



Valuation Policy

Version 8 – December 2019

ICICI PRUDENTIAL MUTUAL FUND
VALUATION POLICY AND PROCEDURES

A. Background

SEBI has amended Regulation 47 of SEBI (Mutual Funds) Regulations, 1996 ('Regulations') and the Eighth schedule of Regulations, relating to valuation of Investments on February 21, 2012 to introduce over-riding principles in the form of "Principles of fair valuation".

Prior to this amendment, Eighth schedule and various circulars issued from time to time provided detailed guidelines on valuation of traded securities, non-traded securities, thinly traded securities etc.

The amended Regulations require that mutual funds shall value their investments in accordance with principles of fair valuations so as to ensure fair treatment to all investors i.e. existing investors as well as investors seeking to subscribe or redeem units.

It further prescribes that the valuation shall be reflective of the realizable value of securities and shall be done in good faith and in true and fair manner through appropriate valuation policies and procedures approved by the board of the asset management company ('AMC').

The amendment also states that in case of any conflict between the principles of fair valuation and valuation guidelines as per Eighth schedule and circulars issued by SEBI, the principles of fair valuation shall prevail.

Additionally SEBI has vide its circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 (the Circular), introduced changes to the existing provisions for valuation of money market and debt securities by way of partial modification to the existing provisions, deletion of certain provisions and introduction of new provisions. These changes have been introduced in order to align the guidelines with the best market practices and improve the robustness of valuation of the securities.

B. Valuation methodologies

- Mutual Fund shall value its investments in accordance with the overarching principles of fair valuation. The methodologies for each type of securities held by the schemes are provided in **Annexure I**. The above methodologies also take into account the guidelines stipulated under Regulations.
- In case of any conflict between the principles of Fair Valuation and valuation guidelines issued under Regulations, the Principles of Fair Valuation shall prevail.

- Investment in any new type of security shall be made only after establishment of the valuation methodology for such security with the approval of the Board of the AMC.

C. Inter-scheme transfers

- Transfer of securities through inter-scheme shall be at market price or fair valuation price.
- The methodology to determine the fair valuation of securities which are intended to be transferred from one scheme to another is included in **Annexure II**.

D. Exceptional Events

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

- Major policy announcements by the Central Bank, the Government or the Regulator.
- Natural disasters or public disturbances that force the markets to close unexpectedly.
- Significant volatility in the capital markets.
- Significant sale (more than 40% of the AUM) of securities in any open ended scheme other than interval schemes.
- Any other event perceived to be exceptional by the Valuation Committee which is headed by the Managing Director.

In case of exceptional events, the Valuation Committee of the AMC shall assess the situation and advise appropriate method of valuation for the impacted securities. Such decision of Valuation Committee shall subsequently/ suitably be reported to the AMC and Trust Boards.

E. Deviations

Investments shall be valued as per the methodologies mentioned in this Policy, which aim to enable true and fair valuation of securities. However, if the valuation of any particular asset/security does not result in fair/ appropriate valuation or under exceptional circumstances, the Valuation Committee would have the right to deviate from the established policies in order to value the asset/security at fair/appropriate value.

In case the AMC decides to deviate from the valuation price given by the valuation agencies:

- the detailed rationale for each instance of deviation shall be recorded by the AMC;

- the instances of deviation and the rationale along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued and the impact of such deviation on scheme NAV (in amount and percentage) will be informed to the Boards of the AMC & Trust Company; and
- such rationale along with the details mentioned above will be disclosed immediately and prominently on the website of the AMC under a separate head.

F. Periodic Review

The Valuation policy shall be reviewed at least annually and any modification shall be approved by the AMC and Trustee Boards. The Valuation Policy shall also be reviewed by Independent Auditors at least once in a Financial Year to ensure the appropriateness of the valuation methodologies.

G. Conflict of Interest

If any situation arises that leads to conflict of interest, the same shall be raised to the Valuation Committee and the Committee shall endeavor to resolve the same such that the valuation provides for fair treatment to all investors including existing and prospective investors.

H. Disclosure and Record keeping

Policy document should be updated in Scheme Information Document (SID) / Statement of Additional Information (SAI), website and other documents as prescribed by the SEBI Regulations and guidelines.

All the documents which form the basis of valuation including inter-scheme transfers (the approval notes and supporting documents) should be maintained in electronic or physical form. These records will be preserved in accordance with the norms prescribed by the SEBI Regulations and guidelines.

Annexure I

The revised policy is to be implemented from 1st July 2012 and will stand modified to the extent it is inconsistent with any regulatory pronouncements thereafter:

A. EQUITY AND RELATED SECURITIES

Assets	Methodology
Traded Equity and Equity Related securities	<p>Traded securities shall be valued at the last quoted closing price on the principal stock exchange. The AMC has selected NSE as principal stock exchange, for all schemes other than Index based Funds/ETF, which invest in domestic equity and equity related securities. For index based schemes/ETF the Principal stock exchange would be the exchange where the underlying benchmark index has been set up. If no trade is reported on the principal stock exchange on a particular valuation date, traded securities shall be valued at the last quoted closing price on other recognised stock exchange. For this purpose only NSE and BSE shall be considered as the recognized stock exchanges.</p> <p>When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day shall be used provided such date is not more than thirty days prior to the valuation date.</p> <p>In case the security is traded in periodic call auction session, the security shall be valued as per last quoted closing price of such periodic call auction session</p>
Thinly Traded / Non-Traded	<p>When a security(other than Futures & Options) is not traded on any recognized stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as a 'non-traded' security</p> <p>Futures & Options are considered as Non-Traded, when such Futures & Options are not traded on respective stock exchange as on valuation date.</p> <p>Equity / equity-related security(other than Futures & Options) shall be considered to be thinly traded when the value of the trades of that security in a month is less than Rs. 5 lacs by value and the total volume of the trades in that security is less than 50,000 shares. In order to determine whether a security is thinly traded, the volumes traded in</p>

Assets	Methodology
	NSE and BSE shall be considered.
Non-Traded / Thinly Traded Equity Shares:	<p>Thinly Traded / Non-traded equity shares shall be valued as below:</p> <p>(a) Based on the latest available Balance Sheet, net worth shall be calculated as follows: Net Worth per share = [share capital + reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&L A/c] Divided by number of Paid up Shares.</p> <p>(b) Average capitalisation rate (P/E ratio) for the industry based on NSE or BSE data, shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts shall be considered for this purpose.</p> <p>(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 10% for ill-liquidity so as to arrive at the fair value per share.</p> <p>(d) If the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.</p> <p>(e) 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.</p> <p>(f) Where 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 net assets of the scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme on the date of valuation shall be taken into account.</p> <p>In order to ensure fair valuation, the AMC, after providing suitable justification to and due approval from the Valuation Committee, may decide to value non-traded/thinly traded equity share at a price lower than the value derived using the aforesaid methodology.</p>

Assets	Methodology
Unlisted Equity shares:	<p>Unlisted equity shares of a company shall be valued on the basis of the valuation principles given below:</p> <p>(a) Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) and (ii) below:</p> <p>i. Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus miscellaneous expenditure not written off, deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.</p> <p>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, deferred revenue expenditure, intangible assets and accumulated losses] divided by {Number of paid up shares plus number of shares that would be obtained on conversion/exercise of outstanding Warrants and Options}</p> <p>The lower of (i) and (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below.</p> <p>(b) Average capitalisation rate (P/E ratio) for the industry based on NSE or BSE data shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.</p> <p>(c) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.</p> <p>The above methodology for valuation shall be subject to the following conditions:</p> <ul style="list-style-type: none"> - All calculations as aforesaid shall be based on audited accounts. - 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. - If the net worth of the company is negative, the share would be marked down to zero. - In case the EPS is negative, EPS value for that year

Assets	Methodology
	<p>shall be taken as zero for arriving at capitalized earning.</p> <p>- 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.</p> <p>In order to ensure fair valuation, the valuation committee of the AMC may decide to value an unlisted equity share at a price lower than the value derived using the aforesaid methodology.</p>
<p>Equity and Equity related Securities awaiting listing (Merger/Demerger)</p>	<p>Valuation of merged entity shall be arrived at based on the previous day's last quoted closing price of the respective companies prior to merger.</p> <p>Where the demerged company is not immediately listed, valuation price shall be worked out by using previous day's last quoted closing price before demerger reduced for last quoted closing price of the listed company.</p> <p>Where none of demerged company is immediately listed, the shares of new companies shall be valued by allocating combined valuation existing as on date of the corporate action to the new companies after taking into consideration the pro-rata shares allotted and other relevant factors.</p>
<p>Equity and Equity related securities under lock-in period / pending listing</p>	<p>These shall be valued based last quoted closing price of security after applying suitable discount for illiquidity. The Valuation Committee shall decide on the illiquidity discount to be applied, on a case to case basis.</p>
<p>Suspended equity securities</p>	<p>In case trading in an equity security is suspended up to 30 days, then the last quoted closing price should be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the Valuation Committee shall decide the valuation norms to be followed and such norms should be documented and recorded.</p>
<p>Initial Public Offering ('IPO') application</p>	<p>These shall be valued as below :</p> <p>(i) Prior to allotment – at Bid Price.</p> <p>(ii) Post allotment but awaiting listing – at allotment price</p>

Assets	Methodology
Value of non traded "Rights" Entitlement	<ul style="list-style-type: none"> - Until they are traded, the value of the 'rights' entitlement should be valued based on difference between ex-rights price of underlying security and rights offer price as detailed below: $V_r = n/m \times (P_{ex} - P_{of})$ Where V_r = Value of rights n = No. of rights offered m = No. of original shares held P_{ex} = Ex-rights price P_{of} = Offer price - Where the rights are not treated pari passu with the existing shares, suitable adjustment should be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights should be valued at the renunciation value. - In case the rights offer price is greater than the ex-rights price, the value of the rights share is to be taken as zero.
Non-traded preference shares	<p>The value of convertible preference shares would be arrived based on the intrinsic value of the preference shares considering the conversion ratio as adjusted for illiquidity discount and other relevant factors as applicable as on the valuation date with the approval of Valuation Committee.</p> <p>Non- convertible preference shares are more akin to debt and to be valued as debt securities at a applicable market yield for the similar duration and rating as approved by the Valuation Committee.</p>
Non-traded Convertible debentures	<p>In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component should be valued on the same basis as would be applicable to an equity instrument. If after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion while valuing such instruments, the fact whether the conversion is optional should also be factored in.</p>

Assets	Methodology
	<p>The appropriate discount applied shall be approved by the Valuation Committee.</p> <p>The valuation of optional conversion shall be determined as follows -</p> <ul style="list-style-type: none"> - If the option to exercise rests with the issuer, the lower of the value when exercised or value when not exercised shall be taken. - If the option to exercise rests with the investor, the higher of the value when exercised and when not exercised shall be taken. The valuation shall be approved by the valuation committee.
Non-Traded Warrants	<p>In respect of warrants to subscribe for shares attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant after applying suitable discount for illiquidity.</p>
Non-traded Future and Options	<p>Non Traded future and options are valued based on settlement price / any other equivalent price provided by the respective stock exchange.</p>
Foreign Securities (other than units of overseas mutual funds)	<p>These shall be valued as below:</p> <ul style="list-style-type: none"> - Foreign securities shall be valued based on the last quoted closing prices at the Overseas Stock Exchange on which the respective securities are listed. However, the AMC shall select the appropriate stock exchange at the time of launch of a scheme in case a security is listed on more than one stock exchange and the reasons for the selection will be recorded in writing. Any subsequent change in the reference stock exchange used for valuation will be necessarily backed by reasons for such change being recorded in writing by the AMC. However, in case of extreme volatility in other markets post the closure of the relevant markets, the AMC shall value the security at suitable fair value. - When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange or last quoted closing price on documented stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. - 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

Assets	Methodology
	<p>the NAV for a Valuation Day, the AMC may use the last available traded price/ previous day's price for the purpose of valuation. The use of the closing price / last available traded price for the purpose of valuation will also be based on the practice followed in a particular market.</p> <ul style="list-style-type: none"> - On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the RBI reference rate as at the close of banking hours on the relevant business day in India. If required the AMC may change the source for determining the exchange rate. - Non-traded ADR/ GDRs shall be valued after considering prices/ issue terms of underlying security. Valuation committee shall decide the appropriate discount for illiquidity. Non traded foreign security shall be valued by AMC at fair value after considering relevant factors on case to case basis.

B. DEBT, MONEY MARKET AND GOVERNMENT SECURITIES

i. Valuation of Debt and Money market Securities with residual maturity of up to 30 days

Assets	Methodology
Debt and Money market Securities with residual maturity of up to 30 days	<p>(a) All securities except securities in which any scheme has traded: These securities shall be valued based on amortization on a straight-line basis to maturity from last valuation price, as long as the amortised price is within $\pm 0.025\%$ of the reference price which shall be the average of the security level price as provided by the agency(ies) appointed by AMFI. In case the variance exceeds $\pm 0.025\%$, the valuation of the security shall be adjusted to bring it within the $\pm 0.025\%$ band.</p> <p>(b) All securities in which any scheme has traded: These securities shall be valued based on average of security level prices as provided by the agency(ies) appointed by AMFI.</p> <p>Where any security is purchased by any scheme of Mutual Fund and the security level price from the agency(ies) appointed by AMFI is not available on that day, such security shall be valued on amortization basis considering the weighted average purchase yield on that day and till the day preceding the next business day.</p> <p>In case necessary details to value debt and money market securities are not available, the valuation committee will determine fair value based on available information.</p>

ii. Valuation of Debt and Money market Securities with residual maturity of over 30 days

Assets	Methodology
Debt and Money market Securities with residual maturity of over 30 days	<p>All the debt and money market securities with residual maturity of over 30 days shall be valued based on average of security level prices as provided by the agency(ies) appointed by AMFI.</p> <p>Where any security is purchased by any scheme of Mutual Fund and the security level price from the agency(ies) appointed by AMFI is not available on that day, such security shall be valued at weighted average purchase yield on that day and till the day preceding the next business day.</p> <p>In case necessary details to value debt and money market securities are not available, the valuation committee will determine fair value based on available information.</p>

iii. Valuation of Government Securities

Assets	Methodology
Government Securities	<p>All Government securities (including T-bills), irrespective of residual maturity, shall be valued based on average of security level prices as provided by the agency(ies) appointed by AMFI.</p> <p>In case necessary details to value government securities (including T-bills) are not available, the valuation committee will determine fair value based on available information.</p>

iv. Debt and Money Market Securities rated below investment grade:

All money market and debt securities which are rated below investment grade shall be valued at the price provided by agency(ies) appointed by AMFI.

From the date of the credit event till such time the agency(ies) appointed by AMFI 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 these agency(ies).

Where such securities are traded (as per the minimum lot size determined by the agency(ies) appointed by AMFI) during the interim period from the date of the credit event and receipt of valuation price and if such trade price is lower than the price post standard hair cut then the traded price will be considered for such

valuation till valuation price is determined by the agency(ies) appointed by AMFI

In case of trades after the valuation price is computed by the agency(ies) appointed by AMFI as referred above and where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.

The AMC may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade provided by the agency(ies) appointed by AMFI by recording detailed rationale for such deviation with the approval of Valuation Committee.

While valuing debt, government and money market securities, following additional points would be considered:

Assets	Methodology
Valuation of securities with Put/Call Options	<p>Securities with call option: Securities with call option shall be valued based on average of prices provided by the agency(ies) appointed by AMFI. Where the call option is exercised by the Issuer the same shall be amortized till the call date.</p> <p>Securities with put option: Securities with put option shall be valued based on average of prices provided by the agency(ies) appointed by AMFI. Where the put option is exercised the same shall be amortized till the put date. Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of the valuation and original terms of the issue will be considered for valuation.</p> <p>Securities with both Put and Call option on the same day: Only securities with Put and call options on same day and having the same put and call option price (as per original terms of issue), shall be deemed to mature on such put/call date and shall be valued accordingly.</p>
Bank Fixed Deposit	Valued at Cost

Assets	Methodology
TREPS / Reverse Repo (including Corporate Bond Repo)	<p>(i) with residual maturity of up to 30 days: shall be valued based on amortization on a straight-line basis to maturity, from</p> <ul style="list-style-type: none"> a. cost or b. last valuation price (where the original maturity is more than 30 days) as applicable. <p>(ii) with residual maturity of over 30 days: shall be valued based on average of security level prices as provided by the agency(ies) appointed by AMFI.</p> <p>In case the security level price from the agency(ies) appointed by AMFI is not available on that day, such security shall be valued at fair value as approved by Valuation Committee as per the available information.</p>

Further, after reviewing the valuation of the securities, if the prices as per the above methodology does not represent fair price then the same may be ignored and the valuation in such cases would be carried out based on input from the fund management team, duly approved by the Valuation Committee.

OTHER SECURITIES

Assets	Methodology
Market Linked Debentures:	<p>Shall be valued based on average of security level prices as provided by the agency(ies) appointed by AMFI.</p> <p>Further, after reviewing the valuation of such Security, if the prices as per the above methodology does not represent fair price or in case necessary details to value the same are not available, the valuation committee will determine fair value based on available information.</p>
Interest Rate Swap (IRS) / & other OTC derivatives :	<p>Shall be valued based on average of prices as provided by the agency(ies) appointed by AMFI.</p> <p>Where any IRS is purchased/entered by any scheme of Mutual Fund and the price from the agency(ies) appointed by AMFI is not available on that day, such IRS shall be valued, at net present value on that day and till the day preceding the next business day on the basis of expected future cash flows. Future cash flows for IRS contract will be computed daily based as per terms of contract and discounted by suitable OIS rates available on Reuters/ Bloomberg/ any other provider as approved by valuation Committee.</p> <p>Further, after reviewing the valuation of IRS/other OTC derivatives, if the prices as per the above methodology does not represent fair price or in case necessary details to value the same are not available, the valuation committee will determine fair value based on available information.</p>
Interest Rate Futures	<p>Interest Rate Futures(IRF)- Traded-The exchange traded Interest Rate Futures shall be valued based on the last quoted closing price on the stock exchange. Non-Traded Non Traded IRF shall be valued based on settlement price / any other equivalent price provided by the stock exchange.</p>

Assets	Methodology
Gold	<p>The gold acquired by the scheme is in the form of standard bars and its value as on a particular day is determined as under:</p> <ol style="list-style-type: none"> a) The London Bullion Market Association's (LBMA) AM fixing price per troy ounce would be considered. b) The Cost, Insurance, Freight premium, LBMA fixing charges and other charges, as applicable, shall be added to the above LBMA price as determined above. c) The value arrived at based on (a) and (b) above shall then be converted to the equivalent price for 1 kilogram gold of 0.995 fineness by applying the conversion factor. d) The RBI reference rate shall be applied to convert the price from US dollars to Indian Rupees. e) Statutory taxes and levies, as applicable from time to time, shall be added to arrive at the final landed price of gold after adjusting for eligible input tax credit. <p>If on any day the LBMA AM fixing or RBI reference rate is not available due to holiday or any other reason, then the immediately previous day's prices shall be applied for the purpose of calculating the value of gold.</p>
Units of Mutual Fund (domestic)	<p>Traded: Traded units of mutual fund shall be valued based on the last quoted closing price on the stock exchange.</p> <p>Non Traded: If units are not traded on a day the same shall be considered as non-traded units. Non traded units shall be valued based on latest declared NAV per unit of respective underlying schemes.</p>
Mutual Fund Units (Overseas)	Last Published NAV

Assets	Methodology
Units of InvITs / REITs	<p>I. Allotted but Listing awaited</p> <p>(i) Valuation of units of InvIT and REIT post allotment but awaiting listing- at allotment price.</p> <p>II. Listed and Traded/Non- Traded</p> <p>a) Where units of InvIT and REIT are listed but not traded after initial listing, valuation will be determined by the Valuation Committee based on the principles of fair valuation.</p> <p>b) Valuation of units of InvIT and REIT will be based on the last quoted closing price on the principal stock exchange where such security is listed. The AMC has selected NSE as principal stock exchange, for all schemes other than Index based Funds/ETF. For index based schemes/ETF, the Principal stock exchange would be the exchange where the underlying benchmark index has been set up. If no trade is reported on the principal stock exchange on a particular valuation date, units of InvIT and REIT shall be valued at the last quoted closing price on other recognised stock exchange. For this purpose only NSE and BSE shall be considered as the recognized stock exchanges.</p> <p>c) When units of InvIT and REIT is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on any day immediately prior to valuation day or latest NAV declared by the investment manager of the trust, whichever is later, shall be considered for valuation provided that such date is not more than thirty days prior to the valuation date.</p> <p>d) Where units of InvIT and REIT are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvIT and REIT will be determined based on the price provided by an independent valuation agency(ies). The selection of the independent valuation agency(ies) will be approved by the Valuation Committee.</p> <p>e) Where the valuation for units of InvIT and REIT is not available from any independent valuation agency(ies), the valuation will be determined by the Valuation Committee based on the principles of fair valuation.</p>

Further, after reviewing the valuation of Units of InvITs / ReITs, if the prices as per the above methodology does not represent fair price then the same may be ignored and the valuation in such cases would be decided by the Valuation Committee.

Annexure II

Policy for Inter-Scheme Transfer ('IST'):

1. IST of equity and related securities

IST of equity and equity related securities shall be done at the price determined by the exchange at the time of transfer.

Where the IST of equity and equity related securities cannot be done as per the foregoing, the IST shall be executed based on Volume Weighted Average Price (VWAP) on NSE, or where the equity shares are not listed in NSE, then VWAP price on BSE will be considered.

2. Policy for IST of debt and money market securities (including Government Securities)

IST will be executed based on average of the prices provided by the agency(ies) appointed by AMFI if prices are received within the pre agreed turn-around-time(TAT).

If price from only one agency is received within pre-agreed TAT, IST will be executed at that Price.

Further, after reviewing the IST prices of the securities, if the prices provided by the agency(ies) appointed by AMFI does not represent fair price or If IST Prices are not received from any of the agencies within the agreed TAT, in such cases IST would be carried out at the price as approved by the Valuation Committee as per the available information in accordance with clause 3(a) of Seventh Schedule of SEBI (Mutual Funds) Regulations,1996.
