the closure of the account.

Investors may note that any request without the necessary documents will be treated as invalid and will not be acted upon, and any financial transaction, including redemption, will be carried out with the previously registered details only.

h. **Default Bank Account:**

- As mentioned in a. above, investors shall designate, using the Multiple Bank Accounts Registration Form (Part B), one of the registered / to be registered bank accounts as the default bank account for credit of redemption and dividend proceeds. All dividends and redemption proceeds will be credited to this default bank account. However, if at the time of submitting a redemption request, an investor specifies any other bank account registered with the AMC / the Mutual Fund for credit of redemption proceeds, the proceeds will be credited to this other bank account specified by the investor, but the default bank account will not change pursuant / subsequent to such request.
- For existing investors, any existing bank mandate registered with the AMC / Mutual Fund will be treated as the default bank account till such time as they give a separate request to change the default bank account to any other registered bank account.
- For new investors, the bank account mentioned in the purchase application form will be treated as the default bank account till a separate request to register multiple bank accounts and / or change the default bank account to any registered bank account is submitted by such investors.

The default bank account will be used for all dividend and redemption payouts, unless the Unit holder(s) specifies/specify one of the existing registered bank accounts in the redemption request for receiving redemption proceeds. However, in case Unit holder(s) does/do not designate any default bank account, the Mutual Fund reserves the right to designate any of the bank accounts registered with the AMC / Mutual Fund as the default bank account.

i. Deletion of Registered Bank Accounts:

- Investor may use Part C of the Multiple Bank Accounts Registration Form to delete a registered bank account.
- The AMC / the Mutual Fund / the Registrar will not allow an investor to delete a default bank account, unless the investor designates another registered bank account as the default bank account.

G. CHANGES IN STATIC INFORMATION

- a. Requests for change static information, viz. name, address, status, signature, dividend sub-option, etc. may be submitted to the AMC or its Registrar. Such changes will be effected within 5 days of the valid signed request reaching the office of the Registrar. Any interim financial transactions like purchase, redemption, switch, payment of dividend etc. will be effected with the previously registered details only. If any change in static information is submitted along with a financial transaction, the change will be handled separately and the financial transaction will be processed with the previously registered details. Unit holders are therefore advised to provide requests for change in static information separately and not along with financial transactions.
- b. Investors transacting through the stock exchange mechanism should approach their respective Depository Participant for non-financial requests / applications such as change of address, change of bank, etc.
- c. Investors may note that any change in dividend sub option due to additional investment or request of the Unit Holder request will be applicable to the entire Units in the said dividend option of the Scheme / Plan concerned.
- d. Unit holders may write to the AMC / Registrar to change the broker code of their transactions or to remove the broker code. Any such request will be handled on a prospective basis and the change in broker code will be effected within 5 days from the date when the Registrar's Back Office receives the request.
- e. How to Change Address - Investors shall provide the AMC / Fund / Registrar, the following documents along with a request for change in address:
 - If the investor / folio is not KYC compliant:
 - Proof of New Address;
 - Proof of Identity, i.e. PAN card copy, if PAN is updated in the folio, or PAN / other proof of identity, if PAN is not updated in the folio;
 - The AMC may additionally call for proof of old address, while effecting a change of address.
 - If the investor / folio is KYC compliant:
 - Proof of New Address;
 - Any other document/form specified by the KRA from time to time.
 - For Proof of New Address, investors may submit a photocopy of any one of the following (current and valid) documents:
 - Passport / Voters Identity Card / Ration Card / Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance Bill / Insurance Copy; or
 - Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old;
 - Bank Account Statement / Passbook (Not more than 3 months old); or
 - Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts; or
 - Proof of address issued by Bank Managers of Scheduled Commercial Banks / Scheduled Co-operative Bank / Multinational Foreign Banks / Gazetted Officer / Notary Public / Elected representatives to the Legislative Assembly / Parliament / Documents issued by any Government or Statutory Authority; or
 - Identity Card / document with address, issued by any of the following:
 - Central / State Government and its Departments; or
 - Statutory / Regulatory Authorities; or
 - Public Sector Undertakings; or
 - Scheduled Commercial Banks; or
 - Public Financial Institutions; or
 - Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
 - For FII / sub-account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken;
 - Proof of Address in the name of spouse will be accepted.

- For Proof of Identity, investors may submit a photocopy of any one of the following (current and valid) documents:
 - Unique Identification Number (UID) (Aadhaar) / Passport / Voter ID Card / Driving license; or
 - Identity card / document with investor's photo, issued by any of the following:
 - Central /State Government and its Departments; or
 - Statutory/Regulatory Authorities; or
 - Public Sector Undertakings; or
 - Scheduled Commercial Banks; or
 - Public Financial Institutions; or
 - Colleges affiliated to Universities; or
 - Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; or
 - Credit cards/Debit cards issued by Banks.
- Investors / unit holders are required to submit self-attested copies of the above documents. The originals of the above documents should be produced for verification at the ISC or Official Points of Acceptance of Transactions. The original will be returned across the counter after verification
- In case the original of any document is not produced for verification, then the copies should be properly attested / verified by entities authorized for attesting / verification of the documents as per the KYC guidelines.

H. CONSOLIDATED ACCOUNT STATEMENT ("CAS")

On acceptance of an application for subscription or allotment of units (including by way of SIP, STP, switch, bonus units and reinvestment of dividends), an allotment confirmation specifying the number of units allotted will be sent by way of an email and/or an SMS, within 5 Business Days from the date of receipt of the application, to the Unit holder's registered e-mail address and/or mobile number. Thereafter, the Unit Holder will be sent, on or before the 10th of the immediately succeeding month, by way of a mail / an e-mail, a CAS, containing the details of the transaction mentioned above as well as details of all other transactions effected by the Unit holder across schemes of all mutual funds during the preceding month, including his/her/its holdings at the end of the said month and details of transaction charges paid to distributors, as applicable. Investors may note that CAS will be issued on a monthly basis to all investors in whose folios transactions have taken place during the month concerned.

The CAS for each calendar month will be issued on or before the 10th day of the succeeding month to investors who have provided a valid PAN. The AMC shall not send physical account statements to the investors after every financial transaction including systematic transactions. Further, CAS will be sent via email where any of the folios consolidated has an email id or to the email id of the first unit holder as per KYC records. The AMC shall not send physical account statements to the investors, if the CAS has been forwarded through email.

For folios not included in the CAS, the AMC will issue an account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before the 10th day of the succeeding month. In case of an NFO, the AMC shall send a confirmation specifying the number of units allotted to the applicant by way of a physical account statement or an email and/or SMS to the investor's registered address and / or mobile number not later than 5 business days from the date of closure of the NFO.

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

The unitholders who do not have Demat account shall continue to receive the Consolidated Account Statements (CAS) as per the existing practice. However, the following shall be applicable for unitholders having a Demat Account.

- Investors having MF investments and holding securities in Demat account shall receive a Single Consolidated Account Statement from the Depository.
- Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a 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 ten 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.

III. RIGHTS OF UNIT HOLDERS OF THE SCHEMES

1. Unit holders of the schemes have a proportionate right in the beneficial ownership of the assets of the schemes.
2. When the Mutual Fund declares a dividend under the schemes, dividend warrants shall be despatched within 30 days of the declaration of the dividend. Account statement reflecting the new or additional subscription as well as redemption / switch of units shall be despatched to the unit holder within 10 business days of the specified transaction date / redemption date. Provided that if a unit holder so desires, the Mutual Fund shall issue a unit certificate (non-transferable) within 30 days of the receipt of request for the certificate.
3. The Mutual Fund shall dispatch redemption proceeds within 10 Business Days of receiving / accepting the redemption request.
4. The Trustee is bound to make such disclosures to the unit holders as are essential in order to keep the unit holders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
5. The appointment of the AMC for the Mutual Fund can be terminated by a majority of the directors of the Trustee or by 75% of the unit holders of the schemes.
6. 75% of the unit holders of a scheme can pass a resolution to wind up the scheme.
7. The Trustee shall obtain the consent of the unit holders:
 - a. Whenever required to do so by SEBI, in the interest of the unit holders.
 - b. Whenever required to do so if a requisition is made by three-fourths of the unit holders of the schemes.
 - c. When the Trustee decides to wind up the schemes or prematurely redeem the units.
8. The Trustee shall ensure that no change in the fundamental attributes of any scheme of the Mutual Fund or the trust or fees and expenses payable or any other change which would modify the schemes and affects the interest of unit holders, is carried out unless:
 - (i) A written communication about the proposed change is sent to each unit holder and an advertisement is to be given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
 - (ii) The unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
9. In specific circumstances, where the approval of unit holders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

Valuation of assets

Valuation of assets, computation of NAV, repurchase price and their frequency of disclosure will be in accordance with the provisions of Regulations /Guidelines/Directives issued by SEBI from time to time.

SEBI had amended Regulation 47 and the Eighth Schedule of the SEBI (Mutual Funds) Regulations, 1996 ("**Regulations**"), relating to valuation of investments on February 21, 2012 to introduce overriding principles in the form of "Principles of Valuation".

The amended regulations require that mutual funds shall value their investments in accordance with the principles of fair valuation so as to ensure fair treatment to all investors i.e. existing investors as well as investors seeking to subscribe or redeem units. In the event of a conflict between the principles of fair valuation and valuation guidelines prescribed by SEBI under the Regulations, the principles of fair valuation shall prevail.

In view of the above, the broad valuation norms that would be followed by Baroda Pioneer Asset Management Company Ltd. ("**AMC**") are enumerated below. These norms are subject to review and change from time to time.

Valuation Committee

The AMC has an internal Valuation Committee ("**Committee**") comprising of the following officials :

- (a) Chief Executive Officer
- (b) Chief Investment Officer
- (c) Chief Operating Officer
- (d) Fund Managers
- (e) Head – Investment Operations
- (f) Compliance Officer

Scope of the Committee

The scope of the Committee shall include the following :

- (a) To ensure that the securities are consistently valued as per the approved methodologies;
- (b) To ensure appropriateness and accuracy of the methodologies used and its effective implementation in valuing the securities;
- (c) To describe the process to deal with exceptional events;
- (d) To seek to address conflict of interest;
- (e) To devise process to detect and prevent incorrect valuation;
- (f) To ensure transparency by making appropriate disclosures.

The broad valuation norms adopted by Baroda Pioneer Mutual Fund ("**BPMF**") are detailed below:

Traded Securities:

Equity / Equity related securities

- Traded securities shall be valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE).NSE is principal stock exchange for BPMF.
- When on a particular valuation day, a security has not been traded on the NSE, the value at which it is traded on another stock exchange may be used viz BSE
- When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.

Debt Securities

Valuation of Debt and Money Market Securities:

a. Principles for Fair Valuation / Fair Treatment

The guiding principles for fair valuation would be to minimize the difference in valuation of mutual fund assets relative to realizable values. This would enable fair treatment across all classes of investors (those investing, redeeming and staying in the fund).



b. Instruments maturing up to 60 days

For traded instruments maturing upto 60 days, the weighted average price/yield may be taken if there are at least three trades aggregating to Rs. 100 crore or more.

Instruments may be valued by amortisation on a straight-line basis to maturity from cost or last valuation price whichever is more recent. However, the AMCs should ensure that the amortised price is reflective of fair value by comparing it to the reference yield/price (yield matrix provided by CRISIL and ICRA) in case the instrument is not traded.

At the time of first purchase the spread between the purchase yield and the benchmark yield should be fixed. This spread should remain fixed through the life of the instrument and should be changed only if there is justification for the change. For example, market trades / AMC's trades at a different spread could be reflected through a change in the spread. Irrespective of amortisation, a change in the credit rating or credit profile of the issuer would require a re-evaluation of the appropriateness of the spread.

The amortised price may be used for valuation as long as it is within $\pm 0.10\%$ of the reference price. In case the variance exceeds $\pm 0.10\%$, the valuation shall be adjusted to bring it within the $\pm 0.10\%$ band.

In case of subsequent trades by the fund in the same security, the valuation must reflect the most recent trade as long as the trade is of market lot (Rs. 5crores). The security such valued would be amortised to maturity with such amortised prices to be in line with $\pm 0.10\%$ of the reference price as above.

c. Instruments having maturity greater than 60 days (including Government Securities, Treasury Bills, Cash Management Bills, Bills Rediscounting Schemes, Securitised Debt/Pass Through Certificates etc.)

- A) The above securities will be valued as per the prices provided by AMFI approved agencies (currently CRISIL & ICRA).
- B) In case of new securities purchased, which are not a part of the list of CRISIL and ICRA security level pricing, following steps to be followed:
- In the event of the security being traded in the market, the instruments may be valued at weighted average price/yield.*

*A security will qualify as traded security if:
 - For securities with residual maturity of above 1 year: At least two trades aggregating to INR 25 crores or more on a public platform.
 - For securities with residual maturity between 61 days and 1 Year: At least three trades aggregating to INR 100 crores or more. Trades reported on CDSIL, NSE and BSE would be considered for valuation. However priority order would be CDSIL/NSE/BSE/MCX -SX CCL.
 - In the event of the security not being traded in the market, valuation shall be done on the weighted average price/yield of own trade. Following securities will be valued at cost plus accrual/amortization basis:
 - CBLO
 - Reverse Repo
 - Fixed Deposits

Thinly Traded Securities

a. Thinly traded equity/equity related securities

- Thinly Traded Equity / Equity related securities are those securities whose trade in a month are both less than Rs. 5 lakhs and the total volume is less than 50,000 shares. Thinly Traded Equity/Equity related securities will be fair valued as per procedures determined by the AMC and approved by Trustee of Baroda Pioneer Mutual Fund, in accordance with the SEBI Regulations and related circulars. Further it is clarified that in order to determine whether a security is thinly traded or not, the volumes traded in all recognized stock exchanges in India may be taken into account.
- In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the Asset Management Company/Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

- Where a stock exchange identifies the “thinly traded” securities by applying the above parameters for the preceding calendar month and publishes/provides the required information along with the daily quotations, the same can be used by the scheme.
- If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of BPMF to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.

Non-Traded Securities

- Non-traded Equity / Equity related securities are those securities when it is not traded on any stock exchange for a period of thirty days prior to the valuation date. Non-traded Equity / Equity related Securities will be fair valued as per procedures determined by the AMC and approved by Trustee of BPMF in accordance with the SEBI Regulations and related circulars.

Valuation of Thinly Traded / Non-traded Securities

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

(i) Thinly traded /Non-traded equity/equity related securities:

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

- Net Worth per share = [share capital reserves (excluding revaluation reserves) - Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
- Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.
- In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.
- In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.

To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.

Valuation of securities not covered under the current valuation policy:

In case securities purchased by BPMF do not fall within the current framework of the valuation of securities then BPMF shall report immediately to AMFI regarding the same. Further, at the time of investment, the AMC shall ensure that the total exposure in such securities does not exceed 5% of the total AUM of the scheme. In the interim period, till AMFI makes provisions to cover such securities in the valuation of securities framework, the AMC shall value such securities using its proprietary model which has been approved by the Trustee.

Unlisted Equity Shares

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

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

Shares plus Number of Shares that would be obtained on conversion / exercise of Outstanding Warrants and Options].

The lower of (i) and (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below.

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

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

- i. All calculations as aforesaid shall be based on audited accounts.
- ii. In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- iii. If the net worth of the company is negative, the share would be marked down to zero.
- iv. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.
- v. In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.

At the discretion of the AMC and with the approval of the trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

Warrants

In respect of warrants to subscribe for shares attached to instruments, the warrants would be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures shall be deducted to account for the period, which must elapse before the warrant can be exercised.

Partly Paid-up Equity Shares

If the partly paid-up equity shares are traded in market separately then the same shall be valued at traded price (like any other equity instrument). If the same is not traded separately then partly paid equity shares shall be valued at Underlying Equity price as reduced by the balance call money payable.

Rights Shares

Until they are traded, the value of "rights" shares shall be calculated as:

$$V_r = n \div m \times (P_{ex} - P_{of})$$

Where

V_r = Value of rights
 n = no. of rights offered
 m = no. of original shares held
 P_{ex} = Ex-rights price
 P_{of} = Rights Offer Price

Where the rights are not treated *pari passu* with the existing shares, suitable adjustments shall be made to the value of the rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value. In case the Rights Offer Price is greater than the ex-rights price, the value of the rights share shall be taken as zero.

Preference Shares

Traded securities shall be valued at the last quoted closing price on the NSE/BSE or other stock exchange. NSE will be the primary stock exchange. In case of not traded for more than 30 days, the same shall be valued by the Valuation Committee at a price after applying illiquidity discount as considered appropriate, to the last traded price.

Demerger and Other Corporate Action Events:

On de-merger following possibilities arise which influence valuation these are:

- (a) Both the shares are traded immediately on de-merger: In this case both the shares are valued at respective traded prices.
- (b) Shares of only one company continued to be traded on de-merger: Traded shares is to be valued at traded price and the other security is to be valued at traded value on the day before the de merger less value of the traded security post de merger or AMC shall provide the fair valuation for the same. In case value of the share of de merged company is equal or in excess of the value of the pre de merger share, then the non-traded share is to be valued at zero.
- (c) Both the shares are not traded on de-merger: Shares of de-merged companies are to be valued equal to the pre de merger value up to a period of 30 days from the date of demerger. The market price of the shares of the de-merged company one day prior to ex-date can be bifurcated over the de-merged shares. The market value of the shares can be bifurcated in the ratio of cost of shares.

In case shares of both the companies are not traded for more than 30 days, these are to be valued as unlisted security or AMC shall provide the fair valuation for the same.

In case of any other type of capital corporate action event, the same shall be valued at fair price on case to case basis with necessary approval of valuation committee.

Investments in Mutual Fund Schemes:

Investments in mutual fund schemes shall be valued on the closing NAV of the on the valuation date.

Derivative Products

- a. Equity / Index Options Derivatives
Market values of traded open option contracts shall be determined with respect to the exchange on which contract originally, i.e. an option contracted on the National Stock Exchange (NSE) would be valued at the settlement price on the NSE. When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange. The unrealized appreciation / depreciation on all open positions shall be considered for determining the NAV.
- b. Equity / Index Futures Derivatives
Market values of traded futures contracts shall be determined with respect to the exchange on which contracted originally, i.e., futures position contracted on the National Stock Exchange (NSE) would be valued at the settlement price on the NSE. When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange.

Convertible debentures and bonds

The non-convertible and convertible components of convertible debentures and bonds shall be valued separately. The non-convertible component would be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded paripassu with an existing instrument, which is traded, the value of later instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding conversion. While valuing such instruments, the fact whether the conversion is optional will also be factored in.

Illiquid Securities

Aggregate value of "illiquid securities" of scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.

Foreign Securities

There are no specific SEBI guidelines on valuation of foreign securities at present. In the absence of any guidelines, the following policy will be followed:



Any security issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed. However in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation will be backed by reasons for such change being recorded in writing by the AMC. Further in case of extreme volatility in the overseas markets, the securities listed in those markets may be valued on a fair value basis.

If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis.

When on a particular valuation day, a security has not been traded on the selected stock exchange, the security will be valued in accordance with SEBI guidelines applicable for security listed in India.

In case of investment in foreign debt securities, on the valuation day, the securities shall be valued in line with the valuation norms specified by SEBI for Indian debt securities.

However, in case valuation for a specific debt security is not covered by the SEBI Regulations, then the security will be valued on fair value basis.

Due to difference in time zones of different markets, closing price of overseas securities/ units of overseas mutual fund may be available only after the prescribed time limit for declaration of NAV in India. In such cases, the NAV of the Scheme for any Business Day (T day) will be available on the next Business Day (T+1 day) and the same shall be posted, on each Business Day, on BPMF's website and on the AMFI website - www.amfiindia.com on date of computation of NAV.

On the valuation day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Bloomberg / Reuters / RBI at the close of banking hours in India. The Trustee reserves the right to change the source for determining the exchange rate.

The exchange gain / loss resulting from the aforesaid conversion shall be recognized as unrealized exchange gain / loss in the books of the scheme on the day of valuation.

Further, the exchange gain / loss resulting from the settlement of assets / liabilities denominated in foreign currency shall be recognized as realized exchange gain/ loss in the books of the scheme on the settlement of such assets / liabilities.

Non-Performing Assets (NPA)

An "asset" shall be classified as non performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income / installment has fallen due. The valuation of Non Performing Assets (NPA) would be in accordance with SEBI Circular, MFD/CIR/8/92/2000 dated September 18, 2000 and SEBI Circular no. MFD / CIR /14/088 / 2001 dated March 28, 2001 as amended from time to time.

Investments in Gold

Gold Exchange Traded Fund will invest in physical gold. Since physical gold and other permitted instruments linked to gold are denominated in gold tonnage, it will be valued based on the market price of gold in the domestic market and will be marked to market on a daily basis. The market price of gold in the domestic market on any Business Day would be arrived at as under:

Value of gold:

The market price of gold in the domestic market on any Business Day would be arrived at as under:

(1) The gold held by the scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:

- (a) adjustment for conversion to metric measures as per standard conversion rates;
- (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
- (c) addition of -
 - (i) transportation and other charges that maybe normally incurred in bringing such gold from London to the place where it is actually stored on behalf of BPMF; and
 - (ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from London to the place where it is actually stored on behalf of BPMF;

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of BPMF:

Provided further that where the gold held by a scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this subparagraph.

(2) VAT may be treated as current assets and may not be included in valuation.

(3) If the gold acquired by the scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of subparagraph (1).

The Trustee reserves the right to change the source (centre) for determining the exchange rate. The AMC shall record in writing the reason for change in the source for determining the exchange rate. The valuation guidelines as outlined above are as per the SEBI Regulations and are subject to change from time to time in conformity with changes made by SEBI.

Inter-scheme transfers

All inter-scheme transfer of securities will be carried out at weighted average price/ yield till the time of the inter-scheme.

- For securities with residual maturity of above 1 year: At least two trades aggregating to INR 25 crores or more on a public platform.
- For securities with residual maturity less than 1 year: At least three trades aggregating to INR 100 crores or more. Trades reported on CDSIL would be considered for valuation.

In the absence of traded price, such transfers shall be valued at previous day's closing prices.

Self Trades

A self traded security (including inter-scheme) with face value of at least Rs. 5 crore, will be recognized at weighted average YTM for valuation across all schemes for securities with residual maturity ≤ 60 days in case the same is not traded on a public platform.

Exceptional Events

Following types of events could be classified as exceptional events where current market information may not be available / sufficient for valuation of securities:

- a. Major policy announcements by the Central Bank, the Government or the Regulator.
- b. Natural disasters or public disturbances that force the markets to close unexpectedly.
- c. Absence of trading in a specific security or similar securities.
- d. Significant volatility in the capital markets.

In case the Fund Manager(s) of the AMC is of the opinion that the price provided by AMFI appointed agencies (currently CRISIL and ICRA) does not reflect the fair value of a security, the same shall be valued on the basis provided by the Valuation Committee.

Other requirements

- Investment in new types of securities/assets by the schemes of BPMF shall be made only after establishment of the valuation methodologies for such securities with the approval of the Board of Directors of the AMC.
- This policy shall be reviewed at least once a year to ensure the appropriateness and accuracy of the methodologies used and their effective implementation in valuing the securities/assets of the schemes of BPMF.
- The Board of Directors of the AMC and Trustee shall be updated of all relevant developments at appropriate intervals, preferable on an annual basis.
- The policy shall be reviewed at least once in a financial year by an independent auditor to seek to ensure its continued appropriateness.
- Any deviation from Policy may be allowed, subject to approval of the Chief Executive Officer, by whatever designation called, with appropriate reporting to the Board of Directors of the AMC and Trustee and appropriate disclosures to investors.
- Documentation of rationale for valuation including inter-scheme transfers shall be maintained and preserved by the AMC as required under the SEBI Regulations.

V. TAX, LEGAL & GENERAL INFORMATION

A. TAXATION ON INVESTING IN MUTUAL FUND

The following tax implications are provided for general information purposes only, based on the law prevalent as on the date of this document and also incorporating the amendments made in the Finance Act, 2017. These implications will have to be determined taking into account the specific facts of each individual case. Further, in the event of amendments to legislation pertaining to taxation from time to time, the nature and / or quantum of such benefits / implications is / are subject to change.

Accordingly, it is recommended that investors should appropriately consult their tax consultant with respect to the specific tax implications arising out of their participation in the schemes of the Mutual Fund.

I. To the Mutual Fund:

Income in the hands of the Mutual Fund

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

Mutual Funds may invest in the units of securitisation trusts. The key features of the taxation regime for securitisation trusts are as under:

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

The income received by the Mutual Fund is not liable for deduction of income-tax at source as per the provisions of Section 196(iv) of the Act. Where the Mutual Fund receives any income from investments made in overseas jurisdiction, it may be subject to withholding in the relevant jurisdiction from which the income is received. As the income of the Mutual Fund is exempt from tax in India, credits / refunds in respect of such foreign taxes may not be available in India.

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

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

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

Tax on distribution of income by the Mutual Fund to unit holders

Under Section 115R of the Act, income distribution, if any, made by the Mutual Fund to the unit holders of its schemes will attract a distribution tax at the following rates:

- **In case of Money Market Mutual Fund or Liquid Fund:**

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

- **In case of other than Equity Oriented Fund, not being a Money Market Mutual Fund or a Liquid Fund (including infrastructure debt funds):**

- @ 25% plus surcharge on such income-tax @ 12% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to individuals and HUFs;
- @ 30% plus surcharge on such income-tax @ 12% and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case of income distributed to persons other than individuals and HUFs;
- Additional income-tax @ 5% plus surcharge on such income-tax @ 12% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case of income distributed to a non-resident by a mutual fund under an infrastructure debt fund scheme.

Clause (b) to the second proviso to Section 115R(2) of the Act provides exemption to equity oriented mutual funds from paying distribution tax on income distributed to its unit holders.

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

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

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

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

The expression, "equity oriented fund" has been defined under Explanation (b) to Section 115T of the Act to include a scheme where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of the scheme. Further, as per the proviso to the Explanation (b) to section 115T, the percentage of equity shareholding of the scheme shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

II. To the unit holders:

Deduction from total income

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

The expression, "ELSS" refers to a scheme issued in terms of the Equity Linked Savings Scheme, 2005, as notified by the Central Board of Direct Taxes ("CBDT"), Ministry of Finance, vide notification dated November 3, 2005 as amended vide notification dated December 13, 2005.

Under section 80CCG of the Act, an assessee who is a resident individual with a gross total income of up to Rs. 12 lakhs can invest in eligible securities (which includes units of certain listed mutual funds schemes) under Rajiv Gandhi Equity Savings Scheme, 2013 ('RGESS') in accordance with the scheme as notified by the Central Government and claim a tax benefit on 50% of the amount invested to the extent the deduction does not exceed Rs. 25,000. Deduction with respect to investment in RGESS is extended from one year to three consecutive years beginning with the year in which such units were first acquired. Investors may note that, eligibility for deduction under section 80CCG of the Act shall be subject to compliance with various provisions of the scheme as notified by the Central Government and other applicable tax laws. No deduction under section 80CCG of the Act shall be allowed from AY 2018-19 onwards. However, in case any assessee who has acquired units of equity oriented scheme and claimed deduction upto AY 2017-18, shall be allowed deduction till AY 2019-20, if he is otherwise eligible to claim deduction in accordance with the provisions of section 80CCG of the Act.

Securities Transaction Tax

Under Chapter VII of Finance (No. 2) Act, 2004, the Unit holder is liable to pay a Securities Transaction Tax ("**STT**") in respect of taxable securities transactions, at the applicable rates. Taxable securities transactions include purchase or sale of units of an equity oriented fund, entered into on the stock exchange or sale of units of an equity oriented fund to the mutual fund.

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

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

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

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

The STT paid by the assessee during the year in respect of taxable securities transactions entered in the course of business shall be allowed as deduction under Section 36 of the Act, subject to the condition that such income from taxable securities transactions is included under the head, 'profits and gains of business or profession'. However, STT is not deductible for the computation of capital gains, if the gains on sale of securities are considered to be in the nature of capital gains.

Gains on transfer/redemption of units

Under the provisions of Section 10(35) of the Act, any income (other than income arising from transfer of units) received by any person in respect of the units of any scheme of the Mutual Fund is exempt from income-tax.

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

However, the CBDT has issued a circular no. 6/ 2016 dated February 29, 2016 which states the following:

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

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

As per section 2(14) of the Act, any investment in securities made by Foreign Institutional Investors/Foreign Portfolio Investors ("FIIs/FPIs") [As per Notification No. 9/2014 dated 22 January 2014, the Central Government has specified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as 'Foreign Institutional Investor' for the purposes of clause (a) of the Explanation to section 115AD of the Act.] in accordance with the regulations made under the Securities and Exchange Board of India would be treated as a capital asset. Consequently, any income arising from transfer of securities by FIIs/FPIs are to be treated in the nature of capital gains.

• Business Income

Where units of the Mutual Fund are regarded as business asset, any gain arising from the transfer / redemption of units would be taxed under the head, 'Profits and Gains of Business or Profession', under Section 28 of the Act. The gain / loss is to be computed under the head, 'Profits and Gains of Business or Profession', after allowing normal business expenses (inclusive of the expenses incurred on transfer).

Business Income is chargeable to tax at the following rates:

| Assessee | % of Income-tax |
|---|-----------------------|
| Individuals, HUF, Association of Persons | Applicable Slab Rates |
| Domestic company having turnover/gross receipts not exceeding INR 50 crore in financial year 2015-16 | 25% |
| Partnership Firms [including Limited Liability Partnerships ('LLPs')] & Indian Corporates & Domestic Company (having turnover/gross receipt exceeding INR 50 crore in financial year 2015-16) | 30% |
| Foreign Company | 40% |

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

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

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

• Capital Gains

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

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

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

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

- Long term capital gains

In case of other than Equity Oriented Fund, including Money Market Mutual Fund or a Liquid Fund

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

As per Section 112 of the Act, tax on income on long term capital gains arising from the transfer of units shall be taxable at the rate of 20% plus applicable surcharge and education cess and secondary and higher education cess @ 3% on

the amount of tax and surcharge, on the long-term capital gain computed after claiming indexed cost of acquisition in place of the cost of acquisition.

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

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

The benefit of indexation will also not be available to FIIs/FPIs, who are taxed under Section 115AD of the Act @ 10% plus applicable surcharge and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge.

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

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

| Eligible persons | Section 54EC | Section 54F | Section 54EE |
|---|--|---|---|
| | All assesses | Individual and HUFs | All assesses |
| Asset to be purchased to claim exemption | Specified Bonds of National Highways Authority of India and Rural Electrification Corporation Limited (cap of Rs. fifty lakhs in a financial year) | One residential house in India | Long term specified asset - i.e. units issued before 1 April 2019, by any fund notified by the Central Government. (cap of INR 50 lakhs in any financial year in any long term specified asset post 1 April 2016) |
| Time-limit for purchase from date of sale of MF units | 6 months | Purchase: 1 year backward / 2 years forward & Construction: 3 years forward | 6 months |
| Amount Exempt | Investment in the new asset or capital gain whichever is lower | Capital gains proportionate to the investment made from the sale proceeds (subject to other conditions of owning / purchasing residential house mentioned in the section) | Investment in the new asset or capital gain whichever is lower |
| Lock-in period | 3 years | 3 years | 3 years |

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

In case of Equity Oriented Funds, including ELSS

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

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

Units of an equity oriented fund, including ELSS, being subjected to STT, long term capital gains arising from transfer of such units are exempt under section 10(38) of the Act. The mutual fund would recover STT from the unit holder as per the applicable rates.

- Short-term Capital Gains

In case of other than Equity Oriented Fund, including Money Market Mutual Fund or a Liquid Fund

Short term capital gains arising from the transfer of units of schemes other than equity oriented scheme will be chargeable to tax as under:

Short term capital gains are taxed at the normal rates applicable to each Unit holder. In case where the taxable income as reduced by short-term capital gains of a resident individual or HUF is below the taxable limit, the Short-term Capital gain will be reduced to the extent of such shortfall and only the balance short-term capital gain is chargeable to Income-tax.

In case of Equity Oriented Fund

Short-term capital gains arising from transfer of units of an equity oriented fund (as defined under section 115T of the Act), being subjected to STT will be charged to tax under section 111A of the Act @ 15% (plus applicable surcharge, education cess and secondary and higher education cess). The Mutual Fund will recover STT from the Unit holder at the applicable rates when the units are re-purchased by the mutual fund/ redeemed by the investor.

In cases where the taxable income as reduced by short term capital gains of a resident individual and Hindu Undivided family is below the taxable limit, the short term capital gain will be reduced to the extent of such shortfall and only the balance short term capital gain will be chargeable to income-tax.

• Capital losses

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

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

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

• Consolidation / Merger of schemes

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

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

• Consolidation of plans within a scheme of a mutual fund

- In case of consolidation of mutual fund plans within a scheme, the investors generally receive units in the consolidated plan in consideration of units held in the consolidating plan. As per section 47(xix) of the Act, any

transfer of units (held by the investor as a capital asset) on account of a consolidation of a plan with other plans of the same scheme shall not be regarded as a taxable transfer.

- The Finance Act, 2017, has provided that the cost of acquisition of the units in the consolidated plan shall be the cost of units in consolidating plan. Furthermore, the period of holding of the units of consolidated plan shall include the period for which the units in consolidating plan were held by the assessee.
- 'Consolidating plan' means the plan within a scheme of a mutual fund which merges under the process of consolidation of the plans within a scheme of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. 'Consolidated plan' means the plan with which the consolidating plan merges or which is formed as a result of such merger.

Minimum Alternate Tax/Alternate Minimum Tax

Where, the income tax payable on the total income as computed under the Act is less than the tax computed at 18.5% of its book profits, then such book profits shall be deemed to be the total income of the company and the tax payable should be at the rate of 18.5% (plus applicable surcharge and cesses) on such book profits.

Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income-tax payable in a financial year. This credit should be eligible to be carried forward for 15 years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year.

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

The taxable income on transfer of Mutual Fund units by a person other than company would be taken into account in computing the Adjusted Total Income and Alternate Minimum Tax, if any, under section 115JC of the Act. Section 115JC is applicable to all persons other than company which has claimed any deduction under Chapter VI-A under the heading 'C- Deductions in respect of certain incomes' (other than section 80P) or section 10AA.

Deduction of income-tax at source from Capital Gains

- **Resident unit holders**

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

- **Non-resident unit holders**

- **FII/FPIs**

As per the provisions of Section 196D of the Act, no deduction of tax shall be made from any income, by way of capital gains arising from the transfer of securities referred to in Section 115AD, payable to a FII/FPI.

- **In case of funds other than Equity Oriented Fund under the Act**

A) Non-Resident unit holders

Income-tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains:

- On income by way of long-term capital gains @ 20% (plus applicable surcharge and education cess and secondary and higher education cess)
- On income by way of long-term capital gains on unlisted securities (without giving effect to first & second proviso to section 48) @ 10% (plus applicable surcharge and education cess and secondary and higher education cess)
- On income by way of short-term capital gains @ 30% (plus applicable surcharge and education cess and secondary and higher education cess)

A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the Double

Tax Avoidance Agreement ('DTAA'), whichever is more beneficial to the assessee. However, the Unit holder will be required to provide appropriate documents to the Mutual Fund, to be entitled to a beneficial rate under such DTAA.

As per section 90(4) of the Act, a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate ('TRC') of being a resident of his home country. Furthermore, as per section 90(5) of the Act, a non-resident is also required to furnish duly complied form 10F alongwith other supporting documents, if called for by the income-tax authorities.

B) Offshore Fund unit holders

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

Income-tax is required to be deducted at source on any payment of any sum chargeable under the provisions of the Act to a non-resident under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA, whichever is more beneficial to the assessee. However, the Unit holder will be required to provide appropriate documents to the Mutual Fund, to be entitled to a beneficial rate under such DTAA.

As per section 90(4) of the Act, a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a TRC) of being a resident of his home country. Furthermore, as per section 90(5) of the Act, a non-resident is also required to furnish duly complied form 10F alongwith other supporting documents, if called for by the income-tax authorities.

In case of 'Equity Oriented Fund' for Non-Resident unit holders (including Offshore fund unit holders)

Income-tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains:

- Income by way of long-term capital gains arising from transfer of units subject to STT is exempt from tax.
- On income by way of short-term capital gains arising from transfer of units subject to STT taxable under section 111A @ 15% (plus applicable surcharge and education cess and secondary and higher education cess).

Income-tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA, whichever is more beneficial to the assessee. However, such a non-resident unit holder will be required to provide appropriate documents to the Mutual Fund, to be entitled to a beneficial rate under such DTAA.

As per section 90(4) of the Act, a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a TRC) of being a resident of his home country. Furthermore, as per section 90(5) of the Act, a non-resident is also required to furnish duly complied form 10F alongwith other supporting documents, if called for by the income-tax authorities.

Default in furnishing the PAN

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

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

However, CBDT has issued a notification no. 53/2016 dated June 24, 2016 wherein a new rule 37BC was introduced in the Income - tax Rules, 1962. This notification provides that in the case of a non-resident, not being a company, or a foreign company (hereafter referred to as the deductee) not having a PAN, the provisions of section 206AA of the Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, if the deductee furnishes the following details and documents to the deductor:

- name, e-mail id, contact number of the deductee;
- address in the country or specified territory outside India of which the deductee is a resident;

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

Dividend Stripping

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

Bonus Stripping

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

III. Religious and Charitable Trust

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

IV. New Pension Scheme

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

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

V. Gift-tax

The Gift –Tax Act, 1958 has been repealed since October 1, 1988. Gift of units of mutual fund units would be subject to income-tax in the hands of the donee. As per section 56(2)(x), receipts of securities, fair market value of which exceeds fifty thousand rupees, without consideration or without adequate consideration is taxable as income in the hands of recipients.

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

- from any relative; or
- on the occasion of the marriage of the individual; or
- under a will or by way of inheritance; or
- in contemplation of death of the payer or donor, as the case may be; or
- from any local authority as defined in the Explanation to clause (20) of section 10 of the Act; or
- from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 of the Act; or\
- from any trust or institution registered under section 12AA of the Act; or
- By any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (vii) of clause (23C) of section 10; or
- By way of transaction not regarded as transfer under clause (i) or clause (vi) or clause (vii) or clause (viii) or clause (viii) or clause (viii) or clause (viii) or clause (viii) of section 47; or

- (j) From an individual by a trust created or established solely for the benefit of relative of the individual.

The term 'relative' shall mean:

a) In the case of an Individual -

- (i) The spouse of the individual;
- (ii) The brother or sister of the individual;
- (iii) The brother or sister of the spouse of the individual;
- (iv) The brother or sister of either of the parents of the individual;
- (v) Any lineal ascendant or descendant of the individual;
- (vi) Any lineal ascendant or descendant of the spouse of the individual;
- (vii) The spouse of the person referred to in clauses (ii) to (vi), and

b) In case of a HUF, any member thereof.

B. LEGAL INFORMATION

A. NOMINATION FACILITY

- Pursuant to Regulation 29A of the Regulations, the Mutual Fund / individual investors are required to nominate (in the manner prescribed under the Regulations), a person / persons in whom the Units held by him / her shall vest in the event of his / her death.
- An investor can, at the time an application is made, or by subsequently writing to the Registrar / the AMC, request for a nomination form in order to nominate one or more persons to receive the Units upon his/her death, subject to the completion of certain necessary formalities and furnishing of such documents as may be required from the nominee in favour of and to the satisfaction of the AMC / Registrar.
- Nomination can be made only by individuals applying for / holding units on their own behalf singly.
- Nomination shall be mandatory for all new singly held folios of individual investors. Investors who do not wish to nominate are required to sign a declaration separately at the time of making an application for purchase of Units confirming their non-intention to nominate. In such cases, claims for redemption / transmission will be settled by the AMC/Mutual Fund as per the Transmission Policy.
- Where the mode of holding is joint, nomination is not mandatory; however a separate declaration indicating the wish not to nominate shall be given in this case. So, investors who do not wish to nominate must sign separately confirming their intention to not nominate.
- Nomination shall not be permitted if the investment is on behalf of a minor. However, minors can be nominated and in that event, the name, address & signature of the guardian of the minor nominee(s) shall be provided by the applicant.
- The nominee shall not be a trust, society, body corporate, partnership firm, member of an HUF or a Power of Attorney holder. An NRI can be a nominee, subject to the policy of exchange control for the time being in force.
- Nomination in respect of the units stands rescinded upon transfer / transmission / switch-over of units.
- Transfer of units in favour of the nominee(s) shall be valid discharge by the AMC against the legal heirs, executors, administrators, etc.
- Cancellation of nomination can be made only by those individuals who hold units in their own name, either solely or jointly, and who have originally made the nomination.
- On cancellation of nomination, the nomination shall stand rescinded and the AMC shall not be under any obligation to transfer the units in favour of the nominee(s).

- The rights in the units will vest in the nominee(s) only upon the death of all unit holders.
- Nomination can be made in favour of a maximum of three nominees. In case of multiple nominees, the percentage of the allocation / share shall be in whole numbers (without any decimals), making a total of 100%. In the event of the applicants not indicating the percentage of allocation/share for each of the nominees, the AMC, by invoking the default option, will settle the claim equally amongst all the nominees.
- Nomination will be maintained at the folio / account level and will be applicable for all investments in that folio or account.
- Where a folio has joint holders, all joint holders shall sign the request for nomination, even if the mode of holding is not "joint".

B. KYC REQUIREMENTS

- In terms of the Prevention of Money Laundering Act, 2002, the Rules issued thereunder and the guidelines / circulars issued by SEBI and AMFI regarding Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to verify and maintain records of all its investors through the mandated KYC process.
- To simplify KYC norms and make them more investor friendly and uniform across all intermediaries registered with SEBI, SEBI has recently laid down certain changes in the KYC process. The primary objective behind this is to eliminate duplication of KYC across intermediaries in the securities market. For this purpose, KYC registration is being centralized through KRAs registered with SEBI. Thus, each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRAs. CDSL Ventures Ltd. ("CVL"), who was retained by mutual funds for centralized registration and record keeping of KYC records, has obtained SEBI registration as a KRA.
- SEBI has mandated an In Person Verification ("IPV") of clients to be carried out as part of KYC. IPV shall be a one-time process, and once it is carried out by an intermediary, may be relied upon by other intermediaries also. For mutual funds, IPV may be carried out by the AMC or by the Registrar, or by Know Your Distributor ("KYD") compliant distributors who hold valid certifications issued by the National Institute of Securities Market ("NISM") / AMFI for their own clients or by Scheduled Commercial Banks ("SCB").
- Under the new uniform KYC norms, the following shall be applicable for investing in the Schemes of the Mutual Fund:
 - For New Investors who are not KYC compliant under the erstwhile or new KYC norms:
 - a. KYC Application Form available on the website www.barodapioneer.in;
 - b. IPV / Document verification to be done by the Registrar / the AMC / KYD compliant distributors / SCBs;
 - c. Acknowledgement will be issued to the investor to facilitate subsequent investments from the investor;
 - d. KYC application and necessary documents should either come along with a financial transaction or when the account is opened. This is in line with demat and bank account opening process.
 - New Investors who have already done their KYC with any other SEBI registered intermediary under the new KYC norms will not be required to do KYC again.
 - Existing investors in the mutual fund Industry who are KYC compliant will not be required to do KYC again. Investors who have completed their Centralised KYC (CKYC) and have obtained KYC Identification Number (KIN) from the Central KYC Records Registry (CKYCR), may quote their KIN while investing.
 - KYC compliance with a KRA and enclosing the KYC Acknowledgement along with the application form are mandatory for all investors, including individuals, non-individuals, NRIs and channel investors, irrespective of the amount of application / value of transaction.
 - Applicants applying for units through a Power of Attorney must ensure that the KYC Acknowledgement of both the issuer of the Power of Attorney and the holder of the Power of Attorney are enclosed along with the application form. The KYC Acknowledgement referred above will be issued by the KRA when an investor submits to the KRA, a KYC application and the prescribed documents. This KYC Acknowledgement is issued

by the KRA as a token of having verified the identity and address of the investor(s) and for efficient retrieval of records.

- KYC status will be validated with the records of the KRA before allotting units. The Mutual Fund / the AMC will not be held responsible and / or liable for rejection of KYC Form by the KRA. Where it is not possible to verify the KYC compliance status of the investor at the time of allotment of units, the Registrar / the AMC / the Trustee shall verify the KYC compliance status of the investor within a reasonable time after the allotment of units. In the event of non-compliance of KYC requirements, the Trustee / the AMC reserves the right to freeze the folio of the investor(s) and effect mandatory redemption of unit holdings of the investors at the applicable NAV, subject to levy of exit load, if any.
- Investors may note that they need to comply with the KYC requirements by submitting requisite documents to the Registrar / the AMC / the Mutual Fund or any SEBI registered KRA and attaching the KYC Acknowledgement with the application form. For more information, please log on to www.cvlindia.com / www.amfiindia.com, before investing.

Applications are liable to be rejected, if KYC requirements are not complied with by all the applicants, and if KYC acknowledgement is not enclosed with the application form.

- KYC applicability norms for various investor categories may change anytime in future. Hence, with a view to avoiding rejections, investors are requested to apprise themselves about KYC applicability before submitting their transactions.

Implementation of Central Know Your Client ("CKYC") effective February 1, 2017

- Pursuant to the SEBI circular nos. CIR/MIRSD/ 66 /2016 dated July 21, 2016 and CIR/MIRSD/120 /2016 dated November 10, 2016 and AMFI Best Practices Guidelines Circular No. 68 / 2016 - 17 dated December 22, 2016, pertaining to implementation of Central Know Your Client ("CKYC"), individual investors investing in the mutual fund for the first time who are not KYC compliant under the KYC Registration Agency ("KRA") regime, shall use the new CKYC form for complying with the CKYC requirements.
- In case the first time investor uses the old KYC form, such investor shall provide additional / missing information using the "Supplementary CKYC form" or fill the new CKYC form. Such supplementary CKYC form will be accepted only for a limited period by the Mutual Fund.
- Individual investors who have completed CKYC, can invest in the Mutual Fund using their 14 digit KYC Identification Number. In case of minors, the KIN of the guardian shall be applicable.
- In case PAN of an investor is not updated in Central KYC Records Registry ("CKYCR") system, the investor shall be required to submit a self-certified copy of his/her PAN card at the time of investment.
- Electronic KYC (EKYC) facility offered by the Mutual Fund has been suspended effective February 1, 2017 until further notice.
- The new CKYC and Supplementary CKYC forms are available on our website (www.barodapioneer.in). Investors are requested to refer to our website for more information.

Ultimate Beneficial Ownership ("UBO")

Existing non- individual Unitholders shall update/provide the beneficial ownership details in order to continue additional subscriptions (including switches) in the schemes of the Mutual Fund, failing which their applications/requests for additional subscription (including switches) shall be liable to be rejected.

Uniform implementation of KYC requirements

- Existing Unitholders shall mandatorily provide additional KYC information (as prescribed in Part II of the Account Opening Form) such as Gross Annual Income details, Occupation, Politically Exposed Person (PEP), Net Worth, etc. for additional subscriptions (including switches) in the schemes of the Mutual Fund.
- Existing Unitholders shall provide the missing KYC information and complete In-Person Verification (IPV) for additional subscriptions (including switches) in the schemes of the Mutual Fund.

The provisions mentioned above are applicable only to those Unitholders who have not fulfilled the said requirements. The AMC reserves the right to reject the purchase / switch in transactions if the missing KYC information is not provided.

or IPV is not completed. Further, the above requirements shall not apply to SIP, STP and Dividend Sweep mandates in the existing folios, if registered prior to January 01, 2016.

C. FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")

As mentioned by SEBI in its circular no. CIR/MIRSD/2/2014 dated Aug 26, 2015, India and the United States of America ("USA") have signed an agreement on July 9, 2015, on the terms of an Inter-Governmental Agreement ("IGA") to implement Foreign Accounts Tax Compliance Act ("FATCA") to implement FATCA on August 31, 2015. Further, the Organization of Economic Development ("OECD") along with G-20 countries has released a 'Standard for Automatic Exchange of Financial Account Information in Tax Matters' commonly known as Common Reporting Standard ("CRS"). India is signatory to the Multilateral Competent Authority Agreement ("MCAA") for the purposes of CRS.

The AMC / Mutual Fund is classified as "Foreign Financial Institution" under the FATCA provisions. The intention of FATCA is that the details of U.S. investors holding assets outside the U.S. will be reported by financial institutions to the United States Internal Revenue Service (IRS), as a safeguard against U.S. tax evasion. As a result of FATCA, and to discourage non-U.S. financial institutions from staying outside this regime, financial institutions that do not enter and comply with the regime will be subject to a 30% withholding tax with respect to certain U.S. source income.

Under the FATCA regime, this withholding tax applies to payments that constitute interest, dividends and other types of income from the US sources. The AMC / Mutual Fund would be required to collect relevant information(s) from the investors towards FATCA / CRS compliance and report information on the holdings or investment to the relevant authorities as per the stipulated timelines.

Applicants are required to refer to the information on FATCA contained in the application form. Signing up of declaration or filling up of indicia, as applicable, is mandatory, in the absence of which, the applications are liable to be rejected.

Investors are requested to note that under the alternative procedure provided in Rule 114H(8) of the Income-tax Rules, 1962, the financial institutions were needed to obtain self-certification and carry out due diligence in respect of all individual and entity accounts opened from 1st July 2014 to 31st August 2015. Such self-certification and documentation was required to be obtained by the financial institutions by 31st August 2016, otherwise they were required to close the accounts and report the same if found to be a "reportable account" as per the prescribed due diligence procedure for pre-existing account. In view of the difficulties highlighted by stakeholders in following the provision for "closure" of financial accounts, it was informed vide Press Release dated 31st August 2016 issued by Ministry of Finance, Government of India, that the revised time line shall be notified in due course.

Investors are requested to note that Ministry of Finance, Government of India, has vide its Press Release dated 11th April 2017, informed the revised timeline for self-certification which is 30th April 2017. In case of investors who have not completed their self-certification by 30th April, 2017, the AMC shall block / freeze the unremediated folio(s) and shall not process any transaction which is initiated by the investor in such folio(s) unless self-certification is provided by the investor and due diligence is completed by the AMC.

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

D. LISTING AND TRANSFER OF UNITS

For open ended schemes, units are not listed on any stock exchange, while all, the close-ended schemes will be listed on a recognized stock exchange. However, the Mutual Fund may, at its sole discretion, list the units on one or more stock exchanges at a later date. The Mutual Fund will offer and redeem Units at the Applicable NAV. If a person becomes a unit holder in a scheme consequent to operation of law, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the units. Similarly, in cases of transfers taking place consequent to death or insolvency, the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence and if the transferee is otherwise eligible to hold the units. In all such cases, if the transferee is not eligible to hold the units, the units will be redeemed and the proceeds will be disbursed to the transferee if such transferee is entitled to the same.

Units held in demat mode in any of the schemes of the Mutual Fund shall be freely transferable.

Investors may note that restrictions on transfer of units of Baroda Pioneer ELSS '96 during the lock-in period shall continue to be applicable as per the ELSS guidelines.

E. Pledge of Units

The Units standing to the credit of the unit holder under the Scheme(s) (subject to completion of lock-in period, if any) may be offered by the unit holder (i.e. Pledgor) as security by way of a pledge / creation of a charge in favour of Pledgee viz. scheduled banks, financial institutions, non-banking finance companies (NBFC's) or any other entity. Upon a specific authorisation request made by a unit holder and upon completing necessary documentary formalities by the unit holder, the Mutual Fund/AMC will instruct the Registrar to create a pledge/ charge in favour of the Pledgee on the Units as may be requested by the Pledgor Unitholder. A standard form for this purpose is available on request from any of the ISCs. No pledge or charge shall be recognised by the Mutual Fund/AMC unless it is registered with the AMC/Registrar. Disbursement of loans will be at the sole discretion of the banks / financial institutions / NBFCs or any other body concerned and the Mutual Fund/AMC assumes no responsibility thereof. The Pledgor Unitholder will not be able to redeem/switch-out the Units that are pledged in favour of the Pledgee during the term of pledge or until the Pledgee provides written authorisation to the Mutual Fund/AMC that the Pledgor Unitholder has been absolved of the financial obligations towards the Pledgee and that the pledge / charge may be removed/vacated. As long as the Units are pledged/under charge, the Pledgee will have complete authority to redeem/transact in respect of such Units. If by enforcing the pledge /charge, the Pledgee seeks to transfer the Units in its own name, then in such event the Mutual Fund/AMC shall be obliged to comply with the said request, provided all the necessary documentary evidence is made available to the satisfaction of the Mutual Fund / AMC. Upon such transfer to the Pledgee, the Mutual Fund/AMC shall be discharged of all its liabilities in respect of the unit holdings towards the Pledgor Unitholder.

An intimation of the invocation of the pledge/charge will be sent to the Pledgor Unitholder. The Mutual Fund/AMC thereafter shall not be responsible for any claims made and/or losses incurred by the Pledgor Unitholder and/or any third party in this regard. In case the units of close-ended scheme are under pledge/ charge at the time of maturity of the scheme, then the Mutual Fund/AMC reserves the right to pay the maturity proceeds to the Pledgee in whose favour the pledge/charge has been created, if a request for invocation is received from the Pledgee. However, inspite of the intimations by the AMC/ Mutual Fund to the Pledgee, if no invocation request is received by the AMC/Mutual Fund on the maturity of the scheme, then the AMC/Mutual Fund shall not be liable/responsible for any delay in payment of the maturity proceeds. An intimation of such payment will be sent to the Pledgor Unitholder. The Mutual Fund/AMC thereafter shall not be responsible for any claims made by the Pledgor Unitholder and/or third party on account of such payments and the Mutual Fund/AMC will be discharged of all its liabilities towards such Pledgor Unitholder. The Mutual Fund/AMC will not be able to invoke the pledge/ charge in favour of the Pledgee before the maturity of the close-ended scheme, if any such request is received. The distribution of income viz. dividends, bonus units, etc., declared on units under pledge/charge shall be paid to the Pledgor Unitholder. The Mutual Fund/AMC reserves the right to change the operational guidelines for the facility of pledge offered by the AMC from time to time. The requirement of minimum number of units in cases of "Re-purchase of Units" shall not be applicable for units under pledge/charge.

For Units held in Electronic (Demat) Mode: For units of the Scheme(s) held in electronic (demat) form, the rules/byelaws of depository applicable for pledge will be applicable for Pledge/Assignment of units of the Scheme(s). Pledgor and Pledgee must have a beneficial account with the Depository.

F. TRANSMISSION OF UNITS

If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the AMC / Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence including the transferee being KYC compliant and if the transferee is otherwise eligible to hold the Units. In all such cases, if the transferee is not eligible to hold the Units, the Units will be redeemed and the proceeds will be disbursed to the transferee, if such transferee is entitled to the same. All such changes shall be carried out in line with the applicable laws and the decision of the AMC will be final.

If Units are held in a single name by the Unit Holder, Units shall be transmitted in favour of the nominee where the Unit Holder has appointed a nominee upon production of death certificate or any other document to the satisfaction of the AMC / Registrar. If the Unit Holder has not appointed a nominee or where the nominee dies before the unit holder, the Units shall be transmitted in favour of or as otherwise directed by the Unit Holder's personal representative(s) on production of the death certificate and / or any other documents to the satisfaction of the AMC / Registrar. If Units are held by more than one registered Unit Holder, then, upon death of one of the unit holders, the Units shall be transmitted in favour of the remaining Unit Holder(s) (in the order in which the names appear in the register of unit holders with the Registrar) on production of a death certificate and / or any other documents to the satisfaction of the AMC / Registrar and to the nominee only upon death of all the unit holders. At the time of transmission of Units, if based on the documents submitted for transmission, the Unit Holder's personal representative(s) fall(s) under the category of "Who cannot invest", the Units proposed to be transmitted shall be compulsorily redeemed immediately after transmission and the redemption proceeds will be paid to the Unit Holder's personal representatives. For more details and forms, please visit www.barodapioneer.in.

In case, the transmission request is submitted along with redemption / switch request, the AMC / Registrar will treat both requests as separate requests. The transmission will be processed as per specified norms, subject to availability of all the relevant documents and redemption / switch request will be rejected and sent back to the Claimant advising to submit fresh request for redemption/ switch post completion of transmission of units.

Transmission of Units in favour of the nominee(s) and subsequent redemption of the units in favour of the nominee(s) shall discharge the Mutual Fund / AMC of all liability towards the estate of the deceased Unit holder(s) and his/her/their successors/legal heirs

In case of Baroda Pioneer ELSS'96, the nominee/ legal heir, subject to production of requisite documentary evidence to the satisfaction of the AMC, will be able to redeem the investment only after the completion of one year or any time thereafter, from the date of allotment of Units to the deceased unit holder.

G. SUSPENSION OF SUBSCRIPTION AND REDEMPTION OF UNITS

Restriction on Repurchase/Redemption (including switch-out) facility under the Schemes:

In terms of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016, the repurchase/redemption (including switch-out) of units of the Schemes may be restricted under any of the following circumstances:

- (i) **Liquidity issues** – When the market at large becomes illiquid affecting almost all securities rather than any issuer specific security;
 - (ii) **Market failures, exchange closures** - When markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.
 - (iii) **Operational issues** - When exceptional circumstances are caused by *force majeure*, unpredictable operational problems and technical failures (e.g. a black out).
- Further, the aforesaid restriction may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.
 - Any imposition of the above restriction would be specifically approved by the Board of Directors of the AMC and Trustee and the same would be informed to SEBI immediately.
 - When restriction on redemption is imposed, the following procedure shall be applied:
 - (i) No redemption requests upto INR 2 lakh shall be subject to such restriction
 - (ii) Where redemption requests are above INR 2 lakh, the AMC shall redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction.

H. UNCLAIMED REDEMPTION AND DIVIDEND AMOUNT

The unclaimed redemption and dividend amounts may be deployed by the Mutual Fund in call money market or money market instruments or in Plan C of Baroda Pioneer Liquid Fund (an open ended liquid scheme) floated specifically for deployment of the unclaimed amounts. Investors who claim these amounts during a period of three years from the due date shall be paid the initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after three 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.

Investors/Unit holders of the schemes of the Mutual Fund can obtain information on the folios with unclaimed amounts from the website of the Mutual Fund (www.barodapioneer.in) as well as from the website of AMFI (www.amfiindia.com). The process of claiming the unclaimed amount and the necessary forms/documents required for the same is also available on the websites of the Mutual Fund and AMFI. Information on the unclaimed amount and its prevailing value is separately disclosed to investors through periodic statement of accounts/Consolidated Account Statement sent to the investors.

The AMC makes continuous efforts to remind the investors through letters to claim their unclaimed amounts.

I. DURATION OF SCHEMES

- **Open ended / interval schemes:**

The duration of open ended / interval schemes is perpetual.

- **Close ended schemes:**

In the case of close ended schemes, duration is limited and specified in the Scheme Information Document ('SID') of the respective scheme. Each close-ended scheme will have a maturity date and will be compulsorily and without any act by the unit holders redeemed on maturity date as specified in the respective SID. On maturity date of the scheme, the units will be redeemed at the Applicable NAV.

A close-ended scheme shall be wound up on the expiry of the duration fixed for the said scheme on the redemption of the units unless it is rolled over for a further period in accordance with the Regulation 33(4). The Mutual Fund reserves the right to extend a scheme beyond its redemption date in accordance with the Regulations. The Mutual Fund may convert the scheme after the maturity date into open-ended scheme or may rollover the scheme for such period as may be decided by the Trustee / AMC in accordance with the Regulations. The units of a close-ended scheme may be converted into open ended scheme, if:

- the SID of such scheme discloses the option and period of conversion; or
- the unit holders are provided with an option to redeem their units in full.

In case of rollover of close ended scheme, the Mutual Fund is required to make necessary disclosure with regards to the purpose, period, terms of rollover and all other material details of the scheme, to the unit holders and SEBI. Provided that the rollover will be permitted only in case of those unit holders who express their consent in writing and unit holders who do not opt for the rollover shall be allowed to redeem their holdings in full at NAV based prices.

- **Close-ended schemes with automatic conversion into open-ended schemes upon maturity:**

These schemes remain close ended for the term provided in their SIDs and on expiry of the period mentioned therein, they are automatically converted into open ended schemes, subject to compliance of all SEBI requirements in this behalf. Thereafter, the duration of such schemes is perpetual.

J. WINDING UP OF SCHEMES

A scheme may be wound up, after repaying the amount due to the unit holders,-

1. On the happening of any event, which in the opinion of the Trustee, requires the scheme to be wound up; or
2. If seventy five percent (75%) of the unit holders of the scheme pass a resolution that the scheme be wound up; or
3. If SEBI so directs in the interest of the unit holders; or
4. In case of non-fulfillment of condition prescribed in terms of minimum number of investors vide SEBI circular No. SEBI/IMD/CIR No.10/22701/03 dated December 12, 2003.

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

- (I) SEBI and,
- (II) In two daily newspapers with circulation all over India and in one vernacular newspaper circulating at the place where the mutual fund is formed.

- **Effect Of Winding Up**

On and from the date of the publication of notice under clause (b) of sub- regulation (3) of regulation 39, the Trustee or the AMC as the case may be, shall -

- a) Cease to carry on any business activities in respect of the scheme so wound up;

- b) Cease to create or cancel units in the scheme;
- c) Cease to issue or redeem units in the scheme.

• **Procedure And Manner Of Winding Up**

- a) The Trustee shall call a meeting of the unit holders to consider and pass necessary resolutions by simple majority of the unit holders present and voting at the meeting for authorizing the Trustee or any other person to take steps for winding up the scheme concerned.

Provided that a meeting of the unit holders shall not be necessary if the scheme is wound up at the end of maturity period of the scheme.

- b) The Trustee or the person authorized as above, shall dispose off the assets of the scheme concerned in the best interest of the unit holders of that scheme.
- c) The proceeds of the sale made in pursuance of the above, shall, in the first instance, be utilized towards discharge of such liabilities as are properly due under the scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unit holders in proportion to their respective interests in the assets of the scheme as on the date when the decision for the winding up was taken.
- d) On completion of the winding up, the Trustee shall forward to SEBI and the unit holders, a report on the winding up, containing particulars such as circumstances leading to the winding up, steps taken for the disposal of the assets of the Mutual Fund before winding up, expenses of the Mutual Fund for winding up, net assets available for distribution to the unit holders and a certificate from the auditors of the scheme concerned.
- e) Notwithstanding anything contained herein, the provisions of the Regulations in respect of the disclosure of half-yearly reports and annual reports shall continue to apply.
- f) After the receipt of the report referred to above under point (d) above, if SEBI is satisfied that all measures for winding up of the scheme concerned have been completed, the scheme shall cease to exist.

C. GENERAL INFORMATION

i. STOCK LENDING BY THE MUTUAL FUND

If permitted by SEBI under extant regulations/guidelines, and if provided for in their SIDs, the schemes may also engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on expiry of the stipulated period.

The Mutual Fund may in future carry out stock-lending activity under any of its schemes, in order to augment its income. Stock lending may involve risk of default on part of the borrower. However, this risk will be substantially reduced, as the Mutual Fund has opted for the "Principal Lender Scheme of Stock Lending", where entire risk of borrower's default rests with approved intermediary and not with the Mutual Fund. There may also be risks associated with stock lending such as liquidity and other market risks. Any stock lending done by the scheme shall be in accordance with any Regulations or guidelines regarding the same. The AMC will apply the following limits, should it desire to engage in stock lending:

- a. Not more than 20% of the net assets can generally be deployed in stock lending;
- b. Not more than 5% of the net assets can generally be deployed in stock lending to any single counter party.

Till date, the Mutual Fund has not engaged in any stock lending.

ii. BORROWING BY THE MUTUAL FUND

Under Regulation 44(2) of the Regulations, the Mutual Fund is allowed to borrow to meet its temporary liquidity need of the schemes for the purpose of repurchase, redemption of Units or payment of interest or dividend to the unit holders. Further, as per the Regulations, the Mutual Fund shall not borrow more than 20% of the net assets of a scheme and the duration of such borrowing shall not exceed a period of six months.

iii. INTER-SCHEME TRANSFER OF INVESTMENTS

Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if :

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

iv. ASSOCIATE TRANSACTIONS

Investments in associates or group companies of the Sponsors

Apart from the Regulations, as applicable from time to time, there is no separate policy regarding investment in the associates or group companies of Sponsors. The schemes will adhere to the Regulations pursuant to which the schemes of the Mutual Fund shall not make any investment in :

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

The Mutual Fund / AMC may utilise the services of BOB and BOB Capital Markets Ltd. and / or any other such entity which may become an associate of the AMC / Sponsors in future, for distribution of units of the schemes of the Mutual Fund or as a broker for making investments by the schemes, as may be applicable.

Transactions with associates are conducted at arm's length relationship and do not in any manner affect the performance of the schemes of the Mutual Fund. During the last three fiscal years, there was no investment by the schemes of the Mutual Fund in the securities of the Sponsors/group companies which exceeded 25% of the net assets of the schemes.

The AMC, before investing in the securities of associate / group companies of the Sponsors and the AMC, evaluates such investments, the criteria for the evaluation being the same as is applied to other similar investments made under the schemes. Investments in the securities of associates /group companies of the Sponsors during the last three fiscal years are given below:

| Year | Name of company | Type of security | Name of scheme | Amount (Rs. in crores) |
|---------|---|------------------|--|------------------------|
| 2014-15 | BOB | Equity | Baroda Pioneer Balance Fund | 0.97 |
| | BOB | Equity | Baroda Pioneer Banking and Financial Services Fund | 1.89 |
| | BOB | Equity | Baroda Pioneer ELSS 96 Fund | 0.85 |
| | BOB | Equity | Baroda Pioneer MIP Fund | 0.07 |
| | BOB | Equity | Baroda Pioneer PSU Equity Fund | 1.84 |
| | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer Balance Fund | 2.67 |
| | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer ELSS 96 Fund | 1.33 |
| | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer MIP Fund | 0.20 |
| | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer Equity Trigger Fund - Series I | 2.30 |
| | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer Balance Fund | 19.47 |
| | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer Banking and Financial Services Fund | 3.98 |

| Year | Name of company | Type of security | Name of scheme | Amount (Rs. in crores) |
|---------|---|------------------|--|------------------------|
| | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer ELSS 96 Fund | 7.43 |
| 2015-16 | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer Equity Trigger Fund -SR I | 1.18 |
| | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer Growth Fund | 21.46 |
| | Multi Commodity Exchange of India Limited | Equity | Baroda Pioneer MIP Fund | 0.12 |
| | BOB | Equity | Baroda Pioneer Balance Fund | 12.51 |
| | BOB | Equity | Baroda Pioneer Banking and Financial Services Fund | 23.88 |
| | BOB | Equity | Baroda Pioneer ELSS 96 Fund | 12.56 |
| | BOB | Equity | Baroda Pioneer Growth Fund | 12.92 |
| | BOB | Equity | Baroda Pioneer MIP Fund | 10.00 |
| | BOB | Equity | Baroda Pioneer PSU Equity Fund | 23.91 |
| 2016-17 | BOB | Equity | Baroda Pioneer Growth Fund | 8.68 |
| | BOB | Equity | Baroda Pioneer MIP Fund | 0.07 |
| | BOB | Equity | Baroda Pioneer Large Cap Fund | 0.35 |
| | BOB | Equity | Baroda Pioneer Mid-cap Fund | 0.65 |
| | BOB | Equity | Baroda Pioneer Banking and Financial Services Fund | 1.74 |

Before making the above investments, the AMC evaluated the same on arms' length basis and in accordance with the investment objectives of the relevant Schemes.

v. Underwriting obligations of the Mutual Fund

The Mutual Fund has not entered into any underwriting obligations during the last three fiscal years.

vi. Subscription in issues lead managed by associates of Sponsor

There have been no subscriptions in issues lead managed by associates of Sponsors of the Mutual Fund during the last three fiscal years.

vii. Associate brokers

Brokerage has been paid to associate brokers as mentioned below which is in line with the norms relating to brokerage payment for secondary market transactions of the Mutual Fund.

| Brokerage paid to associates/related parties/group companies of Sponsor/AMC | | | | | | |
|---|---------------------------------|---------------------------------|---|-----------------------------|---|------------------|
| Name of Associate/Related Party/group companies of sponsor/AMC | Nature of Association /Relation | Period Covered | Value of transaction (in Rs. Cr. & % of total value of transaction of the fund) | | Brokerage Paid (Rs. Cr & % of total brokerage paid by the fund) | |
| | | | Value of Transaction (in Rs. Cr) | Value of Transaction (in %) | Brokerage (in Rs. Cr) | Brokerage (in %) |
| BOB Capital Markets Ltd. | Associate | April 1, 2014 to March 31, 2015 | 90.01 | 1.50% | 0.20 | 4.17% |
| BOB Capital Markets Ltd. | Associate | April 1, 2015 to | 135.68 | 2.36% | 0.26 | 4.10% |

| Brokerage paid to associates/related parties/group companies of Sponsor/AMC | | | | | | |
|---|---------------------------------|---------------------------------|---|-----------------------------|---|------------------|
| Name of Associate/Related Party/group companies of sponsor/AMC | Nature of Association /Relation | Period Covered | Value of transaction (in Rs. Cr. & % of total value of transaction of the fund) | | Brokerage Paid (Rs. Cr & % of total brokerage paid by the fund) | |
| | | | Value of Transaction (in Rs. Cr) | Value of Transaction (in %) | Brokerage (in Rs. Cr) | Brokerage (in %) |
| | | March 31, 2016 | | | | |
| BOB Capital Markets Ltd. | Associate | April 1, 2016 to March 31, 2017 | 118.89 | 2.41% | 0.14 | 3.92% |
| SBICAP Securities Ltd.* | | | 47.97 | 1.38% | 0.06 | 2.45% |

* SBICAP Securities Ltd. was an associate upto November 1, 2016.

viii. Commission to associates / Sponsors

For applications directly solicited and collected by the branches of BOB or by any associate, commission is paid at a rate not exceeding the rate of commission being paid to other distributors empanelled by the AMC.

| Commission paid to associates/related parties/group companies of Sponsor/AMC | | | | | | |
|--|---------------------------------|---------------------------------|---|-----------------------------|--|-------------------|
| Name of Associate/Related Party/group companies of sponsor/AMC | Nature of Association /Relation | Period Covered | Value of transaction (in Rs. Cr. & % of total value of transaction of the fund) | | Commission Paid (Rs. Cr & % of total brokerage paid by the fund) | |
| | | | Value of Transaction (in Rs. Cr) | Value of Transaction (in %) | Commission (in Rs. Cr) | Commission (in %) |
| BOB | Sponsor | April 1, 2014 to March 31, 2015 | 3,269.74 | 2.02 | 3.44 | 25.59 |
| BOB | Sponsor | April 1, 2015 to March 31, 2016 | 2,569.63 | 1.38 | 3.48 | 18.98 |
| BOB | Sponsor | April 1, 2016 to March 31, 2017 | 2,224.66 | 0.88 | 6.73 | 38.56 |

ix. Jurisdiction

The jurisdiction for any matters or disputes arising out of the scheme shall reside with the courts in India.

x. Documents available for inspection

The following documents will be available for inspection at the office of the Mutual Fund at 501, Titanium, 501, Western Express Highway, Goregaon (E) Mumbai – 400 063 during business hours on any day (excluding Saturdays, Sundays and public holidays):

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

xi. INVESTOR GRIEVANCES REDRESSAL MECHANISM

Investor complaints can be addressed to the AMC or the customer service centres or to the Registrar. Investors can also lodge any service request or complaints or enquire about NAVs, unit holdings, etc. by calling the toll free number 1800-2670-189 or drop in an e-mail to info@barodapioneer.in. The service representatives may require personal information of the investor for verification of his / her identity in order to protect confidentiality of information.

All investor complaints are forwarded to the Registrar for necessary action. The complaints are closely followed up with the Registrar to ensure timely redressal and prompt investor service. Investor complaints can be addressed to the Investor Relations Officer of the AMC as per details given below :

Mr. Amitabh Ambastha – Investor Relations Officer
501, Titanium, 5th floor, Western Express Highway, Goregaon (East), Mumbai - 400 063
Tel. No. : +91 22 3074 1000.

For any grievances with respect to transactions through BSE and/or NSE, the investors/unit holders should approach either the stock broker or the investor grievance cell of the respective stock exchange. It may be noted that all grievances/ complaints with regard to demat mode of holding shall be routed only through the DP/NSDL/CDSL.

Given below is the complaint history for the last three fiscal years :

| Name of Scheme | 01.04.2014 to 1.03.2015 | | 01.04.2015 to 31.03.2016 | | 01.04.2016 to 31.03.2017 | | 01.04.2017 to 31.05.2017 | |
|--|-------------------------|-----------|--------------------------|-----------|--------------------------|------------|--------------------------|-----------|
| | Received | Redressed | Received | Redressed | Received | Redressed | Received | Redressed |
| Baroda Pioneer ELSS '96 | 3 | 3 | 17 | 15 | 182 | 184 | 5 | 5 |
| Baroda Pioneer Credit Opportunities Fund | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Baroda Pioneer Large Cap Fund | 1 | 1 | 0 | 0 | 2 | 2 | 1 | 1 |
| Baroda Pioneer Income Fund | 4 | 4 | 3 | 3 | 1 | 1 | 0 | 0 |
| Baroda Pioneer Short Term Bond Fund | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Baroda Pioneer Treasury Advantage Fund | 7 | 7 | 4 | 4 | 11 | 11 | 2 | 2 |
| Baroda Pioneer Mid Cap Fund | 3 | 3 | 2 | 2 | 2 | 2 | 1 | 1 |
| Baroda Pioneer GILT Fund | 1 | 1 | 0 | 0 | 2 | 2 | 0 | 0 |
| Baroda Pioneer Liquid Fund | 11 | 11 | 0 | 0 | 3 | 3 | 0 | 0 |
| Baroda Pioneer Balance Fund | 2 | 2 | 21 | 21 | 32 | 32 | 3 | 3 |
| Baroda Pioneer Growth Fund | 20 | 20 | 34 | 34 | 126 | 126 | 14 | 13 |
| Baroda Pioneer MIP Fund | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Baroda Pioneer PSU Bond Fund | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Baroda Pioneer Banking and Financial Services Fund | 1 | 1 | 0 | 0 | 2 | 2 | 0 | 0 |
| Baroda Pioneer Dynamic Bond Fund | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 |
| Baroda Pioneer Hybrid Fund – Series I | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| Baroda Pioneer Equity Trigger Fund – Series I | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 |
| GRAND TOTAL | 56 | 56 | 84 | 82 | 366 | 368 | 29 | 28 |

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

Baroda Pioneer Asset Management Company Limited

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