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Investment Valuation Norms for Securities held by Schemes of Sundaram Mutual Fund

SEBI, vide the SEBI (Mutual Funds) Regulations, 2026, read with the SEBI Master Circular for Mutual Funds, has prescribed the valuation of investments and introduced the overriding principles in the form of the "Principles of Fair Valuation".

The guiding principles of fair valuation is to minimize the difference in valuation of mutual fund assets relative to market value to enable fair treatment across all classes of investors (including existing as well as new investors) seeking to purchase or redeem units of mutual funds in all schemes at all points of time. In case of any conflict between the principles of fair valuation and valuation guidelines issued by SEBI, the Principles of Fair Valuation shall prevail.

SEBI's notification further prescribes that the valuation shall be reflective of the realizable value of securities and shall be done in good faith and in a true and fair manner through appropriate valuation model and procedures approved by the Board of the Asset Management Company (AMC).

Further to SEBI's amendment of the valuation policy, the Board of Sundaram AMC has adopted a comprehensive policy on investment valuation and procedures effective from July 02, 2012. Accordingly, the disclosure inter alia of the valuation procedure and policy for each type of investment made by the scheme(s) of Sundaram Mutual Fund is given below:

1. Valuation Methodologies

a. The methodology for valuing each and every type of security held by the schemes is given in the appended table;

b. Investment in any new type of security shall be made only after establishment of the valuation methodology for such security with approval of the Board of AMC or any committee constituted in this behalf. If required, the new type of securities may be referred to CRISIL/ICRA for providing daily yield/price.

2. Inter Scheme Transfers

a. Inter scheme transfers shall be effected as per the regulations and internal policy at prevailing market price (essentially fair valuation price);

b. The methodology to determine the fair valuation of securities which are intended to be transferred from one scheme to another is set out in appended table.

3. Exceptional Events

Following types of the events, inter alia, could be classified as exceptional events where current market information may not be available / sufficient for valuation of securities or the market quotations are no longer reliable for valuation a particular security:

i. Major policy announcements by the Reserve Bank, The Government or the Regulator;

ii. Natural disasters or public disturbances that force the markets to close unexpectedly;

iii. Absence of trading in a specific security or similar securities;

iv. Breakdown in the information systems / software

v. Significant volatility in the capital markets.

4. Scenario of Deviation

i. Valuation Committee shall be responsible for monitoring exceptional events and recommending appropriate valuation methods under the circumstances with due guidance from the AMC Audit Committee / Board;

ii. Deviation from the valuation policy and principles, if any in order to value the assets/ securities at fair value, will be communicated to the AMC Board, Trustee Board and to the unitholders with suitable disclosures on the website;

5. Conflict of Interest

The valuation committee shall review any differences arising out of valuation, methodology or price adopted and report to the AMC Audit Committee / Board after resolution of conflict.

6. Periodic Review

The Valuation Committee shall be responsible for periodic review of the valuation methodologies in terms of its appropriateness and accuracy in determining the fair value of each security. The Valuation Committee shall report to the AMC Audit Committee / Board on any important issues and changes in the valuation methodology. The Board of Trustees shall also be updated of any significant developments.

The valuation policies and procedures shall be reviewed at least once in a Financial Year by an Independent Auditor.

7. Record Keeping and Disclosure of Policy

Valuation Policy would be disclosed in the AMC website and other documents as prescribed by the SEBI regulations and guidelines.

All the documents which forms the basis of valuation including inter scheme transfers (approval notes and supporting documents) shall be maintained by Sundaram AMC in electronic form or physical papers.

Above records will be preserved in accordance with the norms prescribed by the SEBI regulations and guidelines.

A. Equity and Related Securities

Asset Class	Category	Basis of Valuation
Equity Shares, and Equity Warrants	Traded	On the valuation day, at the last quoted closing price on the National Stock Exchange (NSE) or Bombay Stock Exchange, where such security is listed. NSE is the Principal Stock Exchange for the purpose of our valuation. If the stock is not traded / quoted on NSE, then the last quoted closing price of BSE or any other stock exchange will be considered. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on NSE or BSE or any other 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 the valuation date.
	Non Traded	Securities not traded for more than 30 days: **a. Equity Shares** – Valuation price will be in accordance with the SEBI norms i.e. valuation will be computed on the basis of average of book value and the price computed on the basis of PE ratio (25% of the Industry PE Ratio) and further discount of 10% for illiquidity. **b. Equity Warrants/Rights Entitlement/Partly paid up rights shares:** For Equity Warrants / Partly Paid up rights shares: Valuation price will be arrived, after applying appropriate discount (valuation committee delegated power to decide the discounting factor) after reducing the exercise price/issuance price from the closing of the underlying cash equity security. For Rights Entitlement: Until they are traded, the value of the rights shares shall be calculated as Vr = n/m * (Pex-Pof) Where Vr = Value of Rights; n= no. of rights; m=no. of original shares held; Pex=Ex-rights price; Pof = Rights Offer Price. In case the rights offer price is greater than the ex-rights price, the value of the rights share is to be taken as zero. **c. Demerger:** Where at least one resultant company is not immediately listed, valuation price will be worked out by using cum-price before demerger reduced for quoted price of the listed demerged and/or resultant company(ies) or in case of demerger pending listing, the resultant company/ies shall be valued at the intrinsic value arrived at on the date of corporate action. Alternatively, an independent valuation of the security by any Market Participant, (a repute brokers) shall be obtained. If the resultant companies remained unlisted for more than 3 months, the Valuation Committee to decide on application of illiquidity discount as deemed appropriate on case to case basis." **d Merger:** "Valuation of a resulting company would be determined by valuation of merging or amalgamating company immediately prior to the ex-date of merger or amalgamation. (a) In case, merging or amalgamating companies being listed, the valuation of resulting companies would be summation of valuation of entities immediately prior to merger date; further if listed company merges into an unlisted surviving company, then the surviving company would be valued at the traded value of merging company immediately before merger; For example: 1. If company A and B merged to form a new company C, then company C would be value at the price equals to A+B; 2. If company A which is a listed company merges into Company B which is unlisted, would be valued at traded price of A immediately before merger; (b) In case one of the merging or amalgamating companies being unlisted, valuation of resulting companies would be valued on the principles of fair valuation as guided by the valuation committee. If the above companies are unlisted for more than 3 months, valuation committee shall decide on application of illiquidity discount on case to case basis."

Equity Shares, and Equity Warrants	Thinly Traded	**When trading in an equity/equity related security in a calendar month is both less than INR 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security.** Valuation will be computed on the basis of average of book value and the price computed on the basis of the PE Ratio with appropriate discount to Industry PE) further discounted for illiquidity.
	Unlisted	Refer note (e)
	Initial Public Offering (IPO) Allotment and Private Placement / Pre-IPO Allotment / Anchor Investment	The security would be valued at cost from the date of allotment till a day prior to listing and on last quoted closing price (as mentioned above under Traded criteria) from the day of listing. If such shares do not get listed on recognised stock exchange within 90 days of such allotment, shares so acquired will be valued as per the fair value guidelines as recommended by the valuation committee. In case of Equity and Equity related securities under lock-in period / pending listing including anchor investment, the securities would be valued based on the last quoted closing price after applying suitable discount for illiquidity. The valuation comittee may determine the illiquidity discount if the initial lock in period for the said security exceeds 90 days.
	Partly paid up shares	On the valuation day, at the last quoted closing price on the National Stock Exchange (NSE) or Bombay Stock Exchange, where such security is listed. If non-traded for more than 30 days prior to the valuation date, the partly paid-up equity shares shall be valued at value of the underlying fully paid-up equity shares as reduced by the amount of balance call money payable on partly paid-up equity shares. Unlisted (Acquired by corporate action) partly paid-up equity shares, shall be valued at value of the underlying fully paid-up equity shares as reduced by the amount of balance call money payable on partly paid-up equity shares. Suitable illiquidity discount, if deemed necessary, shall be applied with approval from the Valuation Committee.
Buy Back of Shares		The market price of the shares will be considered for valuation till formal confirmation of acceptance of shares tendered under the buyback schemes. If the company offers to accept the buy-back of shares tendered, then the accepted shares will be valued at the price of buy-back.The quantum of shares accepted under buy-back will be accounted as a sale trade.
Derivatives - Equity Futures and options		**Traded Securities:** i) On the valuation day, settlement price will be considered for valuation. ii) If the settlement price is not available, then closing price for the security will be considered for the valuation. **Non-traded Securities:** At the settlement price provided by the respective stock exchanges, subject to an illiquidity discount. The rate of illiquidity discount shall be decided by the valuation committee.
Preference shares	Listed (Convertible / Non-Convertible)	Valuation will be at the closing market price of the principal stock exchange. The National Stock Exchange of India Limited ('NSE') is designated as the principal stock exchange for the purpose of valuation of securities. If security is not traded on principal stock exchange on a particular valuation day, the closing market price at which it is traded on any other stock exchange will be used. If security is not traded on any stock exchange on a particular valuation day, then price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date. If preference shares are not traded for more than 30 days on any stock exchange and if the valuation agencies i.e. CRISIL & ICRA have agreed to provide the valuation price, then it will be valued at average of the price provided valuation agencies until it gets traded.
	Unlisted (Convertible / Non-Convertible)	If prices are provided by AMFI approved valuation agencies i.e.CRISIL & ICRA then the valuation shall be based on the average of prices provided by agencies. In instances where either or both agencies do not provide prices, the Valuation Committee will determine the valuation

B. Valuation Of Securities – Fixed Income and Related Securities

Category	Basis of Valuation
Valuation of all Debt and Money Market Instruments	Irrespective of the residual maturity, all Debt and Money Market Instruments shall be valued at average of security level prices obtained from valuation agencies. In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.
Valuation of money market and debt securities which are rated below investment grade (w.e.f. 20/06/2019)	All money market and debt securities which are rated below investment grade shall be valued at the average of the security level price provided by valuation agencies. A money market or debt security shall be classified as "below investment grade" if the long term rating of the security issued by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term of the security is below A3. The money market and debt security shall be classified as "Default" if the interest and/or principal has not been received, on the day such amount was due or when such security has been downgraded to "default" grade by the CRA. Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircuts provided by the valuation agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. The indicative haircut that has been applied to the principal should be applied to any accrued interest. In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made. If security is traded, it will be valued at lower of weighted average traded price available on public platform or valuation determined based on the haricut price provided by valuation agencies. The traded qualification criteria shall be as determined by valuation agencies. In the absence of the information on the traded qualification criteria from the valuation agencies, the qualification criteria shall be as determined by the valuation committee. In absence of the above information the valuation shall be arrived at basis guidance from Valuation Committee. In case of any deviation from the valuation price for money market and debt securities rated below investment grade provided by the valuation agencies, AMC shall follow the procedure as mentioned in SEBI Circular No SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24,2019.
Compulsory Convertible Debentures	Until listing, if prices are not available from AMFI approved valuation agencies, it will be valued at cost and appropriate illiquidity discount may be provided. On the valuation day, the prices from AMFI approved valuation agencies are available, then the average prices provided by AMFI approved agencies will be used. In case CCD are qualified as traded, Valuation will be at the last quoted closing price on NSE Stock Exchange. Where security is not traded on the NSE on a particular valuation date, the last quoted closing price on BSE may be used. In case the securities do not get traded for a period of 30 days or prices of AMFI approved agencies are not available, CCDs will be valued at fair value as per procedures determined by the Valuation Committee. ***Procedure & Methodology for valuation of CCDs:*** i Each CCD shall be converted into such number of Equity Shares based on the conversion price arrived in accordance with the offer documents. ii. In case the CCD has two components viz. one component having bond carrying a coupon rate and second component having an embedded forward contract for compulsory conversion into equity, at a pre-determine formula, linked to the underlying price of the stock on the exchange, the valuation derived would be a summation of the bond valuation and the Net present value (NPV) of the gain / loss on the embedded forward contract for conversion into equity shares. iii. Valuation of bonds: The same will be valued as per the framework for debt securities/instruments provided by AMFI until the prices are provided by AMFI approved agencies. iv. Valuation of embedded forward contract for equity conversion: The embedded forward contract has three elements – time value, price movement of the underlying stock and illiquidity risk. The time value (NPV) is the discounting factor, as derived from the bond valuations (from AMFI valuation agencies). v. In case the conversion is scheduled after completion of specified period/years as mentioned in the offer documents, the value arrived will be reduced by appropriate illiquidity discount on the gain, if any, as may be specified by SEBI under the applicable guidelines or as may be decided by Valuation Committee. The Valuation Committee may exercise its discretion to value the security at a conservative value i.e. at cost or as per the above methodology whichever is lower to ensure fair valuation.

Category	Basis of Valuation
Partly Paid Debentures	Price provided by Valuation agencies after considering the following: A. Price calculation: Cash flows are plotted using the details provided in the term sheet. The same is then discounted using YTM derived for that particular ISIN. Prices are sent on face value of Rs 100 (when fully paid), and as per actual paid up value as per valuation date. Cash flows are plotted till actual maturity or deemed maturity (explicit put call option on same date and same value). Two types of securities were available: a) Pay-in dates and pay-in values are clearly defined – In such case future pay-ins are plotted as per details available in term sheet. (Mutual Funds cannot buy these PPDs as per the AMFI Best Practices Guidelines circular no. 83 dt. 18- Nov-2019 which is clarified in point no 1 as AMCs shall not resort to the practice of investing in partly paid debentures without any condition precedent). b Pay in dates and pay in values are not clearly defined or are linked to occurrence of some event or is optional linked to on demand from issuer/investor for making such pay-ins – In such case, since pay-in dates/pay-in values can't be estimated, such future pay-ins are factored on actual basis on receipt of information. B. Yield Calculation: Yields for the ISIN are derived on a daily basis using the standard waterfall approach prescribed for corporate bonds. Definitions of similar maturity, similar issuer, outlier security remains same as other normal securities. Refer Detailed AMFI Best Practices Guidelines Circular No.115 /2024-25 for Partly paid Debentures in Annexure I
Government Securities and Treasury Bills	Irrespective of the residual maturity, Government Securities and T-bills shall be valued at average of security level prices obtained from valuation agencies .
Other Special Securities	To be referred to CRISIL and obtain daily valuation quote.
Securities with Call option	Refer Note (d)
Securities with Put option	Refer Note (d)
Securities with both put and call option	a) Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis: i) Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price. ii) Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price. iii) In case no Put Trigger Date or Call Trigger Date ('Trigger Date") is available, then valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date. b) If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees. c) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

Category	Basis of Valuation
Interest Rate Swaps	Valuation would be done at average of Price provided by valuation agencies. In absence of Price from valuation agencies, valuation shall be arrived at basis guidance from Valuation Committee.
Interest Rate Futures	The Interest Rate Futures (IRF) would be valued at the daily settlement price/closing price of the exchange
Other Securities	Following assets shall be valued at cost plus accruals / amortisation: a. Short term deposits pending deployment; and b. Overnight Repo Transactions including corporate bond repo/TREPS. Valuation of REPO/TREPS, except overnight REPO/TREPS, will be valued at average of security level prices obtained from valuation agencies appointed by AMFI. In case, the prices are not available, then the same shall be valued at Cost plus Accrual basis.
Inter Scheme Transfer	As per the regulations of SEBI contained in the Sixth schedule of the SEBI (Mutual Funds Regulations 2026, and Clause 13.19 of SEBI Master Circulars for Mutual Funds dated March 20, 2026 transfer of investments from one scheme to another scheme in the same mutual fund shall be allowed only if: a) Such transfers are done at the prevailing market price for quoted instruments on spot basis; b) The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made. **Equity Securities:** Inter-scheme transfer of equity securities would be effected at the prevailing spot market price of the security at the time the transfer is effected. For this purpose, at the time of effecting the inter-scheme transfer, a record of the prices for the security quoted in the relative stock exchange (i.e. NSE/BSE) or Bloomberg Terminal in which it is traded or reported would be obtained, which would indicate the date, time and the currently quoted price. The price given in the quotation of the stock exchange would be the effective price for the inter-scheme transfer. **Money Market and Debt Securities:** a) IST of any money market or debt security (irrespective of maturity) will be done at an average of the prices provided by the valuation agencies, if prices from the valuation agencies are received within the pre-agreed turn-around-time (TAT). b) If price from only one valuation agency is received within the agreed TAT, that price may be used for IST pricing. c) If prices are not received from any of the valuation agencies within the agreed TAT, Valuation Committee will determine the price for the IST as per the available information, in accordance with Clause 13.19.1 of SEBI Master Circular for Mutual Funds dated March 20, 2026.
Waterfall Mechanism	Waterfall Mechanism for valuation of money market, debt and government securities: SEBI vide circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 has laid down broad principles for waterfall approach to be followed for valuation of debt, money market and government securities. The said circular prescribes AMFI shall ensure valuation agencies have a documented waterfall approach for valuation of Debt & money market securities. The AMFI best practices guidelines circular (135/BP/83/2019-20) dated November 18, 2019 provided guidelines on waterfall approach to be followed for valuation money market and debt securities. The waterfall approach is documented in Annexure II

Category	Basis of Valuation	
AT-1 & Tier II bonds issued under the Basel III framework	AT-1 / Tier II bonds will be valued at average of the security level prices provided by Valuation Agencies. For arriving at security level pricing, waterfall approach to be followed by Valuation agencies is annexed as Annexure III. As per para 10.3.1.(a).(ii) of SEBI Master circular dated March 20, 2026 valuation of AT-1 bonds by Mutual Funds shall be based on Yield to Call (YTC).	
Units of Mutual Fund/ETF	Traded	• Valuation will be at the closing price at the principal stock exchange.
	Non Traded	• If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used. • If units are not traded on any stock exchange on a particular valuation day, then closing price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date. • Where units are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units will be determined by the Valuation Committee.
	Unlisted	• Unlisted- Domestic Units : Valuation will be based on the last published / available Net Asset Value (NAV) of Mutual Fund units. • Unlisted Overseas Mutual fund Units : Valuation will be based on the last published Net Asset Value (NAV) of Mutual Fund units. On the valuation date, NAV in foreign currency shall be valued in Indian Rupees at the FBIL/RBI reference rate as at the close of banking hours on the relevant business day in India. If the NAV of overseas mutual fund units is reported in currency for which FBIL/RBI reference rate is not available, the exchange rate available on Bloomberg/Reuter's would be considered.
Units of InvITs / ReITs	Traded	Valuation of units of InvITs and ReITs will be based on the last quoted closing price on the principal stock exchange where such security is listed. National Stock Exchange (NSE) is the principal stock exchange for the purpose of valuation. If no trade is reported on the principal stock exchange on a particular valuation date, units of InvITs and ReITs shall be valued at the last quoted closing price on other recognised stock exchange.
	Non Traded	• When units of InvITs and ReITs are not traded on any stock exchange on a particular valuation day, the value at which these were traded on the selected stock exchange or any other stock exchange, as the case may be, on any day immediately prior to valuation day, shall be considered for valuation provided that such date is not more than thirty days prior to the valuation date. • Where units of InvITs and ReITs are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvITs and ReITs will be determined by the Valuation Committee.

Category	Basis of Valuation	
	Units of 'Infrastructure Investment Trust' ('InvIT') and 'Real Estate Investment Trust' (REIT) received pursuant to scheme of arrangement and / or resolution plan approved under insolvency proceedings	Units of InvIT and REIT received / allotted pursuant to scheme of arrangement and / or resolution plan approved under insolvency proceedings, then such units of InvIT / REIT will be valued "in good faith" using the following method: Consistent with the spirit of regulations and in keeping with the requirements to ensure 'fair valuation', units of InvIT and REIT may be valued at a price, same or lower than the face value at the discretion of AMC with the prior approval of Valuation Committee.
Segregated portfolio		Notwithstanding the decision to segregate the debt and money market instrument in accordance with the SEBI Master Circular for Mutual Funds on "Segregated portfolio in mutual fund schemes", the valuation should consider the credit event and value the portfolio based on the principles of fair valuation. (i.e. realizable value of the assets) in terms of relevant provisions of SEBI (Mutual Funds) Regulation, 2026 and Master Circular for Mutual Funds issued thereunder. Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms.
Corporate Debt Market Development Fund		Units of Corporate Debt Market Development Fund (CDMDF) would be valued at the published NAV as on the valuation day.
Overseas Equity securities (Including ADR/GDR)		On the valuation day, the securities issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed or at the last available traded price. 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. The Stock Exchange once selected would be used consistently till changed by recording the reasons in writing by Board of AMC. Due to difference in time zones of different markets, in case the closing prices of the security are not available within the given time frame to enable the AMC to upload NAVs for a valuation day, the AMC may use the last available traded price for the purpose of valuation. The use of closing price/last available traded price for the purpose of valuation will also be based on the practice followed in a particular market. In case a security is not traded on valuation day, the price adopted for the previous working day shall be considered, provided that the date on which last available price was available, should not be more than 30 days. If a security is not traded for the last 30 days, AMC may be value it on a fair value basis by the valuation committee. The source of the price shall be taken from (a) Bloomberg or (b) Reuters or (c) any other publicly available sources.

Further, consistent with the spirit of applicable regulations and with the objective of ensuring **fair valuation**, the **Asset Management Company (AMC)** may, with the **prior approval of the Valuation Committee**, value securities—including **Equity & Related Securities, REITs, InvITs, and Fixed Income & related Securities**—at a price **lower than that determined** under the aforementioned valuation policy.

Remarks:

a. Public Platform refers to
   (i) F-trac – for Corporate bonds/debentures, commercial papers, Certificate of Deposits and securitized debts;
   (ii) NDS-OM for treasury bills.

b. Weighted average YTM shall be considered as it is.

c. The NAV of the units of a scheme will be computed by dividing its net assets by the number of units outstanding on the valuation date.

d. Securities with Put/Call Option:
   (i) Securities with Put Option: Securities with Put Option are valued on the basis of price provided by the AMFI approved agencies which is consistent with SEBI guidelines on valuation.
   (ii) Securities with Call option: Securities with Call Option are valued on the basis of price provided by the AMFI approved agencies which is consistent with SEBI guidelines on valuation.

e. Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:
   I. Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) and (ii) below:
      (i) 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;
      (ii) 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 of exercise of outstanding warrants and options};
      The lower of (i) and (ii) shall be used for calculation of net worth per share and for further calculation in (III) below.
   II. 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. 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.
   III. 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 of 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 trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

*CRISIL/ICRA Disclaimer

By using the valuation contained in this document, the user acknowledges and accepts that the valuations are provided severally (and not jointly) by CRISIL and/or ICRA and are subject to the following disclaimers and exclusion of liability which operate severally to the benefit of CRISIL and/or ICRA and AMFI. The valuation uses the methodology discussed by CRISIL and/or ICRA with the Association of Mutual Funds of India (AMFI) and reflects the CRISIL and/or ICRA assessment as to the value of the relevant securities as at the date of the valuation. This is an indicative value of the relevant securities on the valuation date and can be different from the actual realizable value of the securities. The valuation is based on the information provided or arranged by or on behalf of the asset management company concerned (AMC) or obtained by CRISIL and/or ICRA from sources they consider reliable. Neither AMFI nor CRISIL and/or ICRA guarantee the completeness or accuracy of the information on which the valuation is based. The user of the valuations takes the full responsibility for any decisions made on the basis of the valuations. Neither AMFI nor CRISIL and/or ICRA accept any liability (and each of them expressly excludes all liability) for any such decision or use.

Annexure I

As Per AMFI Best practice guidelines dated July 26, 2024 following are the guidelines on Investment in Partly Paid debentures:

1. Mutual Fund schemes shall make investment in partly paid debentures only when payment of the remaining amount is linked to clear, pre-defined events (i.e. is subject to conditions precedent). For avoidance of doubt any event which is purely time based shall not be considered as a pre-defined events. Such conditions precedent should be clearly outlined in the Agreement for subscription of the debentures / Offer Document for the issue, as the case may be. Conditions precedent mean the clearly defined obligations / events that need to be fulfilled before calling upon the investor to make payment for the remaining portion of the subscription. Such obligations / events, to name a few, could include achievement of certain milestones linked with the object for which the debentures were issued or linked to the enhancement of credit rating of the Issuer or linked to other financial or operating parameters of the Issuer or linked to the happening of an event. AMCs shall not resort to the practice of investing in partly paid debentures without any condition precedent.
2. There should not be any linkages across schemes while investing in partly paid debentures. For example: if the agreement for partly paid debentures also envisages investment in any other type of instrument such as a commercial paper then the AMC should ensure that subscription to the residual part of the issue/ the investment in the other instrument is made by the scheme which made the original investment in partly paid debentures.
3. While investing in partly paid debentures, AMCs shall ensure that interest of one set of unit holders/ schemes is not compromised at the cost of another.
4. All regulatory limits have to be complied with at the time of each such part payment.
5. In order to avoid a situation where a MF scheme is unable to honor future part payments, AMCs should avoid excessive concentration in partly paid debentures.
6. Any investment in partly paid debentures has to be disclosed in the monthly portfolio disclosures of the scheme. This should include, inter-alia, the amount that has been contracted but not yet paid by the scheme, the dates of such future pay-ins, triggers for future pay-ins as well as any other detail that in the fund house's view may be of material interest to its investors.
7. Investment is Partly Paid Debenture is subject to a cap on maximum investment of Mutual Fund Scheme at 5% of the AUM of the scheme. However, once the Partly Paid Debentures are fully paid up, the cap on maximum investment of Mutual Fund Scheme at 5% of the AUM of the scheme will not apply.

Annexure II

Part A: Valuation of Money Market and Debt Securities other than G-Secs

1. Waterfall Mechanism for valuation of money market and debt securities:

The following shall be the broad sequence of the waterfall for valuation of money market and debt securities:

i. Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN(whether through book building or fixed price) and secondary trades in the same ISIN

VWAY of primary issuances through book building of same issuer, similar maturity (Refer Note 1below)

VWAY of secondary trades of same issuer, similar maturity

iv. VWAY of primary issuances through fixed price auction of same issuer, similar maturity

v. VWAY of primary issuances through book building of similar issuer, similar maturity (Refer Note 1below)

vi. VWAY of secondary trades of similar issuer, similar maturity.

vii. VWAY of primary issuance through fixed price auction of similar issuer, similar maturity

viii. Construction of matrix (polling may also be used for matrix construction)

ix. In case of exceptional circumstances, polling for security level valuation (Refer Note 2 below)

Note 1

Except for primary issuance through book building, polling shall be conducted to identify outlier trades. However, in case of any issuance through book building which is less than INR 100 Cr, polling shall be conducted to identify outlier trades.

Note 2

Some examples of exceptional circumstance would be stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action or such other event as may be considered by valuation agencies. Here stale spreads are defined as spreads of issuer which were not reviewed/updated through trades/primary/polls in same or similar security/issuers of same/similar maturities in waterfall approach in last 6 months.

Further, the exact details and reasons for the exceptional circumstances which led to polling shall be documented and reported to AMCs. Further, a record of all such instances shall be maintained by AMCs and shall be subject to verification during SEBI inspections.

Note 3

All trades on stock exchanges and trades reported on trade reporting platforms till end of trade reporting time (excluding Inter-scheme transfers) should be considered for valuation on that day.

Note 4

It is understood that there are certain exceptional events, occurrence of which during market hours may lead to significant change in the yield of the debt securities. Hence, such exceptional events need to be factored in while calculating the price of the securities. Thus, for the purpose of calculation of VWAY of trades and identification of outliers, on the day of such exceptional events, rather than considering whole day trades, daytrades, only those trades shall be considered which have occurred post the event (on the same day).

The following events would be considered exceptional events:

i. Monetary/Credit Policy
ii. Union Budget
iii. GovernmentBorrowing/AuctionDays
iv. Material Statements on Sovereign Rating
v. Issuer or Sector Specific events which have a material impact on yields
vi. Central Government Election Days
vii. Quarter end days

In addition to the above, valuation agencies may determine any other event as an exceptional event. All exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.

2. Definition of tenure buckets for Similar Maturity

When a trade in the same ISIN has not taken place, reference should be taken to trades of either the same issuer or a similar issuer, where the residual tenure matches the tenure of the bond to be priced. However, as it may not be possible to match the exact tenure, it is proposed that tenure buckets are created and trades falling within such similar maturity be used as per table below.

Residual Tenure of Bond to be priced	Criteria for similar maturity
Up to 1 month	Calendar Weekly Bucket
Greater than 1 month to 3 months	Calendar Fortnightly Bucket
Greater than 3 months to 1year	Calendar Monthly Bucket
Greater than 1year to 3 years	Calendar Quarterly Bucket
Greater than 3 years	Calendar Half Yearly or Greater Bucket

In addition to the above:

a. In case of market events, or to account for specific market nuances, valuation agencies may be permitted to vary the bucket in which the trade is matched or to split buckets to finer time periods as necessary. Such changes shall be auditable. Some examples of market events / nuances include cases where traded yields for securities with residual tenure of less than 90 days and more than 90 days are markedly different even though both may fall within the same maturity bucket, similarly for less than 30 days and more than 30 days or cases where yields for the last week vis second last week of certain months such as calendar quarter ends can differ.

b. In the case of illiquid/ semi liquid bonds, it is proposed that traded spreads be permitted to be used for longer maturity buckets (1year and above). However, the yield should be adjusted to account for

steepness of the yield curve across maturities.

c. The changes /deviations mentioned in clauses a and b, above, should be documented, along with the detailed rationale for the same. Process for making any such deviations shall also be recorded. Such records shall be preserved for verification.

3. Process for determination of similar issuer

Valuation agencies shall determine similar issuers using one or a combination of the following criteria. Similar issuer do not always refer to issuers which trade at same yields, but may carry spreads amongst themselves & move in tandem or they are sensitive to specific market factor/s hence warrant review of spreads when such factors are triggered.

i. Issuers within same sector/industry and/or

ii. Issuers within same rating band and/or

iii. Issuers with same parent/ within same group and/or

iv. Issuers with debt securities having same guarantors and/or

v. Issuers with securities having similar terms like Loan Against Shares (LAS)/ Loan Against Property (LAP)

The above criteria are stated as principles and the final determination on criteria, and whether in combination or isolation shall be determined by the valuation agencies. The criteria used for such determination should be documented along with the detailed rationale for the same in each instance. Such records shall be preserved for verification. Similar issuers which trade at same level or replicate each other's movements are used in waterfall approach for valuations. However, similar issuer may also be used just to trigger the review of spreads for other securities in the similar issuer category basis the trade/news/action in any security/ies within the similar issuer group.

4. Recognition of trades and outlier criteria

Volume criteria for recognition of trades (marketable lot)

Paragraph 1.1.1.1(a) of SEBI vide circular no.SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 on Valuation of money market and debt securities, prescribes that the marketable lots shall be defined by AMFI, in consultation with SEBI. In this regard, marketable lot is defined as under.

The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume Criteria for marketable lot
Primary	INR 25 cr. for both Bonds/NCD/CP/CD and other money market instruments
Secondary	INR 25 cr. for CP/ CD, T-Bills and other money market instruments
Secondary	INR 5 Cr. for Bonds/NCD/G-secs

Trades not meeting the minimum volume criteria i.e. the marketable lot criteria as stated above shall be ignored.

ii. Outlier criteria

It is critical to identify and disregard trades which are aberrations, do not reflect market levels and may potentially lead to mispricing of a security or group of securities. Hence, the following broad principles would be followed by valuation agencies for determining outlier criteria.

a. Outlier trades shall be classified on the basis of liquidity buckets (Liquid, Semi-liquid, and Illiquid). Price discovery for liquid issuers is generally easier than that of illiquid issuers and hence a tighter pricing band as compared to illiquid issuers would be appropriate.

b. The Outlier trades shall be determined basis the yield movement of the trade, over and above the yield movement of the matrix. Relative movement ensures that general market movements are accounted for in determining trades that are outliers. Hence, relative movement over and above benchmark movement shall be used to identify outlier trades.

c. Potential outlier trades which are identified through objective criteria defined above will be validated through polling from market participants. Potential outlier trades that are not validated through polling shall be ignored for the purpose of valuation.

d. The following criteria shall be used by valuation agencies in determining Outlier Trades

Liquidity Classification	**Bps Criteria (Yield movement over Previous Day yield after accounting for yield movement of matrix)**		
	Up to 15 days	15-30 days	Greater than 30 days
Liquid	30 bps	20 bps	10 bps
Semi-liquid	45 bps	35 bps	20 bps
Illiquid	70bps	50bps	35 bps

The above criteria shall be followed consistently and would be subject to review on a periodic basis by valuation agencies and any change would be carried in consultation with AMFI.

e. In order to ensure uniform process in determination of outlier trades the criteria for liquidity classification shall be as detailed below.

Liquid classification criteria —liquid, semi liquid and illiquid definition

Valuation agencies shall use standard criteria for classifying trades as Liquid, Semi-Liquid and illiquid basis the following two criteria

a. Trading Volume

b. Spread over reference yield

Such criteria shall be reviewed on periodic basis in consultation with AMFI.

Trading Volume (Traded days) based criteria:

Number of unique days an issuer trades in the secondary market or issues a new security in the primary market in a calendar quarter

- Liquid >=50% of trade days
- Semi liquid >=10% to 50% trade days
- Illiquid <10% of trade days

Spread based criteria:

Spread over the matrix shall be computed and based on thresholds defined, issuers shall be classified as liquid, semi liquid and illiquid. For bonds thresholds are defined as up to 15 bps for liquid; >15-75 bps for semi-liquid; > 75 bps for illiquid. (Here, spread is computed as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix), For CP/ CD- up to 25 bps for liquid; >25- 50 bps for semiliquid; >50 bps for illiquid. (Here, spread is computed as average spread of issuer over A1+/AAA CD Bank matrix).

The thresholds shall be periodically reviewed and updated having regard to the market.

The best classification (liquid being the best) from the above two criteria (trading volume and spread based) shall be considered as the final liquidity classification of the issuer. The above classification shall be carried out separately for money market instruments (CP/ CDs) and bonds.

5. Process for construction of spread matrix

Valuation agencies shall follow the below process in terms of calculating spreads and constructing the matrix:

Steps	Detailed Process
Step 1	Segmentation of corporates- The entire corporate sector is first categorised across following four sectors i.e. all the corporates will be catalogued under one of the below mentioned bucket: 1. Public Sector Undertakings/Financial Institutions/Banks; 2. Non-Banking Finance Companies -except Housing Finance Companies; 3. Housing Finance Companies; 4. Other Corporates
Step 2	Representative issuers - For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher rating (I.e. "AAA" or AA+). Benchmark/Representative Issuers will be identified basis high liquidity, availability across tenure in AAA/AA+ category and having lower credit/liquidity premium. Benchmark Issuers can be single or multiple for each sector. It may not be possible to find representative issuers in the lower rated segments, however in case of any change in spread in a particular rating segment, the spreads in lower rated segments should be suitably adjusted to reflect the market conditions. In this respect, in case spreads over benchmark are widening at a better rated segment, then adjustments should be made across lower rated segments, such that compression of spreads is not seen at any step. For instance, if there is widening of spread of AA segment over the AAA benchmark, then there should not be any compression in spreads between AA and A rated segment and so on.
Step 3	Calculation of benchmark curve and calculation of spread — 1. Yield curve to be calculated for representative issuers for each sector for maturities

		ranging from 1month till 20 years and above.
	2.	Waterfall approach as defined in Part A (1) above will be used for construction of yield curve of each sector.
	3.	In the event of no data related to trades/primary issuances in the securities of the representative issuer is available, polling shall be conducted from market participants
	4.	Yield curve for Representative Issuers will be created on daily basis for all4 sectors. All other issuers will be pegged to the respective benchmark issuers depending on the sector, parentage and characteristics. Spread over the benchmark curve for each security is computed using latest available trades/primaries/polls for respective maturity bucket over the Benchmark Issuer.
	5.	Spreads will be carried forward in case no data points in terms of trades/primaries/polls are available for any issuer and respective benchmark movement will be given
Step 4	1.	The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve on the basis of trades/primary issuances.
	2.	In case of rating downgrade/credit event/change in liquidity or any other material event in Representative Issuers, new Representative Issuers will be identified. Also, in case there are two credit ratings, the lower rating to be considered.
	3.	Residual tenure of the securities of representative issuers shall be used for construction of yield curve.

Part B: Valuation of G-Secs (T-Bill, Cash management bills, G-Sec and SDL

The following is the waterfall mechanism for valuation of Government securities:

- VWAY of last one hour, subject to outlier validation
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation
- Two quote, not wider than 5 bps on NDSOM, subject to outlier validation
- Carry forward of spreads over the benchmark
- Polling etc.

Note:

1. VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these Guidelines.
2. Outlier criteria: Any trade deviating by more than+/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trades shall be ignored.

II. AMFI GUIDELINES ON POLLING PROCESS FOR MONEY MARKET AND DEBT SECURITIES

Please refer to Paragraph 2.2.5 of SEBI vide circular no.SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 on Valuation of money market and debt securities, which prescribes that considering the importance of polling in the valuation process, guidelines shall be issued by AMFI on polling by valuation agencies and on the responsibilities of Mutual Funds in the polling process, as part of the waterfall approach for valuation of money market and debt securities. In this regard, the following Guidelines were approved by the Board of AMFI, in consultation with SEBI.

Polling Guidelines:

1. Valuation agencies shall identify the Mutual Funds who shall participate in the polling process on a particular day, taking into account actors such as diversification of poll submitters and portfolio holding of the Mutual Funds. Mutual Funds who are identified by the valuation agencies shall necessarily participate in the polling process. However, in case any Mutual Fund does not participate in the polling process, detailed reason for the same shall be recorded at the time and subsequently made available during SEBI inspections. In this respect, since a Mutual Fund may have investments in similar securities, a security not forming part of investment universe may not be considered as an adequate reason for not participating in the polling process.
2. Polling will be carried out on a daily basis by the valuation agencies, in terms of points 9-11 below.
3. Each valuation agency needs to take polls from at least 5 unique Mutual Funds on a daily basis. Hence, between the two valuation agencies 10 unique Mutual Funds to be polled. They may cover more Mutual Funds, over and above this. For benchmark securities a poll constituting at least 5 responses will be considered as valid. In case of non-benchmark securities a poll constituting at least 3 responses will be considered as valid. The responses received by each valuation agency will be shared with the other agency also.
4. Median of polls shall be taken for usage in valuation process.

5. The valuation agencies will also need to cover as many non- Mutual Fund participants as possible, over and above the Mutual Funds, to improve on the polling output quality.
6. Endeavour would be made to have adequate representation of both holders and non-holders of the same bond/same issuer for non-benchmark securities in the poll process. Where this is not possible, valuation agencies may seek polls from holders of bonds with a similar structure.
7. In the case of issuers with multiple notch rating upgrades / downgrades over short periods of time, valuation agencies shall:
   a. Conduct polls with a larger universe of pollers.
   b. Increase the frequency of polling
8. Suo-moto feedback on valuations should be entertained only through formal mails from persons designated by AMC for said purpose, and the same shall be validated through re-polling. Any such feedback shall be duly recorded by the valuation agencies, including the reason for the challenge, results of re-polling and subsequent changes in valuation on re-polling, if any. Such records shall be preserved by the valuation agencies, for verification.
9. Polling will be done for two sets of securities, Benchmark & Others.
10. Benchmark will be defined for the following categories across ten
    a) Treasury Bills
    b) Central Government Securities
    c) State Government Securities
    d) AAA PSU / PFI / PSU Banks
    e) AAA Private
    f) NBFC
    g) HFC
    h) Any other as required for improving fair valuations.
11. Polling shall be conducted in the following two scenarios:

a) Validation of traded levels if they are outlier trades.

b) Non-traded Securities (in exceptional circumstances as defined in the waterfall mechanism for valuation of money market and debt securities).

12. Best efforts should be made by poll submitters to provide fair valuation of a security.
13. The polling process will be revalidated by external audit of the valuation agencies with at least an annual frequency
14. AMCs shall have a written policy, approved by the Board of AMC and Trustees, on governance of the polling process. The aforesaid policy shall include measures for mitigation of potential conflicts of interest in the polling process and shall identify senior officials, with requisite knowledge and expertise, who shall be responsible for polling. Further,the policy should outline the following aspects:
    a. The process of participating in a polling exercise.
    b. Identify the roles and responsibilities of persons participating in the polling.
    c. Include policies and procedures for arriving at the poll submission
    d. Cover the role of the Board of AMC and Trustees, and the periodic reporting that needs to be submitted to them.
    e. All polling should be preferably over email. In case for any reason, the polling is done by way of a telephonic call then such a call should be over recorded lines, followed subsequently by an email.
    f. AMCs should have adequate business continuity arrangements for polling, with the necessary infrastructure / skill to ensure that consistent delivery of poll submissions is made without material interruption due to any failure, human or technical.
15. All polling done will have to be documented and preserved in format approved by the Board of AMC, for a period of eight years, along-with details of the basis of polling (such as market transactions, market quotes, expert judgement etc.).
16. AMCs shall ensure that participation in the polling process is not misused to inappropriately influence the valuation of securities. The officials of the AMC who are responsible for polling in terms of point no. 14 above, shall also be personally liable for any misuse of the polling process.
17. AMCs shall maintain an audit trail for all polls submitted to valuation agencies

ANNEXURE III - VALUATION OF AT-1 AND TIER II BONDS ISSUED UNDER BASEL III FRAMEWORK

I. Deemed Residual Maturity of Bonds

The Deemed Residual Maturity for the purpose of valuation as well as Macaulay Duration for existing as well as new perpetual bonds issued:

Time Period	Deemed Residual Maturity (Years)
Till March 31, 2022	10
April 01, 2022 - September 30, 2022	20
October 01, 2022 - March 31, 2023	30
March 31, 2023 onwards	100

the residual maturity will always remain above the deemed residual maturity proposed above.

The Macaulay Duration is proposed to be calculated as under for Tier II bonds:

Time Period	Deemed Residual Maturity for all securities (Years)
April 01, 2021 - March 31, 2022	10 years or contractual maturity whichever is earlier
April 01, 2022 onwards	Actual Maturity

1. If the issuer does not exercise call option for any ISIN, then maturity of bonds to be considered as 100 years from the date of issuance of AT-1 bonds and contractual maturity of Tier II Bonds for all the ISINs of the said issuer.
2. If the non-exercise of call option is due to financial stress or in case of adverse news, the same must be reflected in the valuation.

II. Guidelines for Valuation

1. Form two types of ISINs:

a) Benchmark ISINs (a non-benchmark ISIN can be linked to only one benchmark ISIN. Currently, SBI ISINs happens to be the benchmark ISINs across all maturities for AT-1 Bonds.)

b) Non-benchmark ISINs (Will be divided into multiple groups based on similar issuer and similar maturity).

c) The groups will be decided in consultation with valuation agencies. The two main criteria envisaged to be used here would be Tier 1 / Tier 2 ratings of the ISINs / Issuers, and the spread range in which the group of ISINs / Issuer's trade over the benchmark.

2. Take a look back period for trade recognition as under:

a) 15 working days for benchmark ISINs

b) 30 working days for non-benchmark ISINs

c) This will be revised to 7 working days for benchmark ISIN and 15 working days for non- benchmark ISINs from October 01, 2021.

Note 1

a) If the ISIN gets traded, the traded YTM will be taken for the purpose of valuation.

b) If 1 ISIN of the issuer trades all other ISINs of issuers will be considered as traded but with necessary adjustment of spread to YTM.

c) If none of the ISIN of the issuer gets traded, the trade of similar issuer in the group will be taken to valuation however with necessary adjustment of spread to YTM of similar issuer similar maturity. If none of the ISIN in a group gets traded on any particular day, an actual trade in a look back period will be seen.

d) If there is an actual trade in look back period the security will be considered as traded and valued with necessary adjustment of spread to YTM. According to this valuation will be done based on the trade of issuer, trade of similar issuer and as an additional layer a look back period of is requested. It is confirmed that spread over YTM will be taken without any adjustment of modified duration to call.

Note 2

As the valuation is based on trade during the look back period, it is confirmed that a spread will be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.

Note 3

If there is no actual trade of any ISIN of the issuer as well as similar issuer during look back period also then valuation will be done by taking spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.

Note 4

AT-1 bonds and Tier 2 bonds being different categories of bonds, the valuation of these bonds will be done separately (i.e.) ISIN of AT-1 bond traded will not mean that ISIN of Tier-2 bonds of the same issuer have also traded. However, if any issuer does not exercise call option for any ISIN, then the valuation and calculation of Macaulay Duration should be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and Contractual Maturity for Tier 2 bonds, for all ISINs of the issuer.