DHFL PRAMERICA ASSET MANAGERS PRIVATE LIMITED

VALUATION POLICY

Version 8.0

2016

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I. INTRODUCTION

The value of the investments in securities by a mutual fund scheme determines the Net Assets Value (NAV) of the scheme. Valuing a security entails determining the price that the investment can reasonably expect to fetch in an open market. However, such a price may or may not be readily available due to various constraints including the fact that the investment may not be traded in the market during a particular period or an investment is not listed and hence an acceptable and transparent market price may not be available. As the NAV is fundamental to the operation and success of each scheme, it is critical that, the process of determining the value of investments is efficient and produces accurate and reliable results.

The Securities and Exchange Board of India (SEBI) has prescribed the methods of and rules for valuation of investments in Schedule Eight of SEBI (Mutual Fund) Regulations, 1996 ('the Regulations'). Each mutual fund is required to adhere to these rules and methods while valuing their portfolio of investments.

II. PURPOSE

This document describes the Valuation Policy ('the Policy') of DHFL Pramerica Mutual Fund ('DPMF') and the process of valuation of investments made by DPMF in line with the Regulations and sets out the methodologies applied by DPMF in relation to the valuation of assets of the schemes of DPMF. This document aims to ensure that:

- DPMF values its investments in accordance with the principles of fair valuation so as to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all its schemes at all points of time;

- The process of calculating Scheme NAV is transparent and consistently applied; and

- The methodologies adopted are reviewed at appropriate intervals and revised as necessary to meet commercial and regulatory requirements.

III. POLICY OVERVIEW

As per the Regulations, the mutual funds shall value its investments in accordance with the principles of fair valuation, so as to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time. The guiding principles for fair valuation would be to minimize the difference in valuation of mutual fund assets relative to market values. This would enable fair treatment across all classes of investors (those investing, redeeming and staying in the fund). All valuations would be guided by the SEBI/ RBI/ other regulatory guidelines or best practices issued by AMFI, from time to time. These guidelines should be read in conjunction with:

- Eighth schedule of SEBI (Mutual Funds) Regulations, 1996; and

- The Circulars issued by SEBI in this regard, from time to time.

IV. VALUATION COMMITTEE

SEBI Circular No MFD/CIR No.010/024/2000 dated January 17, 2000 stipulates that an asset management company is required to constitute an in-house Valuation Committee comprising of senior executives including personnel from Accounts, Operations, Fund Management and Compliance departments for reviewing the system and practices of valuation of securities.

Accordingly, the Board of Directors of DHFL Pramerica Asset Managers Private Limited (Erstwhile Pramerica Asset Managers Private Limited) has constituted a Valuation Committee in order to govern and oversee the valuation aspect of various portfolios. The following are the constitutional details of the Valuation Committee:-

A. Constitution:-

The Valuation Committee of the Company will comprise of the following members:

a. Chief Executive Officer (CEO)
b. Chief Operating Officer/ Head – Operations/ Head - Finance
c. Head of Equity
d. Head of Fixed Income
e. Chief Compliance Officer (CCO)
f. Head – Risk/Risk Manager

The Valuation Committee will be headed by the CEO, who may invite any other officers of the Company to attend as and when required.

B. Quorum:-

The quorum for the Valuation Committee will consist of any three members of the Committee, provided one among the CEO or CCO and one among Head of Equity or Head of Fixed Income is present to complete the quorum. Further provided that for all equity related matters the Head of Equity is present and for all fixed income related matters the Head of Fixed Income is present to complete the quorum.

C. Terms of Reference:-

- The Valuation Policy would be reviewed by the Valuation Committee on an annual basis and revised (as & when needed) in the event of any new regulatory guidelines. The changes to the Policy would be placed before the Board of Directors;

- It would be the responsibility of the compliance team to keep the investment team as well Valuation Committee updated of any new regulatory guidelines pertaining to valuations;

- An approved, a copy of the Valuation Policy would be provided to the Fund Accountants, who would then be responsible for carrying the valuations as per the policy. Further, Fund Accountants would be required to certify on a monthly basis that all valuations have been carried out as per the Policy;

- All inter-scheme transfers would be approved by the fund manager of the transferee scheme, fund manager of the transferor scheme, and/or the Head of Equity and/ or Head of Fixed Income as applicable. Further all inter scheme transfers would be reviewed/ ratified by the Compliance Officer;

- Mark up/ downs in valuation yield or any changes therein would be communicated in writing to the Fund Accountants and would be preserved for future records. Chief Executive Officer (whatever his designation may be) of the AMC shall give prior approval to the use of discretionary mark up or down limit;

- For debt instrument structures which are new, market prices are not available, and external valuation models are not available, valuation would be at cost or internally developed valuation models to be decided on a case-to-case basis and to be approved by the Valuation Committee;

- The Committee shall meet as and when deemed necessary

V. VALUATION NORMS FOR EQUITY AND EQUITY RELATED INSTRUMENTS

1. Traded Security:-

- All actively traded equity instruments be valued at the closing price on the principal stock exchange (NSE) on Valuation day (i.e. T day);

- If the price is not available on a particular valuation day then the Secondary Stock Exchange (BSE) price on T day will be considered for valuation;

- If BSE prices are also not available, then NSE price of T-1 & in that order up to T-30 will be considered.

2. Non Traded security or thinly traded security:-

- If the equity instrument is not traded up to T-30 days or is thinly traded (trade value in a calendar month is less than Rs. 5 lakhs and total volume is less than 50,000 shares) then the valuation will be in good faith based on principles laid down;

- Non traded and thinly traded securities are valued in good faith based on the principles laid down below:

  (a) Based on the latest available Balance Sheet, Net Worth per share is calculated as [Share capital + reserves (excl revaluation reserves) – Misc. exp and debit balance in P&L] divided by the number of paid up shares.

  (b) Then, value per share is calculated by the capitalized earnings method i.e. EPS (earnings per share) multiplied by the price earning multiple. Here average P/E multiple for the industry is used based on the BSE or NSE data. The identified P/E multiple is discounted by 75% and is taken as the average P/E.

  (c) The value per share based on net worth method and based on capitalized earnings method is averaged and further discounted by 10% for illiquidity to arrive at the fair value per share.

  (d) If the EPS is negative, EPS value is taken as zero.

  (e) Where latest balance sheet is not available within nine months from close of the year, unless accounting year is changed, the value of shares is taken as zero.

  (f) If the individual security accounts for more than 5% of the total assets of the scheme, an independent valuer is appointed.

If unlisted, illiquid, thinly traded and non-traded equity is in excess of 15% of total net assets of an open ended scheme and 20% in case of a close-ended scheme, the value in excess of 15% will be considered as Nil.

3. **Follow on Public Offers (FPO):-**

   In case of follow on public offers (FPOs) valuation will be done at the last quoted closing price on the principal stock exchange i.e., NSE on allotment date (date of receipt of CAN) and not wait till the separate listing of the new security. If not priced on NSE on allotment date, then methodology for actively traded, as above, will be followed.

4. **Initial Public Offer (IPO):-**

   IPO investments will be accounted as share application money until allotment is made. Post allotment till listing, the shares will be valued at cost.

5. **Demerger:-**

   - In case of demerger, there are three possibilities namely:-

     a) Both companies' shares are traded;

     b) One of the companies' shares are traded;

     c) Both companies' shares are not traded.

   - If both companies' shares are traded, then market price for both will be considered for valuation;

   - If one of the company's shares is traded, then the traded company's shares will be valued at traded price. For non-traded shares, market value to be derived based on Market value of the original traded shares on one trading day prior to the ex-date of demerger minus market value of demerged traded shares on ex-date. This price for the non-traded share will be constant till listing of the non-traded shares. In case value of the traded share of the demerged company is equal or in excess of the value of pre demerger share, then the non-traded share is to be valued at zero;

   - If both these companies shares are non traded, then the shares of both the demerged companies are to be valued equal to the pre demerger value (one trading day prior to the ex-date) up to the date of listing. The market value of the shares will be bifurcated in the ratio of cost of shares as may be obtained by prescribed demerger ratio.

6. **Rights Valuation:-**

   - The Rights entitlement will be valued as on ex-date. The rights entitlement will be booked at issue price and valued at market price;

   - When Rights shares have been applied for quantity less than or equal to the Rights entitlement, then the value of such shares applied will be equal to the current ex-Price of the share;

   - In case where the additional quantities have been applied on Rights, the additional quantities will be booked as application money and will be held at cost till allotment when the allotted quantity will be accounted for in the original share and valued as per the valuation policy of the original share;

   - In case of the Rights on non-traded shares, Value of Rights will be zero. For traded Rights entitlements, the traded prices will be considered for valuation.

7. Preference Shares:-

- If preference shares are listed, the same will be valued at traded price.

- Non convertible preference shares will be valued as per corporate debt valuation. However if the company has not paid dividend for one year it would be treated like a non-performing debenture.

8. Convertible Debentures:-

- A convertible debenture will be split into convertible and non convertible components. The convertible component will be valued at proportionate price of the converted share (if the ratio of conversion is not 1:1) reduced by the conversion price (face value of the convertible component) and further reduced by appropriate illiquidity discount. The non convertible component will be valued at corporate debt valuation guidelines;

- In case of optionally convertible debentures, two valuations will be considered - one of exercising the option and one of not exercising the option. If the option rests with the issuer, lower of the two values will be taken and if the option rests with the investor, the higher of the two will be taken.

9. Warrants:-

- Traded warrants will be valued at market price. Non traded warrants will be valued as under:

  - If exercise price is less than market price of the share, then the warrant will be valued at the discounted value of the share less exercise price. Discount value will be decided on a case to case basis by the valuation committee.

  - If the exercise price is greater than market price of the share, the warrant will be valued at zero.

10. Futures and Options:-

Traded - On the valuation day, at the settlement price provided by the respective stock exchanges;

Non Traded - 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.

11. American Depository Receipt /Global Depository Receipt (ADR/GDR):-

ADR and GDR will be valued based on last traded price on the exchange where the issue is listed.

12. Unlisted Equity Shares:-

Methodology for Valuation - unlisted equity shares of a company shall be valued "in good faith" as below:

a. Based on the latest available audited balance sheet, Net Worth shall be calculated as the lower of item (1) and (2) below:

   1. Net Worth per share = [Share Capital + Free Reserves (excluding revaluation reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / Number of Paid up Shares.

   2. After taking into account the outstanding warrants and options, Net Worth per share shall again be calculated and shall be = [Share Capital + consideration on exercise of Option and/or Warrants received/receivable by the Company + Free Reserves (excluding Revaluation Reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / Number of Paid up Shares plus Number of Shares that would be obtained on conversion and/or exercise of Outstanding Warrants and Options.

The lower of (1) and (2) 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 shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75 per cent. i.e. only 25 per cent of the industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share (EPS) 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 per cent for illiquidity so as to arrive at the fair value per share.

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

a. All calculations shall be based on audited accounts.

b. If 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.

c. If the Net Worth of the company is negative, the share would be marked down to zero.

d. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.

e. In case an individual security accounts for more than 5 per cent 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 per cent of the total assets of the scheme, it shall 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, unlisted equity shares may be valued at a price lower than the value derived using the aforesaid methodology.

13. Guidelines for Equity Inter-scheme Transfers:-

All transfers would be effected at the prevailing spot market price of the security at the time of transfer. For this purpose, at the time of effecting the inter-scheme transfer, a printout of the price of the security quoted in the relative stock exchange on which it is traded would be obtained, which would indicate the date, time and the quoted price of that security. For securities traded on more than one exchange, preference would be given to the prices in BSE, NSE and other exchanges, in that order. The price given in the quotation of the stock exchange would be the effective price for the inter-scheme transfer.

In case a security is not traded on a particular day on any of the exchanges, the closing price of that security on the earliest previous date will be taken.

VI. VALUATION NORMS FOR DEBT AND MONEY MARKET INSTRUMENTS

1. Valuation of money market and debt securities with residual maturity of upto 60 days:-

Category	**Valuation Guidelines**
Money market and debt securities, including floating rate securities traded on a particular valuation day	Weighted average yield (at which they are traded on the particular valuation day, if there are at least five trades aggregating to Rs. 250 Crores or more. (This qualifying criterion is to be observed at the exchange/platform level.) <u>For valuation (Corporate Bonds, Commercial Papers, Certificate of Deposits)</u> 1. Weighted Average Traded yield reported on F-Trac (FIMMDA); 2. If the same are not available on F-Trac (FIMMDA), then Weighted Average Traded yield on NSE-WDM; 3. If not available on F-Trac (FIMMDA) & NSE-WDM, then Weighted Average Traded yield on BSE. In cases of self trades (Self trade mean trades done by the schemes of DHFL Pramerica Mutual Fund, including inter scheme transfers), only a trade of a market lot or more will be considered for valuation. In case there are both qualifying market trades and self trades, the market trades will be given a higher priority. For this purpose market lot means INR 5 Crores. <u>For valuation of Government Securities:-</u> 1. the aggregated prices received from CRISIL and other rating agencies; 2. if the same is not available from CRISIL and other rating agencies, then NDS-OM weighted average yield to be considered; 3. if the same are not available from CRISIL and other rating agencies or NDS-OM, then NSE-WDM will be considered. <u>For valuation of TBILLs:-</u>

	1. Weighted Average yield traded on NSE-WDM; 2. If the same are not available on NSE-WDM, then Weighted Average Traded yield on NDS-OM. Note: Weighted Average Yield to be considered for all trades (T+0 and T+1) reported on the public platform based on the qualifying trade criteria's and applicable to all securities including G-Sec (wherever applicable) and T Bill. The closing price for each security will be derived from the CRISIL Bond Valuer (in case of G-Sec (if applicable) and T Bill, the price will be derived using proprietary methods) after appropriate mark up or down applied to match the Weighted Average Yield which is reported on the public platform as mentioned above.
When above securities are not traded on a particular valuation day	<u>Money market and debt securities (including floating rate securities) (including TBills and Government Securities):-</u> a) Assets to be amortized on straight line amortization from the last traded price (own trade)/ purchase price, whichever is more recent, as long as the valuation remains within +/-0.10% band of the reference price; The reference price is derived from the reference benchmark yield curve provided by CRISIL or any other agency at periodic intervals. For every acquisition of securities, the spread between the yield of the security and the reference benchmark yield curve is captured. This spread would be kept constant unless there is a trade. The price of the security on the yield curve after considering the above spread is then compared with the amortised price of the security so as to be within +/- 0.10% of the reference price. b) In case the variance exceeds +/-0.10%, the valuation shall be adjusted to bring it within the +/-0.10% band. In case of any subsequent trades in the same security, the valuation shall be based on the most recent trade as long as the trade is of market lot. The security such valued would be amortized to maturity with such amortized prices to be within +/-0.10% of the reference price as above. [The valuation method stated above is subject to the AMFI approved rating agencies providing the benchmark yield and carrying out necessary system upgrades. Till such time these securities shall be valued at straight line amortization basis.]
Floating rate securities with floor and caps on coupon rate.	Amortization basis taking the coupon rate as floor.

2. Valuation of money market and debt securities with residual maturity of greater than 60 days:-

Category	**Valuation Guidelines**
Money market and debt securities, including floating rate securities traded on a particular valuation day	At valuation prices provided by agencies recommended by AMFI (currently, CRISIL and ICRA)[1] and approved by the Board of AMC and Trustees. **<u>If the Valuation Price is unavailable from the agencies recommended by AMFI:-</u>** In case of any new security (i.e. security not forming part of the universe covered by such agencies) the price is not available from such agencies on the day of purchase and/or the following non-business days, weighted average yield at which they are traded on the particular valuation day will be considered for valuation, subject to the following:- • For bonds, the traded yield may be taken if there is at least one trade aggregating to Rs. 5 Crores or more. • For commercial paper/ certificate of deposit, the traded yield may be taken if there is at least one trade aggregating to Rs. 25 Crores or more. These qualifying criteria are to be observed at the exchange/platform level in the following order:- 1. Weighted Average Traded yield reported on F-Trac (FIMMDA); 2. If the same are not available on F-Trac (FIMMDA), then Weighted Average Traded yield on NSE-WDM; 3. If not available on F-Trac (FIMMDA) & NSE-WDM, then Weighted Average Traded yield on BSE. In cases of self trades, including inter scheme transfers, only a trade of a market lot or more will be considered for valuation. In case there are both qualifying market trades and self trades, the market trades will be considered for valuation. For this purpose market lot means INR 5 Crores.
When above securities are not traded on a particular valuation day	At valuation prices provided by agencies recommended by AMFI (currently, CRISIL and ICRA) and approved by the Board of AMC and Trustees. However, in case of any new security (i.e. security not forming part of the universe covered by such agencies on the day of purchase), the price is not available from the such agencies (currently, CRISIL and ICRA) on the day of

[1] Please refer CRISIL/ICRA Disclaimer at the end of the document

	purchase and the following non-business day, such security will be valued at purchase yield. If the price of such security continues to be unavailable from such agencies (currently, CRISIL and ICRA) on the subsequent days, then the AMC will value such security based on the valuation of the similar securities provided by such agencies (currently, CRISIL and ICRA)

In case of securities with put option, once the option is exercised the security would be valued to put date (being the deemed maturity date) and would follow the valuation principles as applicable for securities with residual maturity up to 60 days (in case the deemed residual maturity is equal to or less than 60 days) ignoring the prices provided by such agencies (currently, CRISIL and ICRA). Similarly, in case of securities with call option, once the option is exercised the security would be valued to call date (being the deemed maturity date) and would follow the valuation principles as applicable for securities with residual maturity up to 60 days (in case the deemed residual maturity is equal to or less than 60 days). In either case, if the deemed residual maturity of securities is more than 60 days, the securities shall be valued on the basis of guidelines provided by the Valuation Committee.

If the valuation prices provided by such agencies (currently, CRISIL and ICRA) for any security is not a fair reflection of the realizable value of such security (in the opinion of the AMC), then the AMC may value such security based on various factors subject to the principles of fair valuation.

3. REPO instruments

Where instruments have been bought on ‘repo’ basis, the instrument shall be valued at the resale price after deduction of applicable interest up to the date of resale. Where an instrument has been sold on a ‘repo’ basis, adjustment shall be made for the difference between the repurchase price (after deduction of applicable interest up to the date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation shall be provided for and if the repurchase price is lower than the value, credit shall be taken for the appreciation.

4. Reverse repo

In the case of reverse repo, the valuation will be done on the basis of cost adjusted by the accrued interest based on the cost and sell back price.

5. Collateralized Borrowing and Lending Operations (CBLO)

CBLO trades will be valued at cost plus interest accrual after netting off CCIL charges.

6.* Private Placements *(primary market)

Privately placed instruments upto the date of allotment to be valued at cost. From the date of allotment, the security will be valued as per the above stated valuation methodology.

7. Interest Rate Swaps

Interest Rate swaps will be valued separately than the underlying asset or a portfolio of assets. SEBI has not prescribed any policy for valuation of IRS.

If the tenure of the IRS is less than 91 days: Interest rate swaps having maturity up to 91 days will be valued at amortised cost or accrued interest depending on the fixed/floating leg owned by the fund.

If the tenure is more than 91 days: Value of IRS contract would be present value of the difference between the fixed and floating interest to be received/paid on maturity of the contract. Floating rate interest till maturity is the interest accrued till the valuation date plus the interest on remaining period at reversal rate.

Reversal rate for the day would be obtained from CRISIL for different maturities. The relevant rate is taken on the basis of maturity of the contract. However, if the maturity date falls between the two years, the reversal rate is arrived by interpolation on valuation date.

Methodology of IRS valuation is tabulated below:

In case of Pay Fixed and Receive Floating:

FIXED Payable (A)	Notional Contract value * Fixed interest rate * period of contract	XXXXX
Reversal rate	Interest rate as per CRISIL	XXX
Floating Receivable (B)	Accumulated interest till date + (Reversal rate* Compounded face value * No. of days remaining/365)	XXXXXX
No. of days remaining	XXXX	
Unrealised Gain/(Loss) ©	(B) – (A)	XXXXX
Balance days for maturity date	XXXX	
PV on unrealised G/(L)	(C)/(1+Reversal rate/365*Balance days to maturity	XXXX
Gain/ Loss already provided		XXXX
Mark to Market Loss		XXXX

8. Fixed Deposits – Normal

Fixed deposits will be valued at cost plus accrual at the contracted rate. Fixed contracted rate FDs interest would be accrued at the contracted rate less any prepayment penalty.

9. Fixed Deposits – Step Up

FDs would be valued at cost plus interest accrued.

- For each period, the accrual would be done at the realizable rate. The rate differential between two periods, would be accrued on the day the rate changes.
- Realisable rate would be the rate applicable for that period less any prepayment penalty

10. Bills of Exchange/Promissory Notes/Bills Rediscounting

The above instruments would be valued at cost plus interest accrued

11. Valuation of securities with Put/Call Options

Securities with both Put and Call option on the same day: - The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.

12. Guidelines for Fixed Income inter-scheme transfers:

In case of Inter Scheme Transfers, the Fund Manager shall check the traded price of the same or similar securities available on public platform before concluding inter scheme transfers. All inter-scheme transfers shall be done at weighted average YTM, which will be calculated as under:

Same Security: All trades in same security irrespective of the amount will be aggregated on the public platform. If there are no trades other than the AMC's own trade, then the AMC's trade shall be considered only if the size is Rs.5 Crores and more. If there are no trades in same security, then trades of similar security will be considered.

Similar Security: All trades in a similar or any similar security on the public platform will be aggregated. If there are no trades other than AMC's own trade, then the AMC's trade shall be considered only if the size is Rs.5 Crores and more.

Criteria for identifying the similar security:

For the purpose of valuation, similar security shall be identified by the following means:

Step 1

Same issuer with maturity date within ±5 days for securities with residual maturity less than or equal to 91 days and within ±30 days for securities with residual maturity greater than 91 days of security shall be considered first. If there is no such instance, then Step 2 shall be followed.

Step 2

Similar security from a different issuer within the same category (Eg: PSU Bank, Private Bank or Financial Institution, etc) and similar credit rating (both short term and long term), with maturity date within ±5 days for securities with residual maturity less than or equal to 91 days and within ±30 days for securities with residual maturity greater than 91 days, provided the maturity dates are within the same calendar quarter.

If there are no trades (including AMC's own trade) in same or similar security on a public platform at the time of inter-scheme transfer, then the transfer shall be done at last valued price.

Note: Outlier trades, if any, shall be ignored after suitable justification by Fund Managers is provided.

VII. VALUATION NORMS FOR OTHER INSTRUMENTS

1. Units / Shares of Mutual Fund

Investments in Units / Shares of Mutual Fund Schemes will be valued at the last declared / latest Net Asset Value made available per Unit / Share by the respective mutual fund Scheme, as at the close of the relevant valuation day.

2. Foreign Securities

- On the valuation date, the securities issued outside India and listed on 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 price.

- Due to difference in time zones of different markets, in case the closing prices of securities are not available within a given time frame to enable the AMC to upload the NAVs for a Valuation Day, the AMC may use the last available traded price for the purpose of valuation.

- In case any particular security is not traded on the Valuation Day, the same shall be valued on a fair value basis by the Valuation Committee of the AMC.

- 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 or any other standard reference rate at the close of banking hours in India.

- The Trustees reserve 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.

3. Valuation of securities not covered under the current valuation policy:

Investment in any new type of securities/assets (which do not fall within the framework mentioned in the Valuation Policy) by the mutual fund scheme shall be made only after establishment of the valuation methodologies for such securities/assets with the approval of the Board of AMC.

VIII. CONFLICT OF INTEREST

The Valuation Committee shall be responsible for addressing areas of conflict of interest and recommend changes/amendments to the Policy or Processes followed. The same shall be placed before the Board of AMC and Trustees for ratification.

IX. DEVIATION

Any deviation to the Valuation Policy shall be with the prior approval of the Valuation Committee. All such deviations shall be reported to the Board of AMC and Trustees. All such deviations will be communicated to the unit holders vide suitable disclosures on the fund's website.

X. EXCEPTIONAL EVENTS

In normal situations the norms stated above may be used for valuation. However, in abnormal market conditions, due to lack of market trading or otherwise it may not be possible to obtain fair valuation using "normal" means. In such situations, the realizable value may be substantially different from the benchmark-based prices obtained. This could lead to, for example, an overvalued portfolio which could be used by some investors to redeem their holdings having an adverse impact on residual investors.

Following are the illustrative types of events which 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 Reserve Bank of India, 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 this event of an exceptional event, the Valuation Committee shall seek the guidance of the AMC board in deciding the appropriate methodology for valuation of affected securities. Deviations from the valuation policy and principles, if any, will be communicated to the unit holders vide suitable disclosures on the fund's website.

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Version Control

Version		**Approval Date**
Version 8	:	March 04, 2016
Version 7	:	December 19, 2013
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Version 5	:	August 30, 2012
Version 5	:	June 28, 2012
Version 3	:	September 2010

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