

**YES MUTUAL FUND**

**STATEMENT OF ADDITIONAL INFORMATION**

This Statement of Additional Information (“SAI”) contains details of YES Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference and is legally a part of the Scheme Information Document (“SID”).

<b>Name of the Mutual Fund</b>	YES Mutual Fund
<b>Name of the Asset Management Company</b>	YES Asset Management (India) Limited CIN - U65990MH2017PLC294178
<b>Name of the Trustee Company</b>	YES Trustee Limited CIN - U65999MH2017PLC294613
<b>Address and website of the above entities</b>	<p><b>Mutual Fund:</b>  <b>Registered Office:</b>          602B, 6th Floor, Indiabulls Finance Centre (IFC) 1&amp;2, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013.          Website: <a href="http://www.yesamc.in">www.yesamc.in</a>          Email id: <a href="mailto:clientservice@yesamc.in">clientservice@yesamc.in</a>          Tel. No.: +91 (22) 40827600          Fax No.: +91 (22) 40827653</p> <p><b>YES Asset Management (India) Limited:</b>  <b>Registered Office:</b>          602B, 6th Floor, Indiabulls Finance Centre (IFC) 1&amp;2, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013.          Website: <a href="http://www.yesamc.in">www.yesamc.in</a>          Email id: <a href="mailto:clientservice@yesamc.in">clientservice@yesamc.in</a>          Tel. No.: +91(22) 40827600          Fax No.: +91 (22) 40827653</p> <p><b>YES Trustee Limited:</b>  <b>Registered Office:</b>          602B, 6th Floor, Indiabulls Finance Centre (IFC) 1&amp;2, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013.          Website: <a href="http://www.yesamc.in">www.yesamc.in</a>          Email id: <a href="mailto:clientservice@yesamc.in">clientservice@yesamc.in</a>          Tel. No.: +91(22) 40827600          Fax No.: +91 (22) 40827653</p>

Please retain this SAI for future reference. Before investing, investors should also ascertain about any further changes in this SAI after the date of SAI from YES Mutual Fund’s Investor Service Centers (“ISCs”)/ website / distributors or brokers.

This SAI is dated June 26, 2019.

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## INTERPRETATION

For all purposes of this Statement of Additional Information, except as otherwise expressly provided or unless the context otherwise requires:

- All references to the masculine shall include the feminine and all references to the singular shall include the plural and vice-versa.
- All references to "dollars" or "\$" refer to United States Dollars and "Rs." refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".
- All references to timings relate to Indian Standard Time (IST).
- References to a day are to a calendar day including a non-business day.

Please note that words and expressions used in the SAI will have the same meaning assigned from time to time in the relevant SID.

## I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY

### A. Constitution of the Mutual Fund

YES Mutual Fund ("YES Mutual Fund") has been constituted as a trust vide trust deed dated October 27, 2017 in accordance with the provisions of the Indian Trusts Act, 1882 and Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("Mutual Fund Regulations") with YES Bank Limited, as the Sponsor and YES Trustee Limited, as the trustee to YES Mutual Fund ("Trust Deed") and registered under the Indian Registration Act, 1908 on October 27, 2017. YES Mutual Fund has been registered with Securities and Exchange Board of India ("SEBI") on July 03, 2018 under registration code MF/074/18/02.

### B. Sponsor

YES Mutual Fund is sponsored by YES BANK Limited ("YES BANK" or the "Sponsor"). The Sponsor is the settlor of YES Mutual Fund. The Sponsor has entrusted a sum of Rs. 1,00,000/- (Rupees One Lakh only) to YES Trustee Limited (the "Trustee") as the initial contribution towards the corpus of YES Mutual Fund. The Sponsor shall be responsible for discharging its functions and responsibilities towards YES Mutual Fund in accordance with Mutual Fund Regulations, and the various constitutive documents of YES Mutual Fund.

YES BANK, India's fourth largest private sector bank is a high quality, customer centric and service driven Bank. Since inception in 2004, YES BANK has grown into a 'Full Service Commercial Bank' providing a complete range of products, services and technology driven digital offerings, catering to corporate, MSME & retail customers. YES BANK operates its Investment banking, Merchant banking & Brokerage businesses through YES SECURITIES and its Mutual Fund business through YES Asset Management (India) Limited, both wholly owned subsidiaries of the Bank. Headquartered in Mumbai, it has a pan-India presence across all 29 states and 7 Union Territories in India including an IBU at GIFT City, and a Representative Office in Abu Dhabi.

**Financial Performance of the Sponsor during the past 3 (three) years is as follows :**

(Amount in Thousands)

Particulars	2018-2019	2017-2018	2016-2017
Net Worth	24,19,07,174	24,84,35,498	21,46,05,710
Total Income	34,21,48,999	25,49,12,551	20,58,14,006
Profit after tax	1,72,02,788	4,22,45,637	3,33,00,964
Assets Under Management	Nil	Nil	Nil

### C. The Trustee

The Trustee, through its Board of Directors, shall discharge its obligations as Trustee of YES Mutual Fund. The Trustee ensures that the transactions entered into by YES Asset Management (India) Limited ("AMC") in the capacity of an asset management company are in accordance with the Mutual Fund Regulations and will also review the activities carried on by AMC.

The Trustee, is a public limited company incorporated under the Companies Act, 2013 having its registered office at 602B, 6th Floor, Indiabulls Finance Centre (IFC) 1&2, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013.

**1. Details of Trustee Directors:**

Name	Age	Qualification	Brief Experience
Mr. Devamalya Dey (Associate Director)	54 years	Chartered Accountant	<p>Mr. Devamalya Dey is the senior group president and group chief compliance &amp; vigilance officer at YES BANK. He heads compliance, internal vigilance, management excellence &amp; governance (MEG), and company secretarial functions of YES BANK.</p> <p>He is responsible for overseeing and driving compliance and control culture in YES BANK and its subsidiaries. He is also responsible for ensuring policies, procedures, practices across YES BANK and its subsidiaries are compliant with all regulatory guidelines and reviewing management governance frameworks, board matters and periodically updating the Board on compliance and governance matters.</p> <p>Mr. Dey brings with him over 25 (twenty five) years of experience across diverse business functions and geographical locations. Prior to joining YES BANK, he was working as vice president - audit &amp; risk review with Citigroup. In this capacity, Mr. Dey was a part of the Asia audit team based in Mumbai. His primary responsibility included assessing key risks under 9 (nine) broad risk families (which include strategic/franchise, legal/compliance, financial reporting, staffing / organization, market, cross border, operational and systems/ technology).</p>
Mr. Samir Kumar Mitter (Independent Director)	66 years	M.A., L.L.B.	<p>Mr. Samir Kumar Mitter has around 34 years of experience in the field of life insurance, housing, trusteeship and other financial services. He retired as Managing Director &amp; CEO of IDBI Trusteeship Services Limited. Before IDBI Trusteeship Services Limited, he was an Executive Director of LIC. Prior to LIC, he was acting as Director and CEO of LIC Housing Finance Limited.</p>
Dr. Hemanta Kumar Pradhan (Independent Director)	61 years	MA (Economics) from Utkal University, M Phil & Ph. D, University of Pune, Gokhale Institute of Politics and Economics, Post-Doctoral Fellow, Columbia University, New York	<p>Dr. Hemanta Kumar Pradhan has about 30 (thirty) years of experience in teaching, research and consulting in the field of finance and economics. He has been Professor of finance and economics at XLRI Jamshedpur, one of India's top business schools, where he also served as the member of the board of governors &amp; chaired the doctoral programme.</p> <p>Dr. Pradhan has served as a member of the RBI Technical Advisory Committee (TAC) on financial markets. Dr. Pradhan has worked as the pacific regional advisor for the commonwealth secretariat, London, while serving concurrently as the resident debt advisor with the Ministry of Finance, Government of Fiji Islands, during 2005-07.</p> <p>He has extensive short term academic visits to several overseas institutions such as Columbia Business School, University of Bonn, the Risk Metrics New York, the Institute for Mathematics and its Applications of the University of Minnesota, Allied Institute of Management (Dubai), etc. He served as expert on several occasions for the United Nations Economic Commission for the Asia and Pacific (UNESCAP) for the Finance for Development (FfD) initiative, drafted the FfD framework papers for the Doha meet of the UN-ESCAP, undertaken capacity building programmes in several Asian and African countries on debt management.</p> <p>He also acted as experts for the Commonwealth Secretariat, the World Bank, the Asian Development Bank, and the Crown Agent (London). He has undertaken advisory work for the Government of Nigeria Debt Management Office (DMO) on public debt management, for the Central Bank of Kenya on bond market development, for the Ministry of Finance of the Government of Sudan on subnational finance, and in debt advisory for the Government of Fiji Islands, including other Pacific Island countries.</p>

## 2. Responsibilities and Duties of the Trustee under the Trust Deed and Mutual Fund Regulations:

Pursuant to Mutual Fund Regulations and the Trust Deed constituting YES Mutual Fund trust, the duties and responsibilities of the Trustee are as follows:

- (1) The Trustee and the AMC shall with the prior approval of SEBI enter into an Investment Management Agreement (*as defined below*).
- (2) The Investment Management Agreement entered into between the Trustee and the AMC on October 27, 2017 ("**Investment Management Agreement**") contains such clauses as are mentioned in the Fourth Schedule of Mutual Fund Regulations and such other clauses as are necessary for the purpose of making investments.
- (3) The Trustee shall have a right to obtain from the AMC such information as is considered necessary by it.
- (4) The Trustee shall ensure before the launch of any scheme that the AMC has: -
  - (i) systems in place for its back office, dealing room and accounting;
  - (ii) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the Trustees, within 15 (fifteen) days of their appointment;
  - (iii) appointed auditors to audit its accounts;
  - (iv) appointed a compliance officer who shall be responsible for monitoring the compliance of the SEBI Act, 1992, rules and regulations, notifications, guidelines instructions etc. issued by SEBI or the Central Government and for redressal of investors' grievances;
  - (v) appointed registrars and laid down parameters for their supervision;
  - (vi) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
  - (vii) specified norms for empanelment of brokers and marketing agents;
  - (viii) obtained, wherever required, under the Mutual Fund Regulations, prior in principle approval from the recognised stock exchange(s) where units of YES Mutual Fund are proposed to be listed; and
  - (ix) The compliance officer appointed under sub clause 4(iv) above shall immediately and independently report to SEBI, any non-compliance observed by him.
- (5) The Trustee shall ensure that
  - (i) the AMC has been diligent in empaneling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
  - (ii) the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to interest of the unitholders.
  - (iii) the transactions entered into by the AMC are in accordance with the regulations and the scheme.
  - (iv) the AMC has been managing the YES Mutual Fund schemes independently of other activities and has taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the AMC.
  - (v) all the activities of the AMC are in accordance with the provisions of the Mutual Fund Regulations.
- (6) Where the Trustee has reason to believe that the conduct of business of YES Mutual Fund is not in accordance with Mutual Fund Regulations and the schemes they shall forthwith take such remedial steps as are necessary by them and shall immediately inform SEBI of the violation and the action taken by them.
- (7) Each Trustee shall file the details of his transactions of dealing in securities with the YES Mutual Fund on a quarterly basis.
- (8) The Trustee shall be accountable for, and be the custodian of, the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unitholders in accordance with Mutual Fund Regulations and the provisions of the Trust Deed.
- (9) The Trustee shall take steps to ensure that the transactions of YES Mutual Fund are in accordance with the provisions of the Trust Deed.
- (10) The Trustee shall be responsible for the calculation of any income due to be paid to YES Mutual Fund and also of any income received in YES Mutual Fund for the holders of the units of any scheme in accordance with Mutual Fund Regulations and the Trust Deed.
- (11) The Trustee shall obtain the consent of the unitholders for the following events:-
  - (i) whenever required to do so by SEBI in the interest of the unitholders;
  - (ii) whenever required to do so on the requisition made by three-fourths of the unitholders of any scheme; or

- (iii) when the majority of the Trustees decide to wind up or prematurely redeem the units.
- (12) The Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change, which would modify the scheme and affect the interest of unitholders, shall be carried out unless,
- (i) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the YES Mutual Fund is situated; and
  - (ii) the unitholders are given an option to exit at the prevailing net asset value (“NAV”) without any exit load.
- (13) The Trustee shall call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report to SEBI, as and when required.
- (14) The Trustee shall quarterly review all transactions carried out between YES Mutual Fund, AMC and its associates.
- (15) The Trustee shall quarterly review the networth of the AMC and in case of any shortfall, ensure that the AMC make up for the shortfall as per clause (f) of sub regulation (1) of regulation 21 of Mutual Fund Regulations.
- (16) The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unitholders.
- (17) The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its networth by the AMC and the interest of the unitholders.
- (18) The Trustee shall periodically review the investor complaints received and the redressal of the same by the AMC.
- (19) The Trustee shall abide by the code of conduct as specified in the fifth schedule of the Mutual Fund Regulations.
- (20) The Trustee shall furnish to SEBI on a half yearly basis, -
- (i) a report on the activities of the YES Mutual Fund;
  - (ii) a certificate stating that the Trustee has satisfied themselves that there have been no instances of self dealing or front running by any of the Trustees, directors and key personnel of the AMC; and
  - (iii) a certificate to the effect that the AMC has been managing the schemes independently of any other activities and in case any activities of the nature referred to in clause (b) of regulation 24 of Mutual Fund Regulations have been undertaken by the AMC, adequate steps to ensure that the interest of the unitholders are protected.
- (21) The independent Trustee referred to in sub regulation (5) of regulation 16 of Mutual Fund Regulations shall give their comments on the report received from the AMC regarding the investments by the YES Mutual Fund in the securities of group companies of the Sponsor.
- (22) The Trustee shall exercise due diligence as under:
- I. General Due Diligence:**
    - (i) The Trustee shall be discerning in the appointment of the directors on the Board of the AMC.
    - (ii) The Trustee shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the schemes and shall not allow the AMC to float new schemes.
    - (iii) The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
    - (iv) The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
    - (v) The Trustee shall arrange for test checks of service contracts.
    - (vi) The Trustee shall immediately report to SEBI of any special developments in the YES Mutual Fund.
  - II. Specific Due Diligence:**  
The Trustee shall:
    - (i) obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees.
    - (ii) obtain compliance certificates at regular intervals from the AMC.
    - (iii) hold meeting of the Trustees at least once in two calendar months and at least six such meetings shall be held in every year.
    - (iv) consider the reports of the independent auditor and compliance reports of AMC at the meetings of the Trustees for appropriate action.
    - (v) maintain records of the decisions of the Trustees at their meetings and the minutes of the meetings.

- (vi) prescribe and adhere to a code of ethics by the Trustees, AMC and its personnel.
- (vii) communicate in writing to AMC of the deficiencies and checking on the rectification of deficiencies.
- (23) Notwithstanding the aforesaid, the Trustee shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
- (24) The independent directors of the Trustee or the AMC shall pay specific attention to the following, as may be applicable, namely: -
  - (i) the Investment Management Agreement and the compensation paid under the Investment Management Agreement.
  - (ii) service contracts with affiliates - whether the AMC has charged higher fees than outside contractors for the same services.
  - (iii) selection of the AMC's independent directors.
  - (iv) securities transactions involving affiliates to the extent such transactions are permitted.
  - (v) selecting and nominating individuals to fill independent director's vacancies.
  - (vi) code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
  - (vii) the reasonableness of fees paid to the Sponsor, the AMC and any others for services provided.
  - (viii) principal underwriting contracts and their renewals.
  - (ix) any service contract with the associates of the AMC.
- (25) In carrying out their responsibilities, the Trustee and each member of the board of directors of the Trustee shall maintain arms' length relationship with other companies, or institutions or financial intermediaries or any body corporate with which they may be associated in any capacity.
- (26) No Trustee shall participate in the meetings of the board of directors of the Trustee or in any decision making process for any investment in which he may be deemed to be interested.
- (27) All members of the board of directors of the Trustee shall furnish to Board of Trustee the particulars of any interest which they may have in any other company, or institution or financial intermediary or anybody corporate by virtue of his position as director, partner or with which he may be associated in any other capacity.
- (28) The Trustee shall appoint a custodian and shall be responsible for the supervision of its activities in relation to the YES Mutual Fund and shall enter into a custodian agreement with a custodian for this purpose.
- (29) The Trustee shall ensure that a prior approval of SEBI is required for removal of the Trustee in all cases.
- (30) The Trustee shall at no time acquire any asset out of the property of the trust, which involves the assumption of any liability which is unlimited or results in encumbrance of the property of the trust in any way.
- (31) The Trustee shall act in the interest of the unitholders.
- (32) It shall be the duty of the Trustee to provide or cause to provide information to the unitholders and SEBI, as may be required by SEBI from time to time.
- (33) The Trustee shall take reasonable care to ensure that the funds under various schemes floated, are managed by the AMC in accordance with the Trust Deed and Mutual Fund Regulations.
- (34) The Trustee has the powers to dismiss AMC under the specific events with the prior approval of the SEBI and in accordance with the Mutual Fund Regulations.
- (35) No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and unitholder's approval would be obtained where it affects the interest of unit holders, except in scenarios where SEBI expressly waives the requirement in writing, to obtain unitholder approval.
- (36) The Trustee shall appoint statutory auditors to verify the books of accounts and to ascertain the true and fair representation of the state of affairs as on a particular day and to ascertain profit or loss of YES Mutual Fund, as at the end of the financial year.
- (37) Trustee Fees and Expenses- In accordance with the Trust Deed constituting the YES Mutual Fund, the Trustee shall be entitled to a fee at the rate not exceeding 0.50% (zero point five zero per cent) per annum of the daily net assets of the relevant scheme of YES Mutual Fund. The Trustee is also entitled to the reimbursement of all costs, charges and expenses incurred in or for the effective discharge of its obligations and responsibilities towards the trust. The reimbursements would always be to the extent permitted under the Mutual Fund Regulations.
- (38) Supervisory Role of the Trustee: The supervisory role of the Trustee will be discharged inter alia by reviewing the information and operations of YES Mutual Fund based on the internal audit reports/compliance reports received on a periodical basis. The compliance officer has direct reporting line to the board of directors of the Trustee. The board meeting of the Trustee shall be held at least once in every two calendar months and at least six such meetings shall be held in every year or at such frequency as may be

prescribed under the Mutual Fund Regulations. Further, the quorum for a board meeting of the Trustee shall not be constituted unless such number of independent directors as may be prescribed by SEBI, from time to time, is present in at the meeting.

Further, the board of Trustees shall constitute an audit committee, chaired by an independent director. The audit committee shall meet periodically to discuss the internal control systems, the scope of audit of the internal auditors, as well as the observations made by them. They shall also review the annual financial accounts. Recommendations, if any, of the audit committee on any matter relating to financial management etc. are considered in the subsequent board meeting of the AMC and the Trustees.

Any addition/modification/deletion in the duties and responsibilities of the Trustee due to a change in the Mutual Fund Regulations shall be applicable accordingly.

#### D. The Asset Management Company

YES Asset Management (India) Limited, is a public limited company incorporated under the Companies Act, 2013, on April 21, 2017 and having its registered office at 602B, 6th Floor, Indiabulls Finance Centre (IFC) 1&2, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013. Further, the AMC has the regulatory approval to act as an asset manager for the Fund and has been appointed as the asset management company of YES Mutual Fund by the Trustee, vide an Investment Management Agreement.

In terms of Investment Management Agreement, the AMC has assumed day to day investment management of the YES Mutual Fund and in that capacity, it makes investment decisions and manages the YES Mutual Fund schemes in accordance with the scheme objectives, Trust Deed, Investment Management Agreement and SEBI Regulations & Guidelines.

##### 1. The shareholding pattern of the AMC as on date is as follows:

Shareholder	Type of Holding	No. of Shares Held	% of Shareholding
YES Bank Limited	Equity Share	8,94,99,994	100.00
Mr. Rajat Monga*	Equity Share	1	0.00
Mr. Rajkumar Ahuja*	Equity Share	1	0.00
Mr. Ashish Agarwal*	Equity Share	1	0.00
Mr. Deodutta Kurane*	Equity Share	1	0.00
Mr. Devamalya Dey*	Equity Share	1	0.00
Mr. Aseem Gandhi*	Equity Share	1	0.00
<b>Total</b>		<b>8,95,00,000</b>	<b>100.00</b>

\*nominee of YES BANK



## 2. Details of AMC Directors:

Name	Age	Qualification	Brief Experience
Mr. Rajat Monga (Associate Director)	46 years	Graduate of Indian Institute of Technology, Delhi and Postgraduate Diploma in Management from Indian Institute of Management, Ahmedabad	<p>Mr. Rajat Monga is the Senior Group President - financial markets at YES BANK. He spearheads the financial markets, and balance sheet management practices at YES BANK Limited. Mr. Monga was part of the founding team of YES BANK and was also CFO of the YES BANK till April 3, 2018. Mr. Monga also oversees digital banking &amp; technology initiatives, liabilities product management and the transaction banking group of YES BANK.</p> <p>Mr. Monga brings with him considerable experience in the areas of balance sheet management, treasury management, financial markets and product development, transaction management and digital banking.</p> <p>Prior to YES BANK, Mr. Rajat worked with Rabo India Finance as its head - financial markets. He has been also associated with Unit Trust of India, where he co-managed four equity mutual fund schemes, along with undertaking secondary market operations for all debt mutual fund schemes.</p>
Mr. Ashish Agarwal (Associate Director)	46 years	Graduate of Indian Institute of Technology, Kanpur and Indian Institute of Management, Calcutta	<p>Mr. Ashish Agarwal is the Senior Group President and Chief Risk Officer at YES BANK. He is responsible for spearheading the Wholesale Banking Credit Risk Management, Credit Portfolio Analytics, Credit Products Development, Information Security Risk Management, Operational Risk Management at YES BANK.</p> <p>As the Chief Risk Officer, he also leads the regulatory compliance aspect of credit management through risk related reporting to the regulator and interfacing with the RBI on an ongoing basis, including the annual financial inspections and effectively implement Basel II framework across YES BANK. Mr. Agarwal is also responsible for the Credit Policy review along with all related compliances and reporting/interaction with the risk monitoring committee of the board on a regular basis.</p> <p>Mr. Agarwal has over 23 years of experience in commercial and investment banking experience in financial services spanning across structured and project finance, syndications and underwriting, high yield and distress asset investments, credit ratings, credit research and risk management. Prior to joining YES BANK, he has worked with CRISIL, Citibank NA, Rabo India, and Lehman Brothers.</p>
Mr. Pranesh Misra (Independent Director)	63 years	MBA from Indian Institute of Management, Ahmedabad	<p>Mr. Pranesh Misra has hands-on experience of 40 (fourty) years in marketing, market research and marketing communication. His experience spans multiple facets of brand building and marketing strategy and he is recognized as an astute brand &amp; communication strategy thought leader, having been the force behind several successful brands in Asia Pacific.</p>
Mr. Dharmendra Bhandari (Independent Director)	63 years	PhD in Commerce and Chartered Accountant	<p>Dr. Dharmendra Bhandari has more than 30 years of academic and professional experience in the financial sector. Dr. Bhandari was Associate Professor at the University of Rajasthan, Jaipur. He has served as the sole consultant to the Joint Parliamentary Committee (JPC) that was set up by the Government of India for Enquiry into Irregularities in Securities and Banking Transactions (1992-93), where he assisted in writing the report, strengthening the systems and fixing accountability. In 1994, he was appointed as Officer on Special Duty with the Reserve Bank of India, Mumbai. He was associated with the Department of Supervision for supervision of banks in India, including the overseas operations of Indian Banks and the branches of foreign banks in India and in setting up market intelligence for surveillance and monitoring of banking system in India.</p> <p>Dr. Bhandari has also authored several books, prominent among them being R K Laxman - The Uncommon Man, and <i>Nani Palkhivala, God's Gift to India (Biography by a friend)</i>. He has also published several articles in national and international journals, as well as delivered lectures in India and abroad.</p>

## 2. Details of AMC Directors: (Contd.)

Name	Age	Qualification	Brief Experience
Mr. Manoj Fadnis (Independent Director)	57 years	B. Com, FCA, DISA (ICAI)	Mr. Manoj Fadnis was elected as President of the Institute of Chartered Accountants of India, (ICAI) New Delhi for the year 2015-16. During 2010-11, he was Chairman of the Accounting Standard Board of the ICAI. During his tenure as Chairman, he was actively involved in spearheading the process of the formulation of the Indian accounting standards converged with the International Financial Reporting Standards (IFRS). Presently, he is President of Confederation of Asian and Pacific Accountants, a regional international organization of 32 (thirty two) professional institutes from 23 (twenty three) countries from Asia and Pacific region. He is the first Chartered Accountant from the state of Madhya Pradesh and Chhattisgarh to acquire the top post at ICAI.
Mr. Mohan Tanksale (Independent Director)	66 years	BSc. (Science), MA. (English) and Fellow Member of Management Accountants of India (FCMA)	Mr. Mohan Tanksale is a career banker with over 4 decades in the Indian banking industry and has led there major Indian Public Sector banks in this span. During his illustrious career, Mr. Tanksale has spent time and contribution in every area of banking. He retired as Chairman from one of the top 10 banks in India, Central Bank of India, in 2013. Given his wealth of experience, he was immediately roped in as the Chief Executive of the Indian Banks Association (IBA), during which he successfully represented the entire banking industry for the period December 2013 to August 2016. Mr. Tanksale is presently engaged as an advisor to SWIFT India (SWIFT India Domestic Services Private Limited, majority owned subsidiary of Society of Worldwide Interbank Financial Telecommunication, Belgium) providing support to adoption of high quality financial messaging services in India and giving insights on developing market opportunities. Mr. Tanksale is a prolific speaker and has addressed several forums workshops, conventions as a keynote speaker, delivered lectures in various colleges and learning institutes on a wide range of topics like banking, economics, compliance, business strategy to name a few.
Mr. Raj Kumar Ahuja (Associate Director)	50 Years	B.COM (H), F.C.A, A.I.C.W.A.	Raj Ahuja is responsible for overseeing the strategic financial management of the YES Bank Limited and its subsidiaries at the Group level and is involved in driving financial performance and bringing further rigor to financial and investment decisions across the YES Bank Limited and its subsidiaries. Raj has over 27 years of rich experience managing Finance and allied areas, Operations, Fintech, Compliance and Regulatory aspects. In his last role, he was designated as CFO and Head of Enterprise functions for Reliance Jio Infocomm Limited. Raj has also been associated with FINO Paytech Limited, One97 (PayTM) Communications Limited, Star India Private Limited, NXP Semiconductors India Limited, Wipro, NetCracker Limited and American Express.

## 3. Duties and Responsibilities of the AMC:

Under the Mutual Fund Regulations and the Investment Management Agreement, the AMC has, inter-alia, the following duties and responsibilities:

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

- (4) The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the AMC.
- (5) The AMC shall submit quarterly reports on the functioning of the scheme and the compliance with Mutual Fund Regulations to the Trustee or at such intervals as may be specified by SEBI.
- (6) The Trustee at the request of the AMC may terminate the assignment of the AMC at any time. Provided that such termination shall become effective only after the Trustee has accepted the termination of assignment and communicated its decision in writing to the AMC.
- (7) Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of any liability to the YES Mutual Fund for its / their acts of commission or omissions, while holding such position or office.
- (8) The AMC shall not through any broker associated with the Sponsor, purchase or sell securities, which is average of 5% (five per cent) or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its scheme or as may be prescribed under Mutual Fund Regulations. Provided that for the purpose of this clause (8), aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the YES Mutual Fund. Provided further that the aforesaid limit of 5% (five per cent) shall apply for a block of any three months or as may be prescribed under SEBI (Mutual Funds) Regulations.
- (9) The AMC shall not purchase or sell securities through any broker (other than a broker referred to in clause (8) above) above which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the YES Mutual Fund in all its schemes, unless the AMC has recorded in writing the justification for exceeding the limit of 5 per cent and reports of all such investments are sent to the Trustee on a quarterly basis. The aforesaid limit shall apply for a block of three months.
- (10) The AMC shall not utilize the services of the Sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities.  
Provided that the AMC may utilize such services if disclosure to that effect is made to the unitholders and the brokerage or commission paid is also disclosed in the half yearly and annual accounts of YES Mutual Fund.  
Provided further that YES Mutual Fund shall disclose at the time of declaring half yearly and yearly results:
  - (i) any underwriting obligations undertaken by the scheme for the YES Mutual Fund with respect to issue of securities of associate companies;
  - (ii) devolvement, if any;
  - (iii) subscription by the scheme in the issues lead managed by associate companies;
  - (iv) subscription to any issue of equity or debt on private placement basis where the Sponsor or its associate companies have acted as arranger or manager.
- (11) The AMC shall file with the Trustee the details of transactions in securities by the key personnel of the AMC in their own names or on behalf of the AMC, and shall report to SEBI, as and when required by SEBI.
- (12) In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustee at its next meeting.
- (13) In case any company has invested more than 5 per cent of the NAV of a scheme or as may be prescribed under Mutual Fund Regulations the investment made by that scheme or by any other scheme in that company or its subsidiaries, shall be brought to the notice of the Trustee by AMC and be disclosed in the half yearly and annual accounts of the respective scheme with justification for such investment. The said disclosure will be made provided the latter investment has been made within 1 (one) year of the date of the former investment, calculated on either side.
- (14) The AMC shall file with the Trustee and SEBI :-
  - (i) detailed bio-data of all its directors along with their interest in other companies within 15 (fifteen) days of their appointment;
  - (ii) any change in the interest of directors every six months; and
  - (iii) a quarterly report to the Trustee giving details and adequate justification about the purchase and sale of the securities of the group companies of the Sponsor or the AMC as the case may be by the YES Mutual Fund during the said quarter.

- (15) Each director of the AMC shall file with the Trustee details of his/her transactions or dealings in securities of such value on a quarterly basis as may be specified under the Mutual Fund Regulations from time to time.
- (16) The AMC shall not appoint any person as key personnel who has been found guilty of moral turpitude or convicted of any economic offence or involved in violation of securities laws.
- (17) The AMC shall appoint registrars and transfer agents who are registered with SEBI. Provided if the work relating to the transfer of units is processed in-house, the charge at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
- (18) The AMC shall abide by the code of conduct as specified in fifth schedule of the Mutual Fund Regulations.
- (19) The AMC shall –
  - (i) not act as a Trustee of any other mutual fund;
  - (ii) not undertake any other business activities except activities in the nature of management and advisory services to pooled assets including offshore funds, pension funds, provident funds, insurance funds, or category I foreign portfolio investor, if any of such activities are not in conflict with the activities of the YES Mutual Fund.

Provided that the AMC may itself or through its subsidiaries undertake such activities if it satisfies SEBI that (i) bank and securities accounts are segregated activity wise; (ii) AMC shall meet capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant regulations; (iii) no material conflict of interest across different activities; and (iv) it appoints separate fund manager for each separate fund managed by it unless the investment objectives and asset allocation are same and the portfolio is replicated across all the funds managed by a fund manager, within a period of 6 (six) months from the date of notification of SEBI (Mutual Funds) (Amendment) Regulations, 2011.

Further, the AMC shall not invest in any of its scheme unless full disclosure of its intention to invest has been made in the in the offer documents, in case of schemes launched after the notification of SEBI (Mutual Funds) (Amendment) Regulations, 2011. Provided that AMC shall not be entitled to charge any fees on its investment in that scheme;

The AMC shall not acquire any of the assets out of the scheme property which involves the assumption of any liability which is unlimited or which may result in encumbrance of the scheme property in any way.

- (20) The AMC shall not carry out its operations including trading desk, unitholder servicing and investment operations outside the territory of India.
- (21) The AMC shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in eighth schedule of SEBI (Mutual Funds) regulations, 1996, and shall publish the same.
- (22) The AMC and the Sponsor of the Mutual Fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.
- (23) The AMC shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by the SEBI.
- (24) The chief executive officer (whatever his designation may be) of the AMC shall ensure that the Mutual Fund complies with all the provisions of Mutual Funds Regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unitholders and shall also be responsible for the overall risk management function of the YES Mutual Fund.
- (25) The AMC shall ensure that the fund manager shall invest the funds of the scheme(s) in line with the investment objective of the scheme(s) and in the interest of the unitholders.
- (26) The AMC for each scheme shall keep and maintain proper books of account, records and documents, for each scheme so as to explain its transactions and to disclose at any point of time the financial position of each scheme and in particular give a true and fair view of the state of affairs of the YES Mutual Fund and intimate to the SEBI the place where such books of account, records and documents are maintained. The AMC shall maintain and preserve its books of account, records and documents for a period of 8 (eight) years.

**Information on Key Personnel of the Asset Management Company:**

Name	Designation	Age	Educational Qualification	Total No. of years of experience	Assignments held since first employment till the date		
					Name of Company	Job title	Duration
Mr. Kanwar Vivek	Chief Executive Officer (CEO)	55	BA (Hons) Economics, PGDBM	32	YES Asset Management (India) Limited	Chief Executive Officer (CEO)	7th May, 2019 to present
					YES Bank Limited	Group President-II- Retail Banking & Branch Banking	24th January 2014 to May 06, 2019
					Capital First Ltd (now IDFC First Bank Ltd)	Executive Vice President	December 2010 to January, 2014
					Aditya Birla Money Mart Ltd (Formerly Birla Sun Life Distribution Co. Ltd)	Chief Executive Office	September 2008 to November 2010
					Aditya Birla Money Ltd	Designated Director (DD) and Managing Director (MD)	DD from Sep, 2008 to Oct, 2010. MD from Jan, 2010 to Oct, 2010
					ICICI Bank Ltd	General Manager- Branch Banking	May 1994 to August, 2008
					ICICI Bank Ltd	General Manager- Branch Banking	May 1994 to August, 2008
					ITC Classic Finance Ltd.	Corporate Manager Retail Funds	May 1994 to April 1998 (In May 1998, ITC Classic Finance was Merged with ICICI Ltd.)
					INDIA Tele - Comp Ltd. (IXL)	Product Manager	Sept 1992 to May 1994
					National Radio & Electronics Co. Ltd. (NELCO a TATA Enterprise	Area Sales Manager (ITG)	June 1991 to September 1992
HCL Ltd. (Reprographic division & Office Care Group)	Territory Manager	May 1986 to November 1986 and February 1988 to June 1991					

**Information on Key Personnel of the Asset Management Company: (Contd.)**

Name	Designation	Age	Educational Qualification	Total No. of years of experience	Assignments held since first employment till the date		
					Name of Company	Job title	Duration
					Indian Airlines (Commercial Department)	Ticketing and Reservations	November 1986 to February 1988
					Diners Club of (India) Pvt. Ltd.	Sales Executive	January 1985 to May 1986
Mr. Sandeep Prabhani	Chief Operating Officer	50	Masters in Financial Management - JBIMS- 2000	Over 30 years of experience	YES Asset Management (India) Ltd	COO	Oct 2017 to Present
					IDFC Asset Management Company Public Ltd.	Senior Director - Head - Operations	Nov 2016 - Oct 2017
					IDFC Bank Ltd.	Senior Director - Treasury Operations	Oct 2014 - Oct 2016
					IDFC Ltd.	Senior Director - Head - Operations	Sept 2013 - Oct 2014
					IDFC Asset Management Company Public Ltd.	Senior Director, Head - Operations	June 2009 - Aug 2013
					JP Morgan Services India Pvt. Ltd.	Vice president - Project Management Operations	Feb 2008 - June 2009
					JP Morgan Services India Pvt. Ltd.	Vice President - Investment Banking Operations	Mar 2003 - Jan 2008
Ms. Nehal Shah	Head - Compliance, Legal and Company Secretary	40	ACS, LLB and Post Graduate in Securities Laws (Govt. Law College, Mumbai)	Over 16 years of experience	YES Asset Management (India) Limited	Head of Compliance, Legal & Company Secretary	Sept 2017 to present
					Deutsche Equities India Pvt. Ltd.	Head - Compliance	May 2016 to Sep 2017
					Deutsche Asset Management (India) Private Limited	Head of Compliance and Company Secretary	June 2011 to April 2016
					Deutsche Asset Management (India) Private Limited	Sr. Manager- Compliance	Jan 2011 to May 2011

**Information on Key Personnel of the Asset Management Company: (Contd.)**

Name	Designation	Age	Educational Qualification	Total No. of years of experience	Assignments held since first employment till the date		
					Name of Company	Job title	Duration
					Deutsche Asset Management (India) Private Limited	Manager - Compliance	July 2008 to-December 2010
					FIL Funds Network Private Limited	Company Secretary	April 2008 to June 2008
					Fidelity Fund Management Private Limited	Assistant Manager - Legal & Secretarial	August 2007 to March 2008
					Aditya Birla Nuvo Limited	Dy. Manager - Secretarial & Legal	October 2004 to July 2007
Mr. Deepak Shivathaya	Head- (IT)	47	Diploma in Systems Management from NIIT	Over 26 years of experience	Yes Asset Management (India) Limited	Head - IT	Aug '17 till Date
					Hewlett-Packard Enterprise India Pvt. Ltd.	Customer Proj/Prgm Mgr IV	Sep'14 to July'17
					Anya Corporation	Director	Sep'13 to Aug'14
					Religare Invesco Asset Management	Head - IT	Jan'08 to Aug'13
					ING Vysya Life Insurance	Sr. Manager - Branch Applications	Mar'05 to Dec'07
					HDFC Standard Life Insurance Co. Ltd.	Manager - IT	May'01 to Jan'05
					Allianz AG India Liaison Office	Manager - IT	May'99 to May'01
					Hindustan Lever Ltd.	Lotus Notes Consultant	Jan'98 to Apr'99
					GEBBS India Ltd.	Product Manager - Software	Jan'95 to Dec'97
	Systems Plus	Product Executive	June'93 to Dec'94				

**Information on Key Personnel of the Asset Management Company: (Contd.)**

Name	Designation	Age	Educational Qualification	Total No. of years of experience	Assignments held since first employment till the date		
					Name of Company	Job title	Duration
Mr. Piyush Baranwal	Senior Fund Manager	35	Bachelor of Engineering, CFA, PGDBM	Over 11 years' experience in Portfolio Management and trading in Fixed Income securities.	YES Asset Management (India) Limited	Senior Fund Manager	October 22, 2018 till present
					BOI AXA Investment Managers	Head Fixed Income	July 2014 - October 19, 2018
					Morgan Stanley Investment Management	Vice President - Portfolio Manager	Jan 2011 to June 2014
					Principal PNB Asset Management Company	Dealer - Fixed Income	May 2008 to Jan 2011
Mr. Edelbert D'Costa	Head - Risk	40	Masters in Financial Management - 2005	Over 17 years of experience	YES Asset Management (India) Limited	Head - Risk	Oct 2017 to Present
					IDBI Asset Management	Head - Risk	May 2017 to Oct 2017
					DHFL Pramerica	Head - Risk	Feb 2015 to Apr 2017
					Karvy Stock Broking	Senior Manager - Institutional Equities	Jul 2013 to Feb 2015
					ING Investment Management	Vice President Risk	Mar 2008 to Dec 2012
					Ambit Capital	AVP- Derivatives	Jan 2006 to Mar 2008
					Development Bank of Singapore - Cholamandalam Securities	Deputy Manager	Aug'05- Jan'06
					Motilal Oswal Securities Ltd.	Manager- Derivative Products	Jun'03- Aug'05
Mr. Mithraem Bharucha	Dealer-Fixed Income	36	MMS- 2007 Finance	Over 11 years of experience	YES Asset Management (India) limited	Dealer Fixed Income	October 2017 - Present
					BNP Paribas Mutual Fund	Dealer Fixed Income	Mar 2007 to Oct 2017
Ms. Richa Tripathi	Credit Analyst	29	PGDM (Finance)- S.P Jain Institute of Management and Research	Over 7 years of experience	Yes Asset Management (India) Limited	Credit Analyst	Oct '17 till Date
					UTI Asset Management Company Ltd.	Associate Vice President - Credit Analyst	August 2014 - October 2017
					ICRA	Analyst, Financial Sector Ratings	May 2012 - August 2014



**Information on Key Personnel of the Asset Management Company: (Contd.)**

Name	Designation	Age	Educational Qualification	Total No. of years of experience	Assignments held since first employment till the date		
					Name of Company	Job title	Duration
Ms. Vasudha Shah	Head-Investor Services	39	Masters Diploma in Business Administration with Specialization in Personnel Management	Over 18 years of experience	Yes Asset Management (India) Limited	Head-Investor Services	October 30, 2017 till date
					DHFL Pramerica Asset Managers Private Limited	AVP-Operations	Dec 2009 - October 2017
					FIL Funds Network Private Limited	Assistant Manager	July 2008- Dec 2009
					Fidelity Business Services India Limited	Assistant Manager	October 2005- June 2008
					Fidelity Business Services India Limited	Team Lead	March 2004 - September 2005
					Fidelity Business Services India Limited	Risk Officer	September 2003- February 2004
					Fidelity Business Services India Limited	Customer Service Associate	March 2003- August 2003
					Voice Data Management Private Limited	Customer Service Associate	December 2001- November 2002
Mr. Suren Kochhar	Head - Sales & Marketing	46	Bachelor of Commerce (Honors)	Over 25 Years of Experience	YES Asset Management (India) Ltd.	Head Sales & Marketing	Dec '18 to present
					Indiabulls Asset Management Company Ltd.	Chief Business Officer	Aug'17 to Dec' 18
					Principal Pnb Asset Management Company Pvt. Ltd.	National Head Corporate Sales (Banks, Alliances & Institutional Sales)	Dec '16 to Aug '17
					Principal Pnb Asset Management Company Pvt. Ltd.	Head Alliance Management Group	Jan '16 to Dec '16
					Principal Pnb Asset Management Company Pvt. Ltd.	National Channel Head: Institutional Sales	Jan '11 to Dec '15

**Information on Key Personnel of the Asset Management Company: (Contd.)**

Name	Designation	Age	Educational Qualification	Total No. of years of experience	Assignments held since first employment till the date		
					Name of Company	Job title	Duration
					Fortis Investment Management (India) Private Limited (erstwhile ABN AMRO Asset Management (India) Limited and Now BNP Paribas Asset Management India Private Limited)	Head Sales, India	Dec '07 to Nov '10
					ABN AMRO Asset Management (India) Limited (Name changed to Fortis Investment Management (India) Private Limited and Now BNP Paribas Asset Management India Private Limited)	Vice President- West & East	Jan 2006 to Dec 2007
					ABN AMRO Asset Management (India) Limited (Name changed to Fortis Investment Management (India) Private Limited and Now BNP Paribas Asset Management India Private Limited)	Vice President - North	Jan 2004 - Dec 2005
					Kotak Mahindra Asset Management Company Limited	Regional Head, North India, Retail Sales	Feb 2000 - Jan 2004
					TATA Finance Ltd.	Executive, Fixed Deposits, Sales	Jul 1997 - Feb 2000
					Prudential Capital Markets Limited	Deputy Manager, Financial Services Division, Fixed Deposits	Jan 1996 - June 1997
					TNT Express Worldwide (India) Private Limited	Territory Manager	May 1995 - Jan 1996

All the key personnel are based at the Registered Office of AMC in Mumbai.

**Procedure and Recording of Investment Decisions:**

All investment decisions, relating to the schemes, will be undertaken by the AMC in accordance with the Mutual Fund Regulations, the investment objectives specified in the SID and the Investment Policy/Manual of the AMC. All investment decisions taken by the AMC relating to the schemes will be recorded.

A detailed report will be made before taking any decision to invest in a company/issuer for the first time. Individual scrip wise reasons will be recorded by the fund manager at the time of placing individual orders. Performance of the schemes will be periodically tabled before the boards of the AMC and the Trustee respectively. Performance of the schemes vis-à-vis their respective benchmark indices will be periodically monitored by the boards of the Trustee and the AMC. Further, the respective boards of the Trustee and AMC will also review the performance of the schemes in the light of performance of the mutual fund industry.

The AMC shall lay down parameters and procedures for taking investment decisions, broad investment policy for the schemes, review the policy and to review the portfolio and performance of the schemes. The AMC has appointed an Investment Review Committee (“IRC”) comprising of CEO, COO, CIO-Head Fixed Income, CIO- Equity, Head - Compliance and Head- Risk. Fund Manager - Debt or Equity will be invited to the Committee. The IRC shall hold periodic meetings for a review of investment activities of mutual fund schemes, review of portfolio holdings, review of scheme performances etc. However, the day to day investment management decision will be taken by fund manager of the respective scheme. The IRC would monitor the risk parameters in each scheme to ensure that the investment limits are properly observed. Further, IRC may from time to time define internal norms for the scheme. All investment decisions shall be recorded in terms of SEBI Circular No. MFD/CIR/6/73/2000, dated July 27, 2000 as amended from time to time.

The chief executive officer of AMC shall inter-alia ensure that the investments made by the fund managers are in the interest of the unitholders. The fund manager shall ensure that the funds of the scheme(s) are invested in line with the investment objective of the scheme(s) and in the interest of the unitholders.

**E. Service Providers**

**Custodian**

**Name:** SBI-SG Global Securities Services Private Limited.

**Address:** Jeevan Seva, Annexe Building Ground Floor, S. V. Road, Santacruz (West) Mumbai, Maharashtra – 400 054.

**SEBI Registration No.:** IN/CUS/022.

**Registrar & Transfer Agent (“Registrar”/“RTA”)**

**Name:** Computer Age Management Services Private Limited.

**Address:** New No.10 (Old No.178), M.G.R. Salai, Nungambakkam, Chennai – 600 034.

**SEBI Registration No.:** INR000002813

The Board of the Trustees and AMC have ensured that RTA has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to unitholders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints.

**Statutory Auditor for the Mutual Fund**

**Name:** M/s BSR & Co. LLP, Chartered Accountants

**Address:** 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai- 400 011.

**Legal Counsel**

The AMC and Trustee avails the services of experienced and renowned legal firms, as and when required depending upon the subject matter.

**Fund Accountant**

**Name:** SBI - SG Global Securities Services Private Limited

**Address:** Jeevan Seva Annexe Bldg., Ground Floor, S.V. Road Santacruz (West) Mumbai- 400054

**Collecting Bankers**

**Name:** YES BANK

**Address :** Part Ground Floor, Tower 2, Indiabulls Finance Centre, Senapati Bapat Marg Lower Parel, Mumbai, Maharashtra 400013.

**SEBI Registration No:** INBI00000935

The AMC reserves the right to change / modify the list of collection bankers. During the new fund offer of the schemes, AMC shall appoint additional Collection Bankers to accept the applications for investment in the schemes. The list of the collection bankers will be disclosed in the SID and also key information memorandum and the website of the YES Mutual Fund, as and when the schemes are launched.

## II. CONDENSED FINANCIAL INFORMATION (CFI)

Sr. No.	Scheme Name	YES LIQUID FUND
	Financial Year	2018-2019 ^^
	Allotment Date	16-Jan-19
1.	<b>NAV at the beginning of the year (in Rs.)</b>	
	Growth Option	-
	Direct Plan - Growth Option	-
	Daily Dividend Option	-
	Direct Plan - Daily Dividend Option	-
	Weekly Dividend Option	-
	Direct Plan - Weekly Dividend Option	-
	Fortnightly Dividend Option	-
	Direct Plan - Fortnightly Dividend Option	-
	Monthly Dividend Option	-
Direct Plan - Monthly Dividend Option	-	
2	<b>Dividends (net dividend per unit)(in Rs.)</b>	
	<b>Individual &amp; HUF</b>	
	Daily Dividend Option	9.965859
	Direct Plan - Daily Dividend Option	10.061343
	Weekly Dividend Option	8.620626
	Direct Plan - Weekly Dividend Option	8.738361
	Fortnightly Dividend Option	8.171893
	Direct Plan - Fortnightly Dividend Option	8.279478
	Monthly Dividend Option	7.899610
	Direct Plan - Monthly Dividend Option	7.993028
	<b>Others</b>	
	Daily Dividend Option	9.228431
	Direct Plan - Daily Dividend Option	9.316854
	Weekly Dividend Option	7.982746
	Direct Plan - Weekly Dividend Option	8.091767
	Fortnightly Dividend Option	7.567214
	Direct Plan - Fortnightly Dividend Option	7.666838
	Monthly Dividend Option	7.315078
	Direct Plan - Monthly Dividend Option	7.401583
	3	<b>NAV at the end of the year (as on Computed NAV) (in Rs.)</b>
Growth Option		1,014.8955
Direct Plan - Growth Option		1,015.0627
Daily Dividend Option		1,000.9971
Direct Plan - Daily Dividend Option		1,000.9930
Weekly Dividend Option		1,002.8429
Direct Plan - Weekly Dividend Option		1,002.8727
Fortnightly Dividend Option		1,003.4727
Direct Plan - Fortnightly Dividend Option		1,003.5088
Monthly Dividend Option		1,003.8614
Direct Plan - Monthly Dividend Option	1,003.8990	
4	<b>Scheme Returns since launch **</b>	
	Regular Plan - Growth	7.35
	Direct Plan - Growth	7.43
5	<b>Net Assets end of Period (Rs. in Crores)</b>	1,872.95
6	<b>Benchmark Returns</b>	7.46
7	<b>Name of Benchmark adopted</b>	CRISIL Liquid Fund Index
8	<b>Ratio of Recurring Expenses to Net Assets</b>	
	Regular Plan	0.18%
	Direct Plan	0.10%

Past performance may or may not be sustain in future.

**Notes:**

\*\* NAVs of the Growth Options of the respective plans of the Scheme have been used to calculate the Returns.

^^ The units under the Schemes were allotted during the year hence there are no NAVs per unit at the beginning of the year.

### III. HOW TO APPLY

**This section must be read in conjunction with the Section "Units and Offer" of the SID.**

#### **A. Purchase**

- (i) New investors can purchase units by using a prescribed application form annexed to key information memorandum. Existing unitholders may use the transaction slip printed at the bottom of their account statement, or use a 'common transaction/application form' for additional purchases. During the new fund offer ("NFO") of a scheme, the existing unitholders need to use the scheme's NFO application form for purchase and for switch transaction from one scheme to another, unitholders may use the transaction slip printed at the bottom of their account statement or use the common transaction form.
- (ii) The application form or common transaction form, as mentioned above, is available at all official points of acceptance of YES Mutual Fund, namely, ISCs of the AMC and RTA. The AMC/RTA may open additional ISCs from time to time. Investors may obtain addresses of official points of acceptance from the relevant SID or by calling the AMC/RTA.
- (iii) The duly completed application form / transaction slip / common transaction form, as the case maybe, along with the payment instrument may be submitted at any of the official points of acceptance of YES Mutual Fund namely, ISCs of the AMC and RTA. The said official points of acceptance of YES Mutual Fund will time-stamp, and return the acknowledgement slip in the application form/ a time stamped copy of the application form , to acknowledge receipt of the application, subject to verification. No other form of acknowledgement will be issued.
- (iv) Payment for the investments can be made either by a cheque or a bank draft / pay order or electronic fund-transfer request or via real time gross settlement (RTGS) or national electronic funds transfer (NEFT).
- (v) In terms of SEBI Circular SEBI/IMD/CIR No.11/183204/ 2009 dated November 13, 2009 mutual funds units can be transacted through all the registered stock brokers of the national stock exchange of India limited ("NSE") and / or Bombay stock exchange limited ("BSE"), who are also registered with association of mutual funds of India ("AMFI") and are empanelled as distributors with the AMCs. Investors desirous of transacting through the stock exchange mode are required to have a demat account with National Securities Depository Limited ("NSDL")/ Central Depository Services (India) Limited ("CDSL"). The YES Mutual Fund shall endeavor to offer the abovementioned facility of transacting through the stock exchanges at a future date.

#### **Facility to purchase/redeem units of the Scheme(s) through Stock Exchange(s)**

Existing/ New Investors may transact units of the eligible Scheme(s)/ Plan(s) through the Stock Exchange infrastructure. Please refer to the website of the Fund for the eligible Scheme(s)/ Plan(s). Investors have an option to hold the units in physical or dematerialized form. The investors will be able to switch the units from/ to the Eligible Schemes of the Fund through BSE StAR MF Platform. The switch transactions can also be carried through other Stock Exchange infrastructure as and when such a facility is made available by the concerned Stock Exchange. In order to facilitate transactions in mutual fund units through the stock exchange infrastructure, BSE has introduced BSE StAR MF Platform and NSE has introduced Mutual Fund Service System (MFSS/ NMFII). All trading members of BSE & NSE who are registered with AMFI as Mutual Fund Advisors and who have signed up with YES AMC and also registered with BSE & NSE as Participants ("AMFI certified stock exchange brokers" or "Brokers") are eligible to offer this facility to investors. Additionally, the units of the Scheme are permitted to be transacted through Clearing Members of the registered Stock Exchanges. Further, the Depository Participants of registered Depositories are permitted to process only redemption request of units held in demat form. The eligible AMFI certified stock exchange Brokers/ Clearing Members/ Depository Participants who have complied with the conditions stipulated in SEBI Circular No. SEBI / IMD / CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund will be considered as Official Points of Acceptance (OPA) of the Mutual Fund Distributors registered with Association of Mutual Funds in India (AMFI) and permitted by the concerned recognized stock exchanges shall be eligible to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units (Demat / Non Demat) on behalf of their clients, directly from Mutual Fund. The facility to transact units through the stock exchange infrastructure shall be in accordance with guidelines issued by SEBI and operating guidelines issued by the respective Stock Exchanges and the Depositories from time to time. For more details, investors are advised to refer to 'Scheme Information Document' of the respective Scheme(s) of YES Mutual Fund.

#### **Additional mode of payment through Applications Supported by Blocked Amount (ASBA) during NFO:**

Pursuant to SEBI Circulars SEBI/IMD/CIR No 18 /198647 /2010 March 15, 2010 read with SEBI circular no. Cir/IMD/DF/6/2010 dated July 28, 2010, during the NFO of the schemes launched by YES Mutual Fund, investors are provided an additional mode of payment through ASBA facility while applying for the units offered under the scheme(s).

- (i) ASBA is an application containing an authorization given by the investor to block the application money in his specified bank account towards the subscription of units offered during the NFO period of the YES Mutual Fund schemes.
- (ii) ASBA facility is currently available only to those investors who wish to hold the units in dematerialized form.
- (iii) An investor intending to subscribe to the units during the NFO through ASBA, is required to submit a duly completed prescribed ASBA application form to a self-certified syndicate bank (SCSB), with whom his/her bank account is maintained,

either physically with the designated branches (DBs) of the SCSB, whose name appear on the list displayed is SEBI's website (www.sebi.gov.in), BSE's website (www.bseindia.com), and NSE's website (www.nseindia.com) ("Physical ASBA"); or electronically through the internet banking facility offered by the SCSB ("Electronic ASBA"). SCSB means a banker to an issue registered with SEBI which offers facility of ASBA. It may be noted that ASBA application form will not be accepted by any of the offices of YES Mutual Fund or its RTA.

- (iv) Upon submission of an ASBA application form with the SCSB, an acknowledgement will be given by the SCSB and the investor shall be deemed to have agreed and authorized the designated bank to block the funds in the bank account to the extent of entire subscription amount specified in the application form. However, such acknowledgment does not guarantee, in any manner that the investors will be allotted the units applied for.
- (v) On acceptance of the said ASBA form with the SCSB, either in Physical ASBA or Electronic ASBA, the SCSB shall block funds available in the bank account specified to the extent of the application money specified in the ASBA application form.
- (vi) The application money towards the cost of the units shall be blocked in the investor's account until allotment of units is made or rejection of the application as the case may be. The amount so blocked shall be unblocked by the SCSBs on (a) allotment of units and such amount shall be transferred to YES Mutual Fund's bank account against each valid application; or (b) in case the application is rejected. Thus, for an investor who applies through ASBA facility, the application money towards the subscription of units shall be debited from his specified bank account only if his/her application is considered for allotment of units.
- (vii) Investors shall ensure that the bank account details mentioned in the ASBA application form is correct and the funds are available in their account for the SCSB to block the amount. If such bank account does not have sufficient amount mentioned towards the subscription of units, SCSB shall reject the ASBA application form.
- (viii) During processing of the ASBA form by the Registrar, if the application is found to be incomplete or incorrect, the SCSB will be informed about the same. SCSB will then unblock such amount from the investor's bank account with appropriate remarks in the investor account.
- (ix) The bank account number in the ASBA application form should necessarily be of the first applicant only. In case where the bank account is jointly held, the first applicant should be one of the joint holders.
- (x) The names of the applicants, the manner of holding, the mode of holding in the application form should exactly match with the information available in the demat account. In case of any mismatch, incorrect or incomplete information, the application may be rejected by the SCSB or the Registrar. All investor related details for allotment of units such as names of the applicants, manner of holding, mode of holding, bank account, etc. will be updated as per the demat account.
- (xi) The investors should check their demat accounts for allotment of units within 5 (five) working days of the NFO closure. No physical account statement will be sent to the investors by YES Mutual Fund or its Registrar.
- (xii) All grievances relating to the ASBA facility may be addressed to AMC/RTA to the issue, with a copy to the SCSB, giving full details such as name, address of the applicants, subscription amount blocked on application, bank account number and the designated branch or the collection centre of the SCSB where the ASBA application form was submitted by the investor.
- (xiii) On the date of closure of the NFO period, the ASBA application form should be submitted to the SCSBs before the 3.00 p.m. or such other time as may be decided by respective SCSBs.
- (xiv) YES Mutual Fund or its RTA shall not be liable for any negligence or mistake committed by the SCSBs.

**Online Transactions in units :-** For the convenience of the investors, YES Mutual Fund also endeavors to introduce the online transaction module on its website for transacting in units in the schemes of YES Mutual Fund.

While applying for purchase of units in the schemes offline mode (other than electronic mode), investors should note the following:

- Cheque or demand draft should be crossed "Account Payee Only", and drawn in favour of the name of the scheme in which the investor proposes to invest or in such name mentioned in the SID of the respective scheme.
- Cheque or demand draft should be payable locally at the city where the application is deposited, and should be drawn on any bank that is a member of the local clearing house.
- In case of an applicant who is resident of a city whose banking clearing circle is different from that of any ISC or designated collection center of AMC, the AMC shall bear the bank charges (as per demand draft charges prescribed by SBI Bank) incurred by the investor in obtaining a demand draft(s). In that case, the investor may obtain a draft for investment amount net of draft charges along with a certificate issued by a bank. The AMC shall not refund any demand draft charges in cash. The aforesaid charges borne by the AMC shall not be charged to the scheme, unless permitted. This facility is available exclusively to resident Indians.
- An investor may invest through a distributor with whom the AMC has made an arrangement, whereby payment may be made through national electronic funds transfer (NEFT) / real time gross settlement (RTGS) / wire transfer or in any manner acceptable to the AMC, and is evidenced by receipt of credit in the bank account of the YES Mutual Fund.
- Investors who intend to invest in more than one scheme/plan/option, should submit a separate payment instrument and a separate transaction slip for each such investment.

- Payment by cash, stock invests and out-station cheques and/or post-dated cheques (“PDCs”) will not be accepted and applications accompanied by such payments are liable to be rejected. Provided, PDCs for investments under systematic investment plan (“SIPs”) will be accepted.
- Applicants need to specify the “mode of holding” in the application form as explained below :  
If an application is made by:
  - (i) a sole applicant, the mode of holding should be specified as “Sole’ or “Single”;
  - (ii) two or more applicants (maximum permitted being three applicants), the mode of holding should be specified as “Joint” or “Anyone or Survivor”.

If the mode of holding is specified as “Joint”, all transactions/instructions will have to be signed by all the joint unit holders, while for mode of holding specified as “Anyone or Survivor”, all transactions/instructions may be signed by any one of the unitholders except request for registration /modification/ cancellation of nominee, where all joint holders need to sign. However, in all such cases, the dividend / redemption proceeds will be paid to the first named applicant / unitholder (as determined by reference to the original application form). Further, the first named unitholder shall receive the account statements, all notices and correspondences with respect to the folio, or dividends / redemptions or other distributions and also have the voting rights, as permitted, associated with such units.

If the mode of holding is not specified in the application form or is unclear, it will be treated as “Joint”, where there are two or more applicants.

- Investors should clearly specify schemes/plans/options in the application form and ensure that the application form is accompanied by a cheque/ demand draft/account-to-account fund transfer instruction to their bankers, favouring schemes / plans / options. In case of ambiguity or any discrepancy, the default option as specified in the SID will be applicable else the application is liable to be rejected.
- As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account details in their applications for purchase of units. In case the investment cheque attached with the application form is different from the bank mandate mentioned therein then the investors needs to provide a cancelled cheque of the bank account mentioned in the application form.
- Third party cheques will not be allowed for applying for purchase units of the schemes. Please refer to the section “**Restriction on Third Party Payments for Subscription of Units**” for more details.
- In the interest of investors, it is advised that the application form number / folio number and name of the first investor should be written overleaf the cheque / draft before they are handed over to any courier / messenger / distributor / ISC.
- All redemption / dividend proceeds would be paid out only to the bank mandate on records. For the convenience of the investors, the AMC offers multiple bank mandate registration facility. Please refer to the section “**Registration of Multiple Bank Accounts**” below for more details.
- It is mandatory for all investors (including guardians, joint holders, non-resident Indians (“NRIs”) and power of attorney holders) to provide their income tax permanent account number (PAN) and also submit a photo copy of the PAN card issued to them by the income tax department at the time of purchase of units for the first time in scheme. Such photocopy must be verified at the ISCs by producing the original (which shall be returned across the counter) or verified and attested by any AMFI registered distributors, bank managers or judicial magistrate. Applications not accompanied by duly verified copy of the PAN card(s) are liable to be rejected.
- However, as per SEBI circular No. MRD/DoP/MF/Cir-08/2008 dated April 03, 2008 investors residing in the state of Sikkim are exempt from the mandatory requirement of PAN mentioned above, subject to AMC being able to verify and ascertain the veracity of the claim of the investors that they are residents of Sikkim, on the basis of sufficient documentary evidence.
- Investments (including investments in SIPs of up to Rs. 50,000/- (Rupees Fifty Thousand only) per year per investor have been exempted from the requirement of PAN. The aggregate of the lump sum investment (fresh purchase & additional purchase) and micro SIP installments by an investor in a financial year i.e April to March, which does not exceed Rs. 50,000/- (Rupees Fifty Thousand only) shall be exempt from the requirement of providing the PAN. However, requirements of know your customer (KYC) shall be mandatory and a duly verified/attested copy of such document(s) as may be prescribed by the AMC/Trustee from time to time, needs to be submitted as the proof of identification in lieu of PAN Card copy. Investors may contact any of the ISCs of the AMC or Registrar to know the list of acceptable identification documents which may be provided as proof of identification in lieu of PAN. Further, this exemption shall be applicable only to micro investments made by individuals (including NRIs, but not person of Indian origin (PIOs)), minors and sole proprietary firms including joint holders, PIOs, HUFs and other categories of investors will not be eligible for this exemption. For the purpose of identifying micro investment, the value of investments at the investor level (first holder) will be aggregated based on the unique ID number mentioned on the KYC acknowledgement and such aggregation shall be done irrespective of the number of folios / accounts under which the investor is investing.
- Investors are advised to use the prescribed application form provided with the KIM, SIP Registration Form & STP and SWP form, and other standard forms available at the ISCs or the website of YES Mutual Fund ([www.yesamc.in](http://www.yesamc.in)), for any financial/nonfinancial transactions. Any transaction received in any non standard form, is liable to be rejected

- Investors should provide the details / fill the form only in the space / boxes provided in the relevant forms. Any details / notings / information / instruction provided at a non-designated area of the standard form being used, or any additional details then application may be liable to be rejected at discretion of AMC.
- AMC and its Registrar reserve the right to disclose the details of the investors and their transactions to banks, couriers, distributors and any other organization for the purpose of transaction confirmations and/or execution, redemption payouts, data validations, compliance with legal and regulatory requirements, or for complying with anti-money laundering requirements.
- The Trustees shall have the absolute discretion to reject any application for purchase of units, if in its opinion, increasing the size of the unit capital is not in the general interest of the unitholders, or if for any other reason it does not believe it would be in the best interest of the scheme or its unitholders to accept such an application.

**Terms and Conditions for Web/Electronic Transactions:**

Investors/unitholders may undertake transactions viz. purchase / redemption in electronic modes sources like transactions offered by specified banks, financial institutions, distributors etc., with whom AMC has entered or may enter into specific arrangements including through secured internet sites operated by CAMS subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time.

Further, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar may accept transactions through any electronic mode including web transactions and as permitted by SEBI or other regulatory authorities from time to time. Accordingly, the servers (maintained at various locations) of the AMC / CAMS will be the official point of acceptance for all such online / electronic transaction facilities offered by the AMC. For the purpose of determining the applicability of NAV, time of transaction would be the time when request for purchase / sale / switch of units is received in the servers of AMC/RTA

**Important note on transactions Electronic Mode:**

The acceptance of the electronic transactions will be solely at the risk of the Transmitter (i.e. Investor or any person acting on his behalf) of the web / electronic transactions and the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar (collectively referred to as "Recipient" for this section) shall not in any way be liable or responsible for any loss, damage caused to the Transmitter directly or indirectly, as a result of the Transmitter sending or purporting to send such transactions including where a web/ electronic transaction sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient. The Transmitter acknowledges that web / electronic transactions is not a secure means of giving instructions / transactions requests and that the Transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc.

The Transmitter's request to the Recipient to act on any web / electronic transmission is for the Transmitter's convenience and the Recipient is not obliged or bound to act on the same and may without liability accept or refuse instructions by any web / electronic transaction for any or all instructions / transactions. The Transmitter authorizes the Recipient to accept and act on any web / electronic transmission which the Recipient believes in good faith to be given by the Transmitter and the Recipient shall be entitled to treat any such web / electronic transaction as if the same was given to the Recipient under the Transmitter's original signature. The Recipient at its discretion may treat such electronic transactions as final for all record purposes. In case there is any discrepancy between the particulars mentioned in the electronic transactions and the original document/s that may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom.

The Transmitter agrees that security procedures adopted by the Recipient may include signature verification, telephone call-backs or a combination of the same, which may be recorded by tape recording device and the Transmitter consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such web/ electronic transaction requests. The Transmitter accepts that the web / electronic transactions shall not be considered until time stamped as a valid transaction request in the Scheme(s) in line with SEBI Regulations. In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending/ discontinuing such facilities from time to time) acting on any web / electronic transaction request received / purporting to be received from the Transmitter, the Transmitter agrees to indemnify and keep indemnified the AMC, Mutual Fund, Trustee, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustee, from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on web / electronic transaction requests including relying upon such electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter. The AMC reserves the right to alter / discontinue all / any of the abovementioned facility(ies) at any point of time. However the change will be effective only on a prospective basis. Further, the AMC reserves the right to introduce more facility (ties) at a later date subject to prevailing SEBI Guidelines and Regulations. On availing this facility, transmitter will unequivocally be bound by what is stated above.

**B. Employee Unique Identification Number (EUIN)**

Pursuant to SEBI Circular dated September 13, 2012, mutual funds are directed to capture the unique identity number (EUIN) of the employee/relationship manager/sales person of the distributor (Sales Person) interacting with the investor for the sale of mutual



fund products in addition to the AMFI Registration Number (ARN) of the distributor in the application form.

EUIN aims to assist in tackling the problem of mis-selling even if the employee/relationship manager/sales person leaves the employment of the distributor or his/her sub broker. Quoting of EUIN is mandatory in case of advisory transactions.

Investors shall ensure that the application form, if routed through a distributor shall have a valid ARN code, sub broker ARN code, and EUIN.

### **C. Registration of Multiple Bank Accounts**

- (i) The investors may register multiple bank mandates in a single folio using a prescribed form, namely, "Multiple Bank Accounts Registration form", available on YES Mutual Fund's website and also at the ISCs. An investor may register up to 5 bank accounts in case the investor is an individual/ Hindu undivided family (HUF) and up to 10 bank accounts in case the investor is a non-individual.
- (ii) The following documents are required to be submitted along with the multiple bank accounts registration form:
  - ✓ Cancelled cheque leaf carrying the first unit holder's name (in case of more than one holder) and bank account number printed on the face of the cheque, or
  - ✓ Bank statement / pass book page with account number, account holders' name and address.
  - ✓ A letter from the investor's bank on their letter head certifying the investor's bank account information viz. account holder's name and address, bank account number, bank branch, account type, magnetic ink character recognition (MICR) & Indian Financial System Code (IFSC) code. The letter should be certified by an authorized official of the bank with his/her full signature, name, designation and bank seal.
- (iii) By registering multiple bank accounts, investors may use any of the registered bank accounts to receive redemption/ dividend proceeds. These registered bank account details will be used for verification of instrument used for subscription to ensure that third party payments are not used for mutual fund subscription, except where permitted. In case the application for subscription does not comply with the above provisions, the YES Mutual Fund retains the sole and absolute discretion to reject / not to process such application and refund the subscription money and shall not be liable for any such rejection.
- (iv) In case of existing unitholders, the existing bank mandate, and in case of new investors, their bank account details as mentioned in the application form for initial purchase, shall be treated as default bank account and all additional bank mandates would be considered as optional bank mandates, unless the unitholder gives a separate request to change the same to any of the other registered bank account using the 'multiple bank accounts registration form'. However, unitholder may specify any other registered bank accounts for credit of redemption proceeds at the time of requesting for the redemption. In case the investor wants the redemption proceeds to be credited to any one of the optional bank accounts from amongst the bank mandates registered under a folio, the investor needs to clearly indicate the same in the redemption application form. In the absence of such indication, the redemption proceeds would be credited to the default bank account.
- (v) In case request for redemption is received together with a change of bank account or before verification and validation of the new bank account, the redemption request would be processed to the registered default bank account. Unit holders may note that it is desirable to submit their requests for change in bank details at least 10 calendar days prior to date of redemption/dividend payment, if any. Any redemption request placed along or during this period shall ordinarily be processed as per the earlier bank account registered in the records of the Registrar.
- (vi) The AMC / Registrar reserves the right to request for any such additional documents or information as it deemed necessary for enabling registration of bank accounts of unitholders.

### **D. Prevention of Money Laundering and Know Your Client ('KYC') Requirements**

KYC is mandatory under Prevention of Money Laundering Act, 2002 ('PMLA') for all investors irrespective of the amount of investment (including switch, transfer of units, minor to major status change & systematic Investment Plan / Systematic Transfer Plan etc. as applicable).

SEBI vide circular no. CIR/MIRSD/66/2016 dated July 21, 2016 read along with SEBI Circular no. CIR/MIRSD/120/2016 dated November 10, 2016, has intimated about operationalization of Central KYC Record Registry (CKYCR). Further, AMFI vide circular dated December 22, 2016 has prescribed new CKYC form & associated guidelines which shall be applicable for a client.

Accordingly, all new individual customers who have never done KYC under KRA (KYC Registration Agency) regime i.e., customer who are new to KRA system and whose KYC are not registered or verified in the KRA system shall be required to provide KYC Identification Number (KIN) generated from CKYCR system or submit duly filled and completed CKYC form along with IPV form. It may be noted that requirement of PAN would continue to be mandatory for completing the CKYCR process. The forms are available on the website of the fund or at the official point of acceptance of transactions of the AMC/RTA/KRAs.

Once CKYC process is completed, data will be captured into KRA system and uploaded in CKYCR system as per the mode specified by the respective KRA/CKYCR.

Prior to these CKYC requirements, SEBI vide its circular no. MIRSD/SE/Cir-21/2011 dated October 05, 2011 issued guidelines for uniform KYC requirement for investors while opening accounts with any intermediary in securities market (w.e.f. January 01, 2012).

In order to bring this into effect, SEBI has appointed KYC Registration Agencies (KRAs) who will act as a central authority to maintain records of KYC compliant investors in the securities market. This is to avoid duplication of KYC process with every intermediary; he/she need not undergo the same process again with another intermediary.

Further, PAN issued by Income tax authorities is used as sole identification number for all investor transacting in the securities market including mutual fund, irrespective of the amount of transaction. Thus, all investors (including resident and non-resident investors) are required to provide PAN for all transactions in Units of the Scheme of the Fund irrespective of the amount of the transaction. Hence, it is mandatory for all investors (including joint holders, guardians (in case of minors) and NRIs) to mention the PAN on the application form. In absence of this, application will be liable to get rejected.

Exemption from PAN requirements is applicable only to Micro investment made by the individuals being Indian Citizens (including NRI, Joint holders\*, minor acting through guardian and sole propriety firms not having PAN) either as First Holder or Joint Holder or Guardian and who does not hold PAN. However, investors are required to furnish an attested copy (self-attested / attested by an AMFI registered distributor bearing its AMFI registered number) of any the photo identification documents along with the proof of address as specified in the application form. PAN requirement is also exempted for investors residing in the state of Sikkim, Central Government, State Government, and the official appointed by the court e.g. Official liquidator, court receiver etc. (under category of Government). However, this would be subject verifying the veracity of the claim of the specified organizations or residents of Sikkim, by collecting sufficient documentary evidence in support of their claim for such as exemption. Please refer to the application form for details of the documents (s) which are required to be submitted in such cases.

#### **Uniform implementation of KYC requirements**

AMFI vide its Best Practice Guidelines Circular No. 62/2015-16 dated September 18, 2015 captioned Uniform implementation of additional KYC & UBO requirements to overcome KYC related issues, has mandated the following:

- a. To mandatorily provide the Ultimate Beneficial Ownership declaration/ information failing which the application for fresh or additional subscription/ switches, as the case may be, shall be liable to be rejected.
- b. To mandatorily provide additional KYC information / details as prescribed in the Application Form.

Further, the AMC shall not accept any transactions (whether fresh or additional subscriptions / switches) pertaining to 'KYC On-Hold' or 'KYC Rejected' or 'Incomplete KYC' records, unless and until the Investors / Unitholders submit KYC missing information or updated information and / or complete IPV.

#### **In-Person Verification (IPV)**

- As per SEBI KRA Regulations, it is mandatory for SEBI registered intermediaries including Mutual Funds to carry out **In-Person Verification (IPV)** of its investors. The intermediary shall ensure that the following details of the person doing its IPV are recorded in KYC form:
  - Name,
  - Designation,
  - Name of the organization, where employed with his signatures and date.
  - Emp. No. / ARN No.
- The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund. Information provided in the KYC form has to be verified in-person by the employees authorized by AMC, Computer Age Management Services Pvt. Ltd. (CAMS), our Registrar and Transfer Agent (RTA), or Associates/ Distributors who are Association of Mutual Funds (AMFI) / National Institute of Securities Market (NISM) certified and compliant with Know Your Distributor (KYD) guidelines.
- In case of IPV carried out by KYD compliant distributor, the ARN code should be mandatorily mentioned in the form.
- Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors for Mutual Fund, AMC may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.
  - i. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the YES Mutual Fund reserves the right to carry out fresh KYC of the investor, if deemed necessary.
  - ii. AMC reserves right to reject application forms for transactions in units of the YES Mutual Fund not accompanied by letter/ acknowledgement issued by KRA or 14-digit CKYC KYC Identification Number (KIN). The KYC compliance status will be validated with the records of the KRA/CKYCR before allotting units and address related information as per KRA-KYC data will be replaced in your Folio(s) based on PAN. Static information like Date of Birth, Email ID, Mobile Number will be updated from KRA-KYC data if not provided in the Mutual Fund application form.
  - iii. To ensure appropriate identification of the investor(s) under its KYC policy and with a view to monitor transactions for the prevention of money laundering, AMC / YES Mutual Fund reserves the right to seek information, record investor's telephonic calls and / or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc. It may re-verify identity and obtain any incomplete or additional information for this purpose.

- iv. The KYC documentation shall also be mandatorily complied with by the nominees / legal heirs/ claimants inheriting or staking their claim on the units of a deceased unitholder (transmission of units) by virtue of a valid nomination or by operation of law.
- v. The YES Mutual Fund, AMC, Trustees and their directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of freezing the units in any folio / rejection of any application / cancelling allotment of units or mandatorily redeeming of units due to non-compliance with the provisions of the PMLA, SEBI circular(s) and KYC policy and / or freezing the units in any folio where AMC believes that transaction is suspicious in nature within the purview of the PMLA and SEBI circular(s) and reporting the same to financial intelligence unit of India (“FIU IND”).
- vi. Investor agrees and acknowledges that the Trustees/AMC may, on receiving a request / order (including interim orders)/ direction from any competent, administrative, legislative or judiciary or quasi-judicial authorities (including but not limited to RBI, SEBI, FIU and AMFI) (“**Relevant Authorities**”) freeze and/or seize the investor’s account and/or redeem the units at the applicable NAV and pay the proceeds of the redemption of the investor’s investments to such Relevant Authorities or such other person as may be directed by the Relevant Authority and take any other action as may be required without being responsible or liable in any manner whatsoever, for any losses (including financial or tax or otherwise), damages, expenses, claims or otherwise.
- vii. Investor further agrees and acknowledges that the Trustees / AMC may, at any time, at their sole discretion, share the investor’s details with any Relevant Authorities / stakeholder like RTA, Banks, SEBI Registered Intermediaries / KRAs / CKYC records / Courier and Postal departments / Depositories (including such other person(s) / entity(ies) as may be directed by the Relevant Authorities) and/or with any / YES group entities and/or with such other person / entity for the purpose of ensuring identification and verification of the investor/unitholder and/or ensuring compliance with the applicable laws, as the case may be.
- viii. Investor agrees and acknowledges that the Trustees / AMC, in order to comply with any law for the time being in force in India or any law which is applicable to the Sponsor of the YES Mutual Fund, will check appropriate identification and verification of the investor(s), including screening of the investor’s details with the sanction lists/screening lists or such other lists as may be prescribed under any laws applicable to AMC / Trustees / Sponsor and also carry out additional due diligence wherever applicable.
- ix. Investors transacting in the units of the schemes through the stock exchanges in dematerialized mode, (as and when the facility is made available by the AMC) will be subject to KYC formalities carried out by the depository participant and this will be considered as sufficient compliance of SEBI circular no. ISD/AML/CIR-1/2008 dated December 19, 2008 on Anti-Money Laundering guidelines.
- x. Investors / unitholders may contact their distributors, if any, or the ISCs, for any additional information/clarification.
- xi. Investors are required to take note of the following with respect to various KYC requirements:
  - (i) In case of joint-applicants, KYC should be completed by all joint applicants.
  - (ii) In case of applications under POA, KYC has to be completed by both the investor and the POA holder.
  - (iii) In case of NRI / person of Indian origins (PIO), they are required to complete KYC.
  - (iv) In case of minor, the KYC should be completed by the parent/ guardian signing on behalf of the minor. However, in the event of such minor person becoming major, the KYC has to be completed on becoming major.
  - (v) In case of transmission, KYC has to be completed by the person claiming under such transmission.
  - (vi) In case of nomination, KYC has to be completed by the nominee before invoking the nomination.
  - (vii) In case of lien/ pledge etc., KYC has to be completed by the lien/ pledge-holder

#### **E. Non-acceptance of subscription**

The U.S. Securities and Exchange Commission (SEC) requires that a person falling under the definition of the term ‘US Person’ under the Securities Act of 1933 of U.S.A and corporations or other entities organized under the U.S. laws shall not be permitted to make investments in securities not registered under the Securities Act, 1933. Also, the Canadian Securities Administrator (“CSA”) mandates prior registration of the fund with CSA before marketing or selling to the residents of Canada. The investors are hereby informed that none of the schemes of YES Mutual Fund are presently registered under the relevant laws, as applicable in the territorial jurisdiction of U.S. or in any provincial or territorial jurisdiction of Canada. Hence, the units made available under the SAI or SID of all the schemes may not be directly or indirectly be offered for sale in any of the provincial or territorial jurisdiction in U.S. and/or Canada or to/ or for the benefits of the residents thereof. Accordingly, the persons, corporations and other entities organized under the applicable laws of the U.S. including qualified foreign investors (QFI) registered in USA and Canada and residents of Canada as defined under the applicable laws of Canada will not be permitted to make any fresh purchases/additional purchases/switches in any of the schemes of the YES Mutual Fund, in any manner whatsoever. Further, subscriptions and other transactions may be restricted from the investors (including NRIs/OCIs/PIOs/FPIs who are residing in any Financial Action Task Force (FATF) declared noncompliant country or territory.

Please note that the abovementioned “U.S. Person” shall exclude non-resident Indians (“NRI”)/ Overseas Citizens of India (“OCI”) or Person of Indian Origin (PIO) or Foreign Portfolio Investors registered with SEBI (“FPI”) which are permitted to invest in the units of domestic mutual funds pursuant to the provisions of the Foreign Exchange Management Act, 1999 and the regulations thereunder. However, NRIs/OCIs/PIOs residing in U.S. may invest / transact (subscription and/or switch transaction (other than systematic transactions), in the Scheme(s) of YES Mutual Fund, only during their presence in India, in physical mode with the submission of additional documents/undertakings, etc., as may be stipulated by AMC/Trustee from time to time and subject to compliance with all applicable laws and regulations prior to investing in the Scheme. Please note that the documents in relation to the subscription shall be accepted by the AMC at the investor service centres. Similarly, FPIs may invest in eligible Scheme(s) of YES Mutual Fund through specified modes as allowed by SEBI guidelines and subject to compliance with all applicable laws and regulations and the terms, conditions, and documentation requirements stipulated by the AMC / Trustee from time to time, prior to investing in the Scheme(s). Please note that the investor shall be responsible for complying with all the applicable laws for such investments.

The above classes of investors are requested to note the following :

- (i) No fresh purchases (including SIPs and STPs)/ additional purchases/switches in any schemes of the YES Mutual Fund would be allowed.
- (ii) For transaction from stock exchange platform, while transferring units from the broker account to investor account, if the investor has U.S./Canadian address then the transactions would be rejected.
- (iii) In case subsequently identifies that the subscription amount is received from U.S. Person(s) or resident(s) of Canada, in that case the AMC/YES Mutual Fund at its discretion shall redeem all the units held by such person from the scheme of the YES Mutual Fund at applicable NAV.
- (iv) Notwithstanding the above, the Trustee / AMC reserves the right to put the transaction requests received from such U.S. person on hold / reject the transaction request /redeem the units, if allotted, as the case may be, as and when identified by the AMC that the same is not in compliance with the applicable laws and/or the terms and conditions stipulated by Trustee / AMC from time to time. Such redemptions will be subject to applicable taxes and exit load, if any.

#### **F. Beneficial Owners**

SEBI vide circular CIR/MIRSD/2/2013 dated January 24, 2013 prescribed guidelines for identification of beneficial ownership to be followed by the intermediaries for determination of beneficial owners. A ‘Beneficial owner’ is defined as a natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercise ultimate effective control over a legal person or arrangement. In this regard, all categories of investors (except individuals and company listed on a stock exchange) are required to provide details about beneficial ownership for all investments with effect from July 1, 2014. The YES Mutual Fund reserves the right to reject applications/restrict further investments or seek additional information from investors who have not provided the requisite information on beneficial ownership. In the event of change in beneficial ownership, investors are requested to immediately update the details with the YES Mutual Fund/Registrar.

#### **G. Applications On Behalf of Minors:**

In the case of investments made “on behalf of minor”, the application shall be made / signed by the guardian, subject to the following:

- (i) The minor shall be the first and the sole holder in the account.
- (ii) In account where unitholder is a minor, there can be no joint holders or nominees.
- (iii) Guardian can be either natural guardian (i.e. father or mother) or a court appointed legal guardian.
- (iv) In case of natural guardian, the documents evidencing the relationship will have to be submitted (if the same is not available as part of the documents submitted for proof of DOB) and in case of court appointed legal guardian- a notarised photo copy of the court order should be submitted along with the application.
- (v) It is also mandatory to provide minor’s date of birth in application form along with any of following supporting documents:
  - birth certificate of the minor, or
  - school leaving certificate/Mark sheet issued by higher secondary board of respective states, the Indian certificate of secondary education (ICSE), the central board of secondary education (CBSE) etc., or
  - passport of the minor, or
  - any other suitable proof evidencing the date of birth of the minor, which is acceptable to the AMC.

#### **H. Applications by NRIs, Overseas Citizen of India (“OCIs”) and Foreign Portfolio Investors (“FPIs”)**

In terms of Notification no. FEMA 20/2000 dated May 03, 2000 read with Notification No. FEMA 20(R)/2017-RB dated November 7, 2017, NRIs, OCIs and FPIs may purchase units of a mutual fund subject to the conditions specified in the Notification No. FEMA 20(R)/2017-RB dated November 7, 2017. NRIs and OCIs can purchase the units on repatriation and non-repatriation basis, while FPIs can purchase only on a repatriation basis. They shall attach a copy of the cheque used for payment or a foreign inward

remittance certificate (FIRC) or an account debit certificate from the bankers along with the application form and the account type shall be clearly ticked as non-resident external (NRE) or non-resident ordinary (NRO) or foreign currency non-resident (FCNR), to enable the AMC to determine the repatriation status of the investment amount. AMC and the Registrar may rely on the repatriation status of the investment purely based on the details provided in the application form.

**(i) Repatriation basis**

NRIs and OCIs may pay their subscription amounts by way of Indian rupee drafts purchased abroad, cheques drawn on non-resident (external) (NRE) accounts or Indian rupee drafts payable at par at any of the ISCs and purchased out of funds held in non-resident external accounts / foreign currency non-resident accounts. FPIs may pay their subscription amounts either by way of inward remittance through normal banking channels or out of funds held in foreign currency accounts or non-resident rupee accounts maintained under Foreign Exchange Management (Deposit) Regulations, 2016. NRIs shall also be required to furnish such other documents as may be necessary and as requested by the AMC/YES Mutual Fund/RTA, in connection with the investment in the schemes.

**(ii) Non-Repatriation basis**

NRIs and OCIs may pay their subscription amounts by cheques/ demand drafts drawn out of non-resident ordinary (NRO) accounts/ non-resident special rupee (NRSR) accounts and non resident non-repatriable (NRNR) accounts payable at the city where the application form is accepted.

**I. Restriction on Third Party Payments for Subscription of Units:**

- (i) In order to enhance compliance with KYC norms under the PMLA and to mitigate the risks associated with acceptance of third party payment instruments (cheques, demand drafts, pay orders etc.), AMFI has issued best practice guidelines on risk mitigation process against third party cheques in YES Mutual Fund subscriptions.
- (ii) In line with these recommendations, the YES Mutual Fund / the AMC shall not accept applications for subscriptions for purchase of units accompanied with third party payment instruments. For this purpose, “**Third Party Payment**” shall mean payment made through an instrument issued from an account other than that of the beneficiary investor. In case of payment instruments issued from a joint bank account, the first named applicant/investor must be one of the joint holders of the bank account from which the payment instrument is issued.

**Exception:**

The AMC/ Registrar of the YES Mutual Fund will accept subscriptions to schemes of the YES Mutual Fund accompanied by Third-Party Payment instruments only in exceptional cases mentioned below :

- (a) Payment by parents/grandparents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000/- (Rupees Fifty Thousand) (each regular purchase or per SIP installment);
  - (b) Payment by employer on behalf of employee under SIP facility through payroll deductions;
  - (c) Custodian on behalf of an FPI or a Client
- (iii) The investors making an application under the above mentioned exceptional cases are required to comply with the following conditions, without which their applications for subscriptions for units will be rejected / not processed
- (a) mandatory KYC compliance of the investor and the person making the payment, in order to determine the identity of the investor and the person issuing the payment instrument.
  - (b) submit a separate, 'Third Party Payment Declaration Form' from the beneficiary applicant/s (guardian in case of minor) and the person making the payment. Declaration by the person making the payment should give details of the bank account from which the payment is made and the relationship with the beneficiary. The declaration form is available at [www.yesamc.in](http://www.yesamc.in). Verifying the source of funds to ensure that funds have come from the drawer's account only.
- (iv) **The AMC shall adopt the following process for identifying Third Party Payments and accordingly, investors are required to comply with the requirements specified below:**
- (a) **Payment by Cheque:** An investor at the time of his/her purchase must provide the details of pay-in bank account (i.e. account from which a subscription payment is made) and pay-out bank account (i.e. account into which redemption/dividend proceeds are to be paid). [Identification of third party cheques by the AMC / Registrar will be on the basis of either matching of pay-in bank account details with registered/ pay-out bank account details or by matching the bank account number/name/signature of the first named investor with the name/account number/signature available on the cheque. If the name/bank account number is not pre-printed on the cheque and signature on the cheque does not match with signature on the application, then the first named applicant/investor should submit any one of the following documents:
    - (i) a copy of the bank passbook or a statement of bank account having the name and address of the account holder and account number;
    - (ii) a letter\* (in original) from the bank on the bank's letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).

[\* In respect of clause (iv)(a)(ii) above, it should be certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number.]

Investors should note that where the bank account numbers have changed on account of the implementation of core banking system at their banks, any related communication from the bank towards a change in bank account number should accompany the application form for subscription of units.

**(b) Payment by Prefunded Instrument:**

- (i) If the subscription is settled with pre-funded instruments such as pay order, demand draft, banker's cheque, etc., a certificate (in original) from the issuing banker must accompany the purchase application, stating the account holder's name and the account number which has been debited for issue of the instrument. The account number mentioned in the certificate should be a registered bank account or the first named unitholder should be one of the account holders to the bank account debited for issue of such instruments.
- (ii) A pre-funded instrument issued against cash shall not be accepted, except in case of payment made by parents/grandparents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000/- (Rupees Fifty Thousand only). This also should be accompanied by a certificate from the banker giving name, address and PAN of the person who has procured the payment instrument.

The Certificate(s) mentioned in clauses (i) and (ii) above should be duly certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number.

**(c) Payment by real time gross settlement (RTGS), national electronic funds transfer (NEFT), Bank transfer, etc:**

- (i) A copy of the instruction to the bank stating the account number debited must accompany the purchase application. The account number mentioned on the transfer instruction copy should be a registered bank account or the first named unitholder should be one of the account holders to the bank account.
- (ii) The above broadly covers the various modes of payment for mutual fund subscriptions. The above list is only indicative not exhaustive list and any other mode of payment as introduced from time to time will also be covered accordingly. In case the application for subscription does not comply with the above provisions, the AMC / Registrar retains the sole and absolute discretion to reject/not process such application and refund the subscription money and shall not be liable for any such rejection.

**J. Applications under power of attorney or by body corporate/registered society/trust/partnership**

- Every investor, depending on the category under which he/she/ it falls, is required to provide the relevant documents along with the application form as may be prescribed by the AMC. In case of an application made under a power of attorney or by a limited company, body corporate, registered society or partnership etc., the relevant power of attorney or the relevant resolution or authority to make the application as the case may be, or duly certified copy thereof, along with the memorandum and articles of association/bye-laws must be lodged at the Registrar's office at the time of submission of application.
- In case an investor has issued POA for making investments, switches, redemptions etc. under his folio, both the signature of the investor and the POA holder have to be clearly captured in the POA document to be accepted as a valid document. At the time of making redemption / switches, the YES Mutual Fund would not be in a position to process the transaction unless, POA holder's signature is available in the POA.
- Original or certified true copies of the following documents should be submitted by companies/bodies corporate/public sector units/banks and financial institutions along-with the application form:
  - (i) Board resolution authorizing the investment;
  - (ii) List of authorized officials to make such investment along with the specimen signature of such authorized officials; and
  - (iii) Memorandum of association (MOA) and articles of association (AOA)/ trust deed/partnership deed/ bye laws including certificate of registration/any other incorporation or foundation documents. The onus of authentication of the documents shall be on the investors and the AMC/Fund will accept and act on these in good faith. Wherever the documents are not expressly authenticated, submission of these documents by such investors shall be full and final proof of the corporate investors' authority to invest and the AMC/YES Mutual Fund shall not be liable under any circumstances for any defects in the documents so submitted.

All such documents should be in English language or notarized translated copy in English language.

**K. Change in Static Information**

**(i) Change in the Bank Mandate:-**

- (i) Updation of bank accounts in a investor's account/folio should be either through multiple bank account registration form or a standalone separate change of bank mandate form.
- (ii) In case of standalone change of bank details, YES Mutual Funds shall collect the supporting documents towards the proof of new bank details as given below. Based on AMCs internal risk assessment, the AMC may also consider collecting proof

of old bank account and proof of identity of the clients, while effecting a change of bank account. Investors are required to submit any one of the following documents in original or produce originals for verification or copy attested by the account holder's bank :-

- Cancelled original cheque of the new bank mandate with first unit holder name and bank account number printed on the face of the cheque; or
  - Self attested copy of bank statement; or
  - Bank passbook with current entries not older than 3 (three) months; or
  - Bank letter duly signed by branch manager / authorized personnel on the letter head of the bank.
- (iii) Investors are advised to register multiple bank accounts and choose any of the existing registered bank accounts towards receipt of redemption proceeds.
- (iv) Any unregistered bank account or a new bank account forming part of redemption request will not be entertained or processed.
- (v) Any change of bank mandate request received / processed few days prior to submission of redemption request or on the same day as a standalone change request, the AMC will continue to follow cooling period of 10 (Ten) calendar days for validation of the same.
- (vi) The AMC / Registrar reserves the right to undertake other mitigation measures, as it may deem necessary to verify and confirm the request from the investor.

#### **L. Redemption and Switch of units**

Please refer the relevant SID for details on redemption and switch.

#### **M. Right to limit redemption**

Subject to the terms of the SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016, the AMC may, under the below mentioned circumstances, impose restriction on redemption (including switch-outs) for a period not exceeding 10 working days in any 90 (ninety) days period. Such restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as :

- **Liquidity issues** - When market at large becomes illiquid affecting almost all securities rather than any issuer specific security;
- **Market failures, exchange closures** - When markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies; and
- **Operational issues** - When exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems.

However, such restriction would not be applicable to the redemption (including switch-outs) requests received for upto Rs. 2,00,000 (Rupees Two Lakhs). In case of redemption (including switch-outs) requests above Rs. 2,00,000 (Rupees Two Lakhs), AMC shall redeem the first Rs. 2,00,000 (Rupees Two Lakhs) without such restriction and remaining part over and above Rs. 2,00,000 (Rupees Two Lakhs) shall be subject to such restriction.

Any imposition of restriction on redemption (including switch-outs) of units of the scheme shall be made applicable only after specific approval of board of the AMC and the Trustee and the same shall also be informed to SEBI immediately.

#### **N. Suspension of Fresh Subscriptions into the scheme under special circumstances**

The AMC/Trustee reserves the right to temporarily suspend subscriptions /switches into any scheme of the YES Mutual Fund which invests overseas, if the limit prescribed by SEBI in Circular No. SEBI/IMD/CIR No. 7/104753/07 dated September 26, 2007 and Circular No. SEBI/IMD/CIR No.2/122577/08 dated April 08, 2008, as amended from time to time, for overseas investments by all schemes of the YES Mutual Fund put together is exceeded or is expected to be exceeded.

##### **Suspension of Sale of the YES Mutual Fund units**

The Mutual Fund at its sole discretion reserves the right to withdraw Sale (including switch-in) of the Units in the Scheme(s) (including Plan / Option of the Scheme) temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and / or suitable investment opportunities are not available for deployment of funds.:

- i When one or more stock exchanges or markets, which provide the basis for valuation for a substantial portion of the assets of the schemes, is/ are closed, otherwise than for ordinary holidays.
- ii When, as a result of political, economic or monetary events or any circumstance outside the control of the trustee and the AMC, disposal of the assets of the schemes is not reasonable, or would not reasonably be practicable without being detrimental to the interests of the unit holders.

- iii In the event of a breakdown in the means of communication used for the valuation of investments of the schemes, without which the value of the securities of the schemes cannot be accurately arrived calculated.
- iv During periods of extreme volatility of markets, which in the opinion of the AMC, are prejudicial to the interests of the unit holders.
- v In the case of natural calamities, strikes, riots, bandhs etc.
- vi During the period of Book Closure.
- vii When the money markets which provide basis for valuation are closed/ not accessible otherwise than for ordinary holidays.
- viii In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Registrar.
- ix In the event of any unforeseen situation that affects the normal functioning of the stock exchange(s).
- x In case of fund of fund schemes, if the underlying schemes suspend sale (including switch-in) of units.
- xi If so by SEBI.

Additionally, the AMC reserves the right in its sole discretion to withdraw the facility of Sale (including switch-in) of Units into and out of the Scheme(s) (including any one Plan / Option of the Scheme), temporarily or indefinitely, if AMC views that changing the size of the corpus may prove detrimental to the existing Unit holders of the Scheme(s).

#### **IV. RIGHTS OF UNITHOLDERS OF THE SCHEME**

Following are the rights of the unitholders :

- (i) Unit holders of the scheme have a proportionate right in the beneficial ownership of the assets of the scheme.
- (ii) When the YES Mutual Fund declares a dividend under a scheme/ plan, the dividend warrants shall be dispatched within 30 (thirty) days of the declaration of the dividend. Account statement reflecting the new or additional subscription as well as redemption / switch of units shall be dispatched to the unitholder within 10 (ten) business days of the date of receipt of the request from the unitholder. Provided if a unitholder so desires, the YES Mutual Fund shall issue a unit certificate (nontransferable) within 30 (thirty) days of the receipt of request for the certificate.
- (iii) The YES Mutual Fund shall dispatch redemption proceeds within 10 (ten) business days of receiving the redemption request.
- (iv) The Trustee is bound to make such disclosures to the unitholders as are essential in order to keep them informed about any information known to the Trustee which may have a material adverse bearing on their investments.
- (v) The appointment of the AMC for the YES Mutual Fund can be terminated by majority of the directors of the Trustee board or by 75% (seventy five per cent) of the unitholders of the scheme.
- (vi) 75% (seventy five per cent) of the unitholders of a scheme can pass a resolution to wind-up a scheme.
- (vii) The Trustee shall obtain the consent of the unit holders:
  - (a) whenever required to do so by SEBI, in the interest of the unitholders.
  - (b) whenever required to do so on the requisition made by three-fourths of the unitholders of the scheme.
  - (c) when the Trustee decides to wind up the scheme or prematurely redeem the units.
- (viii) The Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless:
  - (a) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the YES Mutual Fund is situated; and
  - (b) the unitholders are given an option to exit at the prevailing NAV without any exit load.
- (ix) In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.



## V. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

YES Mutual Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Mutual Fund Regulations, or such norms as may be prescribed by SEBI from time to time. The broad valuation norms are detailed below. These norms are indicated based on the current Mutual Fund Regulations and guidelines issued by SEBI :-

### A. Equity & Equity Related Instruments

Security Type	Valuation Policy
Listed Shares / Preference Shares/ Warrants/ Rights	Valuation will be at the closing price at the principal stock exchange. NSE shall be the principal exchange for valuation except in case of schemes passively tracking an index published by BSE. For schemes passively tracking a BSE Index, the principal stock exchange for valuation shall be BSE. If security is not traded on principal stock exchange on a particular valuation day, the closing 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 (thirty) days prior to valuation date.
Thinly Traded Equity Shares/ Unlisted Equity Shares / Preference Shares/ Warrants/ Rights	They shall be valued at fair value as per procedures determined by the valuation committee <sup>#</sup> . The committee may decide to apply an illiquidity discount, if needed.
Shares tendered for Buy Back	The shares tendered for buyback would be valued at the price of buyback on tendering of such shares, ignoring the market price provided the company has provided the confirmed buy back ratio. Else the market price of the security will be considered for valuation till the date of receipt of formal communication of acceptance of shares tendered under buy back.
Qualified Institutional Placement (QIP)/Initial Public Offer (IPO)/ Follow on Public Offer (FPO)	Recognition and valuation would start from date of allotment/ listing.
Futures and Options	Valuation shall be done at the day end settlement price on the NSE.
Lock in shares	In case of equity shares under lock-in for more than 3 (three) months from the date of purchase / allotment, which are traded on the stock exchanges, the valuation committee may apply appropriate discount to the closing price quoted on the stock exchange as may be decided by the committee on a case to case basis.

#### <sup>#</sup>Procedure for valuation of unlisted or thinly traded equity/equity related securities

##### (i) Equity Shares

Based on the latest available balance sheet, net worth shall be calculated as follows :

- (i) Net worth per share = [share capital+ reserves (excluding revaluation reserves) - Miscellaneous expenditure and debit balance in P&L A/c] divided by no. of paid up Shares.
- (ii) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted. A discount rate as deemed appropriate by the valuation committee shall be considered. The discounted Industry average P/E shall be taken as capitalisation rate (P/E ratio) (profit earning ratio). Earnings per share (EPS) 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 for ill-liquidity so as to arrive at the fair value per share. The illiquidity discount shall be determined by the valuation committee.
- (iv) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earnings.
- (v) In case where the latest balance sheet of the company is not available within 9 (nine) months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- (vi) 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 should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation. The intrinsic value so arrived will be periodically reviewed by valuation committee till listing of such shares.
- (vii) Where the unlisted equity shares are acquired as result of corporate actions like demerger/ amalgamation, the unlisted equity shares will be valued at the intrinsic value on the ex-date as follows:
- The intrinsic value for new entity resulting out of corporate actions where financial details are available will be valued as the valuation procedure stated above.
  - The intrinsic value for new entity resulting out of corporate action where financial details are not available will be valued as per differential pricing method after applying appropriate illiquidity discount as determined by valuation committee.

Example: If AB Company gets demerged in to A Company & B Company and the new company B is not a listed company. The value of B Company is arrived as follows:

Market Value of AB Company (pre-merger closing price) (X)	Rs. 250/-
Market Value of A Company (post-merger closing Price) (Y)	Rs. 150/-
Valuation of B Company as per differential pricing method (X - Y)	Rs. 100/-
Illiquidity Discount (20%)	Rs. 20/-
Valuation of B Company (After illiquidity discount)	Rs. 80/-

All SEBI guidelines for valuation of thinly traded securities as laid down in various circulars shall be adhered to.

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

- (a) All calculations as aforesaid shall be based on audited accounts.
- (b) In case where the latest balance sheet of the company is not available within 9 (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% (five 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% (five per cent) 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 AMC and with the approval of the Trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

**(ii) Preference Shares :-**

Preference shares can be convertible or non- convertible. 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.

Non- convertible preference shares are more akin to debt and to be valued as debt securities.

**(iii) Warrants :-**

Warrants will 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. The value arrived will be reduced by appropriate discount.

**(iv) Right entitlements :-**

Right entitlements will be valued as difference between the value of closing price of the underlying equity share and the rights offer price.

**B. Debt & Debt Related Instruments**

	Category	Procedure
For securities with residual maturity <= 60 days ##: (including Government Securities, Treasury Bills, Cash Management Bills, State Development Loans, Ujwal DISCOM Assurance Yojana (UDAY) Bond, etc.)	<b>Traded Assets</b>	A self-traded security (including interscheme) having a single trade with face value of at least INR 5 crore, will be recognized at weighted average yield to maturity (YTM) for valuation across all schemes.
	<b>Non Traded Assets</b>	Assets to be amortised on straight line amortisation as long as their valuation remains within $\pm 0.10\%$ ## band of the price derived from the reference rate for each bucket (reference rate for every 15-day bucket will be provided by AMFI appointed agencies (currently CRISIL and ICRA). In case of amortised value falling outside the above band, yield to maturity (YTM) of the asset will have to be adjusted in order to bring the price within the $\pm 0.10\%$ ## band with suitable justification.
For securities with residual maturity > 60 days ## : (including Government Securities, Treasury Bills, Cash Management Bills, State Development Loans, Ujwal DISCOM Assurance Yojana (UDAY) Bond, etc.)		At valuation prices provided by AMFI appointed agencies (currently CRISIL and ICRA) Refer note 3 & 4.
	<b>Interest Rate SWAP/ Forward Rate Agreements (FRA's)</b>	All SWAP/ FRA's will be valued at net present value after discounting the future cash flows. Future cash flows for SWAP/ FRA contract will be computed daily as per terms of contract and discounted by suitable overnight interest swap rates (OIS) available on Reuters/ Bloomberg or any other provider as approved by valuation committee. From 60th day ## to maturity, the unrealised gain / loss accounted for IRS/ FRA shall be amortised.
	<b>Overnight Money (CBLO/ Triparty Repo/ Reverse Repo/ CROMS)</b>	Overnight money deployed will be valued at cost plus the accrual/ amortisation.

**Notes :**

- AMFI approved agencies (currently CRISIL and ICRA) consider all trades reported at all public platform viz. fixed income money market and derivatives association of India (FIMDDA) / negotiated dealing system – order matching segment (NDS-OM)/NSE/BSE for determining the prices for debt securities with average maturity more than 60 days ##.
- Own Trade of any security:** Any debt security having at least one own trade of Rs. 5 Crore (face value) or above will be considered as traded for the particular day and will be valued at weighted average traded price / yield.
- In case of price being available from only one agency, the same will be considered for valuation.
- In case of non-availability of prices from AMFI approved agencies- Traded (Own) securities will be valued at weighted average traded price / yield on the date of trade.
- Non-traded securities will be at the fair value as per procedures determined by the Valuation Committee.  
## Basis SEBI circular SEBI/HO/IMD/DF4/CIR/P/2019/41 dated, March 22, 2019 the following changes shall be carried out effective June 20, 2019:
  - The residual maturity for amortization based valuation shall be reduced from 60 days to 30 days.

- The amortised price shall be used for valuation only if it is within a threshold of  $\pm 0.025\%$  of the reference price. In case of deviation beyond this threshold, the price shall be adjusted to bring it within the threshold of  $\pm 0.025\%$  of the reference price.

#### Others

Security/ Asset Type	Valuation Policy
<b>Listed Mutual Fund Units</b>	Valuation will be at the closing price at the principal stock exchange. 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.
<b>Unlisted Mutual Fund Units</b>	Valuation will be based on NAV of Mutual Fund units.
<b>Fixed Deposits</b>	Fixed deposits will be valued at cost.

#### Non-performing assets

An asset shall be classified as non-performing asset, if the interest and / or principal amount have not been received or remain outstanding for 1 (one) quarter from the day such income / instalment has fallen due. The provision to be made for a non-performing assets (NPA) should be in accordance SEBI Circular MFD/CIR 8/92/2000 date Sept 18, 2000, SEBI Circular No MFD/CIR 8(a) / 104/2000 dated October 3, 2000 and Oct/CIR / 14/ 088 / 2001 dated Mar 28, 2001 as amended from time to time.

## VI. TAX, LEGAL & GENERAL INFORMATION

### A. TAXATION ON INVESTING IN MUTUAL FUNDS

The tax benefits set out in the SAI are for general purposes only and do not constitute tax advice. The tax information provided in the SAI does not purport to be a complete description of all potential tax costs, incidence and risks inherent in subscribing to the Units of scheme(s) offered by Yes Mutual Fund ("the Fund"). Investors should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position as laid out may continue indefinitely. The applicability of tax laws, if any, on Yes Mutual Fund /Scheme(s)/ investments made by the Scheme(s) and/ or investors and/ or income attributable to or distributions or other payments made to Unitholders are based on the understanding of the prevailing tax legislations and are subject to adverse interpretations adopted by the relevant authorities resulting in tax liability being imposed on Yes Mutual Fund/ Scheme(s)/ Unitholders/ Trustee/ AMC. In the event any such liability as may be determined by the tax authorities is/ being imposed on Yes Mutual Fund/ Scheme(s) or the Trustee or the AMC, the Unitholders shall be liable to pay on demand and/ or indemnify Yes Mutual Fund/ Scheme(s) and/ or the Trustee and/ or the AMC for any such tax liability.

In view of the individual nature of the tax consequences, each investor is advised to consult his/ her own professional tax advisor. The tax information contained in SAI alone is not sufficient and should not be used for the development or implementation of an investment strategy or construed as investment advice. Investors alone shall be fully responsible/ liable for any decision taken on the basis of this document. Neither the Mutual Fund nor the AMC nor any person connected with it accepts any liability arising from the use of this information. Investors should study this SAI carefully in its entirety and should not construe the contents as advice relating to taxation. Investors are advised to consult their tax, investment and other professional advisors to determine possible tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/ redeem Units.

As per the provisions of the Income-tax Act, 1961 ("the Act"), as amended by Finance Act, 2019 and Chapter VII of the Finance (No. 2) Act, 2004 pertaining to Securities Transaction Tax ("STT"), the tax benefits/ consequences as applicable in respect of the Mutual Fund schemes and investors investing in the Units of its Mutual Fund Schemes [on the assumption that the units are not held as stock-in-trade] are stated as follows:

## 1. Tax Benefits/Consequences to the Mutual Fund

This Fund is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income-tax as per the provisions of section 10(23D) of the Act.

### i. Exemption u/s 10(35):

Under the provisions of section 10(35) of the Act, income received in respect of the units of a mutual fund specified under section 10(23D) will be exempt from income tax in the hands of all unit holders. In view of this position, no tax needs to be deducted at source from such distribution by the fund. However, by virtue of the proviso to section 10(35), this exemption does not apply to income arising on "transfer" of units of a mutual fund.

### ii. Transactions not regarded as transfers under section 47:

Section 47(xviii) provides that any transfer of unit or units by a unit holder held by him in the Consolidating Scheme of a mutual fund, will not be treated as transfer, if the transfer is made in consideration of the allotment to him of unit or units in the Consolidated Scheme of the mutual fund under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly capital gains will not apply provided that the consolidation is of two or more schemes of equity oriented fund or of two or more schemes of a fund other than equity oriented fund.

For the purpose of the above, a Consolidating Scheme means the scheme of the mutual fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and Consolidated Scheme means the scheme with which the Consolidating Scheme merges or which is formed as a result of such merger.

Section 47(xix) provides that any transfer of unit or units by a unit holder held by him in the Consolidating Plan of a mutual fund, will not be treated as transfer, if the transfer is made in consideration of the allotment to him of unit or units in the Consolidated Plan of the mutual fund under the process of consolidation of the plan of that schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly capital gains will not apply.

For the purpose of above, Consolidating Plan means the plan within a Scheme of the mutual fund which merges under the process of consolidation of the plans within a Scheme of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and Consolidated Plan means the Plan with which the Consolidating Plan merges or which is formed as a result of such merger.

The Mutual Fund will receive all income without any deduction of tax at source under the provisions of Section 196(iv) of the Act.

### **Classification of a fund as an equity-oriented fund or Liquid fund or Money Market Fund or Infrastructure debt fund for the purposes of the Act**

Equity oriented fund is a fund set up under a scheme of a mutual fund specified under section 10(23D) and,

- (i) the fund invests in the units of another fund which is traded on a recognised stock exchange, -
  - (A) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and
  - (B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and
- (ii) a minimum of 65% of the total proceeds of such funds are invested in equity shares of domestic companies listed on a recognized stock exchange.

Furthermore, as per the proviso to clause (a) of Explanation to section 112A of the Act, the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

Money market mutual fund, as per clause (d) of the Explanation to section 115T of the Act, means a scheme of a Mutual Fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Liquid Fund, as per clause (e) of the Explanation to section 115T of the Act, means a scheme or plan of a Mutual Fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this regard under the Securities and Exchange Board of India Act, 1992 or the regulations made thereunder.

As per clause 1 of Regulation 49L of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996, an

'infrastructure debt fund scheme' means a mutual fund scheme which invests primarily (minimum 90% of scheme assets) in debt securities or securitized debt instrument of infrastructure companies or infrastructure capital companies or infrastructure projects or special purpose vehicles which are created for the purpose of facilitating or promoting investment in infrastructure, and other permissible assets in accordance with these regulations or bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles.

#### **Distribution of income by the Mutual Fund to the unit holders**

Any income distributed by a Mutual Fund to its unit holders shall be liable to additional income-tax on such distributed income at the rates as provided under section 115R of the Act. The rates (inclusive of surcharge and health and education cess) are as under -

- 11.648% on income distributed by an equity-oriented fund;
- 29.12% on income distributed to any individual or a Hindu undivided family by money market fund, liquid fund and funds other than equity oriented funds;
- 34.944% on income distributed to any other person by money market fund, liquid fund and funds other than equity oriented funds;
- 5.824% on income distributed by a mutual fund under an infrastructure debt fund scheme to a non-resident (not being a company) or a foreign company.

Income distribution tax payable by the mutual fund would be at the rates specified above on the net amount of dividend distributed (i.e. the taxes would be grossed up).

The availability of credit for dividend distribution tax in the hands of the non-resident investor would depend upon the tax laws of the country of which he is a resident and/or the applicable tax treaty of such country with India.

#### **Securities Transaction Tax**

The Mutual Fund is liable to pay STT at prescribed rates on the value of transactions of purchase or sale of specified securities.

STT shall be payable under Chapter VII of the Finance (No. 2) Act, 2004, wherever applicable, as follows:

<b>Sr. No.</b>	<b>Taxable Securities Transaction</b>	<b>Rate</b>	<b>Payable by</b>
1.	Delivery based Purchase / Sale of equity shares or a unit of a business trust on a recognized stock exchange	0.1%	Purchaser / Seller Respectively
2.	Purchase of units of equity oriented mutual fund (delivery based) on recognized stock exchange	Nil	Purchaser
3.	Sale of units of equity oriented mutual fund (delivery based) on a recognized stock exchange	0.001%	Seller
4.	Non-delivery based sale of equity shares, units of equity oriented mutual fund or a unit of a business trust on a recognized stock exchange	0.025%	Seller
5.	(a) Sale of an option in securities	0.05%	Seller
	(b) Sale of an option in securities, where option is exercised	0.125%	Purchaser
	(c) Sale of a futures in securities	0.01%	Seller
6.	Sale of a unit of an equity-oriented fund to the Mutual Fund	0.001%	Seller
7.	Sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and subsequently listed on recognized stock exchange	0.20%	Seller
8.	Sale of unlisted units of business trust under an initial offer	0.20%	Seller

## **2. Tax Benefits/Consequences to Unit holders**

### **I. Income-tax**

All Unit holders

Income received, otherwise than on sale / redemption / transfer in respect of units of a mutual fund specified under section 10(23D) of the Act, would be exempt from tax under Section 10(35) of the Act.

## Capital Gains

If the units are not held as stock in trade, the tax rates applicable to the unit holder will depend on whether the gain on sale of units is classified as a short-term capital gain or a long-term capital gain. As per section 2(29A) read with section 2(42A) of the Act, units of a mutual fund held as capital asset is treated as long-term capital asset if it is held for a period of more than 12 months (in case of units of an equity-oriented mutual fund) and 36 months (in case of other than equity-oriented mutual funds) preceding the date of transfer; in all other cases, they would be treated as short-term capital assets.

The tax rates applicable on short-term or long-term capital gains arising on transfer of units of a scheme, being an equity oriented mutual fund is stated in the following table

Nature of income	Tax rate
Short-term capital gains on sale either to the Mutual Fund or on a recognised stock exchange	<p><b>Where STT has been paid: 15% (u/s. 111A)</b></p> <p><b>Where STT has not been paid:</b></p> <ul style="list-style-type: none"> <li>In case of residents: Taxable at normal rates of tax applicable to the assessee (Refer Note 1)</li> <li>In respect of non-resident (non-corporate): Taxable at normal rates of tax applicable to the assessee (Refer Note 1)</li> <li>In respect of non-resident (corporate): 40%</li> <li>In respect of FIIs: 30% (u/s. 115AD)</li> </ul>
Long- term capital gains on sale either to the Mutual Fund or on a recognised stock exchange	<p><b>Where STT has been paid on transfer: 10% on income exceeding ₹1,00,000 without indexation (u/s. 112A)</b></p> <p>Note: Long-term capital gain to be computed without giving effect to the first and second proviso to section 48, i.e. inflation indexation in respect of cost of acquisitions and cost of improvement, if any, and the benefit of computation of capital gains in foreign currency in the case of a non-resident, will not be allowed</p> <p><b>Where STT has not been paid:</b></p> <ul style="list-style-type: none"> <li>In respect of residents: 20% with indexation (u/s. 112)</li> <li>In respect of NRI/PIO &amp; Other Non-Resident other than FII, where the units are listed: 20% (u/s. 112)</li> <li>In respect of NRI/PIO &amp; Other Non-Resident other than FII where the units are unlisted: 10% (u/s. 112)</li> <li>In respect of FIIs: 10% (u/s. 115AD)</li> </ul>

The tax rates applicable on short term or long-term capital gains arising on transfer of units of a scheme, not being an equity oriented mutual fund is stated in the following table:

Nature of income	Tax rate
Short-term capital gains on sale either to the Mutual Fund or on a recognised stock exchange	<p>In case of residents, the gain would be included as part of their Gross Total Income and taxed at the rates applicable to them – Refer Note 1</p> <p>In case of Foreign Companies, tax would be at 40%</p> <p>In case of other companies, tax would be at 30%</p>

The tax rates applicable on short term or long-term capital gains arising on transfer of units of a scheme, not being an equity oriented mutual fund is stated in the following table: (Contd.)

Nature of income	Tax rate
Long- term capital gains on sale either to the Mutual Fund or on a recognised stock exchange	<p>In case of residents, 20% (u/s. 112) (with indexation)</p> <p>In case of non- residents (other than FII) :</p> <ul style="list-style-type: none"> <li>For listed units - 20%</li> <li>For unlisted units – 10% (without indexation), In case of FII, 10% (u/s. 115AD)</li> </ul> <p>Note: Long-term capital gain to be computed without giving effect to the first and second provisos to section 48, i.e. inflation indexation in respect of cost of acquisitions and cost of improvement, if any, and the benefit of computation of capital gains in foreign currency in the case of a non-resident, will not be allowed.</p>

**Points for consideration:**

1. The following amounts would be deductible from the full value of consideration, to arrive at the amount of capital gains:
  - Cost of acquisition of Units (as adjusted by Cost Inflation Index notified by the Central Government in case of long term capital gain); and
  - Expenditure incurred wholly and exclusively in connection with such transfer (excluding any sum paid on account of STT).
2. In case of resident individuals and HUFs, where taxable income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to the flat rate of income-tax (plus surcharge and health and education cess).

STT levied on sale of units of equity oriented mutual fund shall not be allowed as a deduction in computing the income chargeable under the head "Capital Gains" as per seventh proviso to section 48 of the Act. In other words, the STT paid shall neither form part of the cost in case of purchase nor be allowed as deduction as expense of transfer in case of sale of such units.

**Tax Deduction at Source ("Withholding Tax" or "TDS")**

**Resident Investors**

No tax is deductible at source on capital gains arising to resident investors at the time of repurchase or redemption of the units.

**Non-Resident Investors**

Under section 195 of the Act, tax shall be deducted at source in respect of capital gains in the hands of non-resident unit holders as under:

<b>In case of non-residents (including persons of Indian Origin) other than a company:</b>	<b>Tax Rate</b>
Long term capital gains (exceeding Rs.1 lakh) on units of equity-oriented funds	10%
Long term capital gains on unlisted units of funds other than equity-oriented funds (capital gains to be calculated without indexation) (u/s. 112)	10%
Long term capital gains on listed units of funds other than equity-oriented funds (u/s. 195)	20%
Short term capital gains on units of equity-oriented funds	15%
Short term capital gains on units of funds other than equity-oriented funds	30%
<b>In case of non-resident corporates / others:</b>	
Long term capital gains (exceeding Rs.1 lakh) on units of equity-oriented funds (For FII TDS is Nil as per section 196D)	10%
Long term capital gains on listed units of funds other than equity-oriented funds (capital gains to be calculated with indexation) (For FII TDS is Nil as per section 196D)	20%
Long term capital gains on unlisted units of funds other than equity-oriented funds (capital gains to be calculated without indexation) (For FII TDS is Nil per section 196D)	10%
<b>Non-Resident Investors</b>	
Short term capital gains on units of equity-oriented funds (under section 111A) (For FII TDS is Nil per section 196D)	15%
Short term capital gains on units of funds other than equity-oriented funds in case of non-resident corporates (For FII TDS is Nil per section 196D)	40%
<b>In case of Overseas Financial Organisation (Offshore Fund) referred to in section 196B</b>	
Short term capital gains	
- If units of an equity oriented fund on which STT has been paid at the time of transfer	15%
- If units of other than equity oriented fund	40%
Long term capital gains	10%



If the investor has obtained a lower withholding tax certificate from the authorities, tax will be deducted at such lower rate.

As per section 206AA of the Act, where tax is deductible under the Act, and the deductee has not furnished a Permanent Account Number (PAN) to the deductor, tax should be deducted at source at the highest of the following rates :

- At the rate specified in the Act;
- At the rates in force;
- At the rate of 20%.

As per Rule 37BC of the Income-tax Rules, 1962 ("the Rules"), a non-resident, not being a company, or a foreign company ("deductee") and not having a PAN, the provisions of section 206AA shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, if the deductee furnishes the details and the documents as mentioned below-

- (I) name, e-mail id, contact number;
- (ii) address in the country or specified territory outside India of which the deductee is a resident;
- (iii) a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- (iv) Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

## ii. Others tax implications Gift of Units

As per section 56(2)(x) of the Act, certain specified property transferred, without consideration / inadequate consideration, exceeding specified limits, are taxable in the hands of the recipient (subject to certain exceptions).

The term "property" includes shares and securities. Units of a mutual fund would fall within the purview of the term "securities". As per the Act, "property" would refer to capital assets only.

Further the above provision of section 56(2)(x) shall not apply to any units/ shares received by the recipient in the following cases-

- (a) From any relative; or
- (b) On the occasion of the marriage of the individual; or
- (c) Under a will or by way of inheritance; or
- (d) In contemplation of death of the payer or donor, as the case may be; or
- (e) From any local authority as defined in the Explanation to clause (20) of section 10 of the Act; or
- (f) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 of the Act; or
- (g) From any trust or institution registered under section 12AA of the Act;
- (h) Transaction not regarded as transfer under clause (I), (vi), (via), (viaa), (vib), (vic), (vica), (vicb), (vid), (vii) of section 47;
- (I) from an individual by a trust created or established solely for the benefit of relative of the individual. Further, the term 'relative' shall mean:
  - A] In the case of an Individual -
    - (i) The spouse of the individual
    - (ii) The brother or sister of the individual
    - (iii) The brother or sister of the spouse of the individual
    - (iv) The brother or sister of either of the parents of the individual
    - (v) Any lineal ascendant or descendant of the individual
    - (vi) Any lineal ascendant or descendant of the spouse of the individual
    - (vii) The spouse of the person referred to in clauses (ii) to (vi), and

B] In case of a HUF, any member thereof.

**Clubbing of income**

Subject to the provisions of section 64(1A) of the Act, taxable income accruing or arising in the case of a minor child shall be included in the income of the parent whose total income is greater or where the marriage of the parents does not subsist, in the income of that parent who maintains the minor child. An exemption under section 10(32) of the Act, is granted to the parent in whose hand the income is included upto Rs. 1,500/- per minor child. When the child attains majority, the tax liability will be on the child.

**Deduction under section 80C**

As per section 80C, and subject to the provisions, an individual / HUF is entitled to a deduction from Gross Total Income upto Rs. 1.50 lakhs (along with other prescribed investments) for amounts invested in any units of a mutual fund referred to in section 10(23D) of the Act, under any plan formulated in accordance with such scheme as the Central Government may notify.

**Taxation of units held as stock-in-trade**

If the units are held by an investor as stock-in-trade of a business, the gains from transfer/redemption of units will be taxed at the rates at which the normal income of that investor is taxed. The rates applicable to different investors are discussed at length in Note 1.

Note 1:

<b>Tax Rates for Individuals</b>			
<b>Income</b>	<b>Rates of Income Tax</b>		
	<b>Individual (Age less than 60 Years)</b>	<b>Senior Citizen (Age above 60 Years)</b>	<b>Very Senior Citizen (Age above 80 Years)</b>
1. Up to Rs. 2,50,000	Nil	Nil	Nil
2. Rs. 2,50,000 to Rs. 3,00,000	5%	Nil	Nil
3. Rs. 3,00,000 to Rs. 5,00,000	5%	5%	Nil
4. Rs. 5,00,000 to Rs. 10,00,000	20%	20%	20%
5. Above Rs. 10,00,000	30%	30%	30%
<b>Tax Rates for Companies</b>			
<b>Domestic Company</b>		<b>Foreign Company</b>	
30%*		40%	

\*For AY 2019-20, tax shall be levied at 25% if the total turnover or gross receipts for the Financial year 2016-17 does not exceed INR 250 crore.

As per Finance Act 2019, surcharge rates are as under:

<b>Particulars</b>	<b>Rates of Surcharge</b>		
	<b>Taxable Income</b>		
	<b>50 lacs to 1 crore</b>	<b>1 crore to 10 crores</b>	<b>Exceeding 10 crores</b>
1. Individuals/HUF	10%	15%	15%
2. Firm/ Local Authority/ Co-operative Society	Nil	12%	12%
3. Domestic Company	Nil	7%	12%
4. Foreign Company	Nil	2%	5%

The health and education cess at the rate of 4% shall be computed on aggregate of Income-Tax and Surcharge.

## OTHER RELEVANT PROVISIONS

### a) Eligible Foreign Investors

As per Notification No. 9/2014 dated 22 January 2014, the Central Government has specified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as 'Foreign Institutional Investor' for the purposes of clause (a) of the Explanation to section 115AD of the Act.

### b) Minimum Alternate Tax (MAT) (Section 115JB)

Section 115JB of the Act provides that a company is subject to provisions of Minimum Alternative Tax (MAT). Where the tax payable as per the regular provisions of the Act is less than 18.5% of the book profits computed under the said provisions, tax shall be payable at the rate of 18.5% (of the book profit) plus applicable surcharge and health and education cess. Income by way of long term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under Section 115JB.

However, in case of foreign companies, any amount of income accruing/ arising and the corresponding expenditure incurred relating to capital gains arising on transactions in securities shall not be taken into account in computing the book profit and income-tax payable under Section 115JB. The provisions of MAT will not apply to a foreign company if:

- a) It is a resident of a country with which India has a DTAA and the company does not have a permanent establishment in India in accordance with the provisions of such DTAA; or
- b) it is a resident of a country with which India does not have a DTAA and the foreign company is not required to register under any law applicable to companies.

As per the section 115JAA of the Act, a tax credit (being the difference between taxes paid under MAT and the amount of taxes payable by the tax payer under the regular provisions of the Act) is allowed to be carried forward for 15 years immediately succeeding the assessment year in which tax credit becomes allowable. The tax credit can be set-off in a year when the tax becomes payable on the total income in accordance with the regular provisions of the Act and not under MAT.

### c) Alternate Minimum Tax (AMT) (Section 115JC)

All unit holders (other than companies) are subject to tax under AMT at the rate of 18.5 percent on the adjusted total income. In a situation where the income-tax computed as per normal provisions of the Act is less than the AMT on "adjusted total income", the unit holder shall be liable to pay tax as per AMT.

"Adjusted total income" for this purpose is the total income before giving effect to the following deductions:

- claim, if any, under section C, 'Deduction in respect of certain incomes' of chapter VI-A (other than section 80P);
- claim, if any, under section 10AA; and
- claim, if any, under section 35AD (in respect of capital expenditure) as reduced by the amount of depreciation allowable in accordance with the provision of section 32 as if no deduction under section 35AD was allowed in respect of the assets on which the deduction under that section is claimed.

AMT will not apply to an Individual, HUF, AOP, BOI or an Artificial Juridical Person, if the adjusted total income of such person does not exceed 20 lakhs. Credit of AMT is allowed which can be further carried forward to fifteen subsequent years and set off in the year(s) where regular income tax exceeds the AMT.

### d) Exemption from Capital Gains

As per the provisions of Section 54EE, applicable from the assessment year 2017-18, if an assessee has transferred a long-term capital asset and has invested the whole (or any part) of capital gains in long term-specified assets (to be notified by the Central Government to finance start-ups). Such investments can be made at any time within 6 months from the date of transfer of original asset. The amount of investment (made on or after April 01, 2016 but before April 01, 2019) by an assessee in long term specified assets, out of capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets transferred and in the subsequent financial year should not exceed Rs. 50 lakh. The exemption shall be revoked if the long term specified assets is transferred (not even loan / advance is taken on security of such assets) within 5 years from the date of acquisition.

As per the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an

individual or a HUF, capital gains arising on transfer of a long-term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house in India. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

**e) Taxability of non-resident investors**

In case of a non-resident unit holder who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (“DTAA” or “tax treaty”) (which is in force) income tax is payable at the rates provided in the Act, as discussed above, or the rates provided in such tax treaty, if any, whichever is more beneficial to such non-resident unit holder (Circular no. 728 dated October 1995 by CBDT read with provision of Section 90(2) of the Act).

For non-residents claiming such tax treaty benefits, the Finance Act 2012 mandates the obtaining from the home country tax authority of a tax residency certificate (“TRC”) in a format to be prescribed.

Section 90(5) of the Act (introduced by the Finance Act, 2013) provides that an assessee to whom a DTAA applies shall provide such other documents and information, as may be prescribed. Further, a notification substituting Rule 21AB of the Rules has been issued prescribing the format of information to be provided under section 90(5) of the Act, i.e. in Form No 10F. Where the required information is not explicitly mentioned in the TRC, the assessee shall be required to furnish a self-declaration in Form No 10F and keep and maintain such documents as are necessary to substantiate the information mentioned in Form 10F.

**f) Dividend Stripping**

Under the provisions of Section 94(7) of the Act, loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the Unit holders to receive income or additional units without any consideration, as the case may be) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

**g) Bonus Stripping**

Under the provisions of Section 94(8) of the Act, where any person purchases units (‘original units’) within a period of 3 months prior to the record date, who is allotted additional units without any payment and sells all or any of the original units within a period of 9 months after the record date, while continuing to hold all or any of the additional units, then any loss arising on sale of the original units shall be ignored for the purpose of computing income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase of the additional units as are held on the date of such sale.

**h) General Anti Avoidance Rules (“GAAR”)**

As per the Finance Act, 2017, the GAAR provisions will apply from the financial year 2017-18. Further, the provisions have also been amended to protect the investments made up to 31 March 2017 from the applicability of GAAR.

GAAR empowers the tax authorities to treat any transaction or arrangement entered into for the primary purpose of tax avoidance as an impermissible avoidance arrangement. The GAAR provisions seek to confer on the tax officer extensive powers, to disregard/ combine/ recharacterise transactions/ persons in situations where there is a tax avoidance motive or where such motive is presumed to exist in law.

**i) Religious and Charitable Trusts**

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

**The above Statement of Possible Direct Tax Benefits/ Consequences sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of mutual fund units. The statements made above are based on the tax laws in force. Investors/Unit holders are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of mutual fund units.**

## B. LEGAL INFORMATION

### (i) Nomination Facility

Pursuant to Regulation 29A of the Mutual Fund Regulations, AMC provides an option to unitholder to nominate (in the manner prescribed under the Mutual Fund Regulations), a person(s) in whom the units held by him shall vest in the event of his/her death. Where the units are held by more than one person jointly, the joint unit holders may together nominate a person(s) in whom all the rights in the units shall vest in the event of death of all the joint unit holder. By provision of this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee(s).

A nomination in respect of the units does not create an interest in the property after the death of the unit holder. The nominee(s) shall receive the units only as an agent and trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominees(s) under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination.

#### a) Who can nominate/be nominee

- **Who can nominate:** Nomination can be made only by individuals on their own behalf, either singly or jointly. Nomination is also available to a sole proprietary concern account.
- **Who cannot nominate:** Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu undivided family, holder of power of attorney cannot nominate.
- **Who can be nominated:**
  - (i) resident Indian individuals
  - (ii) minors through parent/legal guardian
  - (iii) non-resident Indian individuals, subject to the exchange controls in force from time to time.
  - (iv) religious and charitable trusts; and
  - (v) central government, state government, a local authority or any person designated by virtue of his office.

Nomination can be made for maximum of 3 (three) nominees. In case of multiple nominees, the percentage of allocation / share in favour of each of the nominees should be indicated clearly against the respective names and such allocation / share should be in whole numbers without any decimals, making a total of 100% (One Hundred per cent). In case the percentage of allocation / share for each of the nominees is not clearly indicated in the nomination form, the YES Mutual Fund /the AMC, by invoking default option, shall settle the claim equally amongst all the nominees.

In case a minor is nominated, the name and address of the guardian of the minor nominee shall be provided by the unit holder(s).

#### b) How to Nominate?

Investors may make the nomination (i) at the time of initial investment for purchase units in a scheme by filling up the form / columns for nomination provided in the application form or (ii) subsequently, using a prescribed Nomination Form, available at all ISCs of the YES Mutual Fund.

If the units are held jointly, all joint unit holders will be required to sign the nomination form.

#### c) Change or cancellation of Nomination

A nomination made can be changed or cancelled subsequently by the unitholder(s) by making an application in the prescribed form to the YES Mutual Fund for change or cancellation of nomination. Change in / cancellation of nomination can be made only by those individuals who hold units on their own behalf singly or jointly and who made the original nomination.

#### d) Effects of nomination/change or cancellation of nomination

A nomination in respect of the units does not create an interest in the property after the death of the unitholder. The nominee(s) shall receive the units only as an agent and trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominees(s) under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination.

#### e) Nomination in respect of units stands rescinded upon transfer of units: -

1. On cancellation of nomination, the nomination made previously shall stand rescinded and the AMC/ YES Mutual Fund shall not be under any obligation to transfer the units in favour of any of the persons nominated earlier.

2. The AMC shall, subject to completion of the necessary formalities by the nominee(s), including KYC Compliance, production of death certificate of the deceased unit holder and duly attested signature of the nominee(s), furnishing of proof of guardianship in case of minor nominee, execution of indemnity bond or such other document as may be required, proceed to effect the payment/ transfer of units to the nominee(s).
3. Transfer of units/ payment to a nominee of the sums shall be valid and effectual against any demand made upon the YES Mutual Fund / AMC, and shall discharge the YES Mutual Fund / AMC of all liability towards the estate of the deceased unit holder and his/ her successors and legal heirs, executors and administrators.
4. If the YES Mutual Fund or the AMC or the Trustee were to incur or suffer any claim, demand, liabilities, proceedings or if any actions are filed or made or initiated against any of them in respect of or in connection with the nomination, they shall be entitled to be indemnified absolutely for any loss, expenses, costs, and charges that any of them may suffer or incur absolutely from the investor's estate.

**f) Nomination for units held in electronic (demat) mode**

For units of the scheme(s) held in electronic (demat) form with the depository, the nomination details provided by the unitholder to the depository will be applicable to the units of the scheme. Such nomination including any variation, cancellation or substitution of nominee(s) shall be governed by the rules and bye-laws of the depository.

**(ii) Transfer of Units**

Units of the schemes held in physical form shall be non-transferable. However, the units held in demat form shall be freely transferable (in terms of SEBI circular number CIR/IMD/DF/10/2010 dated August 18, 2010). Further, if a person becomes a holder of the units consequent to operation of law, or upon enforcement of a pledge, the YES Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the units. Further, in the case of units held in dematerialized mode, transfer of units through off market transaction shall not be permissible. Consequently, request for redemption of units acquired through off market transaction shall be liable for rejection. Similarly, in cases of transfers taking place consequent to death, insolvency etc., and the transferee's name will be recorded by the YES Mutual Fund subject to production of satisfactory evidence.

**(iii) Transmission of Units**

**1. Transmission to surviving unitholders in case of death of one or more unit holders:**

- a) Letter from surviving unit holder(s) or the surviving unitholders requesting for transmission of units;
- b) Death certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- c) Bank account details of the new first unit holder (where applicable) along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name;
- d) KYC of the surviving unit holders, if not already available; and
- e) The Foreign Account Tax Compliance Act ("FATCA") & the Common Reporting Standard ("CRS") details.

**2. Transmission to registered nominee(s) in case of death of sole or all unitholders:**

In case where the unitholder(s) has/have made a valid nomination, then upon death of the sole unitholder or all the joint unitholders, as the case may be, the units shall be transmitted in favour of the nominee, upon the nominee making an application for settlement of the claim by submitting the following documents to the satisfaction of the YES Mutual Fund, AMC/Trustee or Registrar:

- a) An application from the claimant nominee(s) requesting for transmission of units, with his/her signature duly attested by a bank manager;
- b) Death certificate(s) of the deceased unitholder in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- c) Bank account details of the applicant (nominee) along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name;
- d) KYC confirmation of the claimant(s); and
- e) FATCA & CRS details

**3. Transmission to claimant in case of death of sole or all unit holders, where no nomination is made:**

If the unitholder has not appointed a nominee, the units shall be transmitted in favour of the unit holder's executor/administrator of estate/legal heir(s), as the case may be, on production of the following documents, in addition to the documents mentioned in (1) above, to the satisfaction of YES Mutual Fund, AMC/ Trustee or Registrar:

- a) An application from the claimant nominee(s) requesting for transmission of units, with his/her signature duly attested by a bank manager;
- b) Death certificate(s) of the deceased unitholder in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- c) Bank account details of the applicant (nominee) along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name;
- d) KYC confirmation of the claimant(s);
- e) Indemnity Bond from legal heir(s);
- f) Individual affidavits from legal heir(s);
- g) If the transmission amount is below Rs. 2,00,000 (Rupees Two Lakhs only): any appropriate document evidencing relationship of the claimant/s with the deceased unit holder(s); and
- h) If the transmission amount is Rs. 2,00,000 (Rupees Two Lakhs only) or more: Any one of the documents mentioned below:
  - Notarised copy of probated will, or
  - Legal heir certificate or Succession certificate or Claimant's certificate issued by a competent court or
  - Letter of administration, in case of intestate succession.
  - FATCA & CRS details

**4. Transmission in case of Hindu undivided family, due to death of karta:**

In case of a Hindu undivided family, the property of the family is managed by the karta and Hindu undivided family does not come to an end in the event of death of the karta. In such a case, the members of the Hindu undivided family who appoint the new karta need to submit following documents for transmission:

- a) Letter requesting for change of karta by all the surviving coparceners;
- b) Death certificate of the deceased karta in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- c) Duly certified bank certificate stating that the signature and details of new karta have been appended in the bank account of the Hindu undivided family;
- d) KYC of the new karta and KYC of Hindu undivided family, if not already available;
- e) Indemnity bond signed by all the surviving coparceners and new karta; and
- f) In case of no surviving coparceners or the transmission amount is Rs 2,00,000/- (Rupees Two Lakh) or more or where there is an objection from any surviving member of the Hindu undivided family, transmission should be effected only on the basis of any of the following mandatory documents:
  - Notarized copy of settlement deed, or
  - Notarized copy of deed of partition, or
  - Notarized copy of decree of the relevant competent court.
  - FATCA & CRS details

Unitholders may please note that, in addition to the abovementioned documents, AMC/Registrar may, depending on the circumstance of each case seek additional documents.

[Please note that nominee / legal heir(s) of a deceased unitholder need to comply with KYC documentation prior to applying for transmission of units.]

**(iv) Transfer and Transmission of Units held in Demat Mode**

For units of the scheme(s) held in demat form, the units will be freely transferable (in terms of SEBI circular number CIR/IMD/DF/10/2010 dated August 18, 2010) and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. However, restrictions on transfer of units of equity linked saving ("ELSS") schemes during the lock-in period shall continue to be applicable as per the ELSS Guidelines.

The delivery instructions for transfer of units will have to be lodged with the depositories participants (DP) in the requisite form as may be required from time to time and transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form.

**(v) Change in Guardian in case of a minor unit holder**

The guardian can be changed in a folio held "on behalf of a minor", either due to mutual consent or demise of the existing guardian. However, the new guardian can only be either a natural guardian (i.e. father or mother) or a court appointed legal guardian. New guardian should submit documentary evidence confirming the relationship with the minor, bank attestation attesting his/her signature and KYC compliance acknowledgment.

The following documents should be submitted for registration of the new guardian:

- Request letter from the new guardian;
- No Objection Letter (NOC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive;
- Notarized copy or attested copy of the Death Certificate of the deceased guardian, where applicable. The attestation may also be done by a special executive magistrate, authorized official of the AMC or manager of a scheduled bank;
- Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian;
- KYC of the new guardian; and
- Additional KYC, FATCA and CRS- Self Certification

**(vi) Minor attaining majority – Status Change**

When a minor unitholder attains majority on completion of 18 (eighteen) years of age, the unitholder is required to make an application to the AMC/Registrar to change his / her status from "minor" to "individual" and register his / her signature with the Registrar, submitting the following documents:

- a) A prescribed service request form, duly filled and containing details such as the name of the unitholder, folio numbers, scheme name etc;
- b) Details of new bank mandate, where the account is changed from minor to major;
- c) The signature of the major unitholder on the form should be duly attested by his / her bankers. Alternatively a signature attestation certificate/ letter issued by a manager of a scheduled bank may be submitted;
- d) The KYC and PAN of the major unitholder; and
- e) Additional KYC, FATCA & CRS - Self Certification.

In this regard, unitholders may please note the following:

- a) The AMC/Registrar shall endeavor to send advance notice at the registered correspondence address, advising the minor and guardian to submit prescribed documents, in order to effect change of status from 'minor' to 'major'.
- b) In case the requisite documents to change the status are not received by the date when the minor attains the age of majority, no transactions (financial and non-financial) including fresh registration of SIP, STP and SWP will be permitted after the date of minor attaining the age of majority.
- c) Existing SIPs, SWPs and STPs registered prior to the minor attaining the age of majority, will be continued to be processed till the time an instruction from the major to terminate the standing instruction is received by the AMC/Registrar along with the prescribed documents. New SIPs, SWPs and STPs will be registered up to the date of the minor attaining the age of majority.

**(vii) Duration of the Schemes**

The duration of open-ended schemes is perpetual, while that of the close-ended schemes is as mentioned in the relevant SIDs. However, in terms of the SEBI (Mutual Fund Regulations), 1996, open-ended schemes may be wound up anytime, and close-ended scheme may be wound up at any time prior to the maturity date, after repaying the amount due to the unitholders under the following circumstances:

- a) On happening of any event, which in the opinion of the Trustee, requires the scheme concerned to be wound up; or
- b) If 75% (seventy five per cent) of the unit holders of the scheme concerned pass a resolution that the scheme be wound up; or
- c) If SEBI so directs in the interests of unit holders.



### (viii) Winding up of the Schemes

Where a scheme is to be wound up under Regulation 39(3) of Mutual Fund Regulations, the Trustees shall give notice disclosing the circumstances leading to the winding up of the scheme :-

- a) To the SEBI; and
- b) In two daily newspapers having circulation all over India, a vernacular newspaper circulating at the place where the YES Mutual Fund is formed

- **Effect of winding up**

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

- a) cease to carry on any business activities in respect of the scheme so wound up;
- b) cease to create or cancel units in the scheme; and
- c) cease to issue or redeem units in the scheme.

In addition to the above, an open-ended scheme may also be wound up if the scheme fails to fulfill the condition of a minimum of 20 (twenty) investors on an ongoing basis for each calendar quarter.

- **Procedure and Manner of Winding Up**

In terms of regulation 41 of Mutual Fund Regulations, the Trustee shall call a meeting of the unitholders to approve by simple majority of the unitholders present and voting at the meeting resolution for authorising the Trustee or any other person to take steps for winding up of the scheme concerned. The Trustee or the person authorised as above, shall dispose off the assets of the scheme concerned in the best interest of the unit holders of the scheme.

**Provided** that a meeting of the unitholders shall not be necessary if the scheme is wound up at the end of maturity period of the scheme. The proceeds of sale realised in pursuance of the above shall be first utilised towards discharge of such liabilities as are due and payable under the scheme, and after meeting the expenses connected with such winding up, the balance shall be paid to the unitholders in proportion to their respective interest in the assets of the scheme, as on the date when decision for winding up was taken. On completion of the winding up, the Trustee shall forward to SEBI and unitholders a report on the winding up, detailing, the circumstances leading to the winding up, the steps taken for disposal of the assets of the scheme before winding up, expenses for fund of winding up, net assets available for distribution to the unit holders and a certificate from the auditors of the YES Mutual Fund. Notwithstanding anything contained herein above, the provisions of the Mutual Fund Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until winding up is completed or the scheme concerned ceases to exist.

After the receipt of the report referred to above, under “Procedure and Manner of Winding Up”, if SEBI is satisfied that all measures for winding up of the scheme concerned have been complied with, the scheme shall cease to exist. The aforesaid provisions pertaining to “Procedure and Manner of Winding Up” shall apply in respect of each individual scheme and to the extent possible shall apply mutatis mutandis to each investment plan.

### (ix) KYC Requirements and Requirements of Prevention of Money Laundering Act

Please refer Section 3. Prevention of Money Laundering and Know Your Client (‘KYC’) Requirements.

### (x) Consolidation of Folios

In case an investor has multiple folios, the AMC reserves the right to consolidate all the folios into one folio, based on such criteria as may be determined by the AMC from time to time. In case of additional purchases in same scheme/ fresh purchase in new scheme, if the investor fails to provide the folio number, the AMC reserves the right to allot the units in the existing folio, based on such integrity check as may be determined by the AMC from time to time.

### (xi) Default Option/Plan/Scheme in case of incomplete or inconsistent information

Investors may note that in case of fresh / additional purchases, if the name of the scheme on the application form / transactions slip differs with the name on the cheque / demand draft / payment instrument / transfer letter, then the AMC will allot units under the scheme mentioned on the application form. In case of fresh/additional purchases, if the scheme name is not mentioned on the application form / transaction slip, then the units will be allotted under the scheme mentioned on the cheque / demand draft / payment instrument / transfer letter. The plan / option that will be considered in such cases if not specified by the customer will be the default option of the scheme as per the SID. However, in case of additional purchase if the scheme name is not specified by the customer then the AMC reserves the right to allot units in the option under which units were allotted at the time of fresh purchase.

**(xii) Unclaimed Redemption/Dividend Amount**

In line with SEBI circular No. MFD/CIR/9/120/2000 dated 24/11/2000, the unclaimed redemption and dividend amounts may be deployed by the YES Mutual Fund in call money market or money market instruments, shall also be allowed to be invested in a separate plan of liquid scheme or Money market mutual fund scheme floated by the mutual fund specifically for deployment of the unclaimed amounts. Investors who claim these amounts during a period of 3 (three) years from the due date shall be paid at the prevailing NAV. After a period of 3 (three) years, this amount will be transferred to a pool account and the investors can claim the amount at prevailing NAV at the end of the third year. The income earned on such funds will be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 (fifty) basis points. The YES Mutual fund shall not be liable to pay any interest or compensation on unclaimed amount.

• **Unclaimed Redemption/Dividend Plan(s) for deployment of unclaimed redemption and dividend amounts:**

Pursuant to SEBI Circular no. SEBI/ HO/ IMD/ DF2/ CIR/ P/ 2016/ 37 dated February 25, 2016 for treatment of unclaimed redemption and dividend amounts, AMC would comply with same.

**(xiii) Account statement:**

**For Unitholders not having a demat account:**

- a) On acceptance of application for subscription, an allotment confirmation specifying the number of units allotted will be sent by way of e-mail and/or SMS to the applicant's registered e-mail address and/or mobile number within five Business Days from the date of closure of the NFO period / the date of receipt of transaction request from the unit holders.
- b) Thereafter, Unit holder in whose folio(s) transaction(s)\* has taken place, the Consolidated Account Statement (CAS)^ for the calendar month will be sent on or before 10th day of the succeeding month.

^ A Consolidated Account Statement (CAS) shall also contain details of all the transactions\* during the month, the total purchase value / cost of investment in each scheme and holding at the end of the month across all schemes of all mutual funds including transaction charges paid to the distributor.

\* the word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

- c) For the purpose of sending CAS, common investor across mutual funds shall be identified by their Permanent Account Number (PAN).
- d) In case the folio has more than one registered holder, the first named Unit holder will receive CAS/ account statements. Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical. In case of specific request received from investors, Mutual Funds shall provide the account statement to the investors within 5 business days from the receipt of such request without any charges.
- e) The AMC shall send first account statement for a new folio separately with all details registered in the folio by way of a physical account statement and/or an e-mail to the investor's registered address / e-mail address not later than five business days from the date of closure of the initial subscription list and / or from the date of receipt of the subscription request from the unit holder.
- f) For folios not included in the Consolidated Account Statement ('CAS'), the AMC shall send account statement by mail/e-mail to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before tenth day of succeeding month. Further, the Account Statements detailing holding across all schemes of YES Mutual Fund at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period.

**For Unitholder(s) holding units in Account Statement mode (Physical) but having a Demat account**

**a) Who have opted to receive CAS through Depositories**

- On acceptance of application for subscription, an allotment confirmation specifying the number of Units allotted will be sent by way of e-mail and/or SMS to the applicant's registered e-mail address and/or mobile number within five Business Days from the date of closure of the NFO period / the date of receipt of transaction request from the unit holder(s).

- Thereafter a CAS will be dispatched by Depositories within 10 Days from the end of the month for Permanent Account Numbers (PANs) which are common between Depositories & AMCs and in which transaction\* has taken place during the month.
- In case of multiple holding, PAN of the first holder and pattern of holding will be considered for dispatching CAS.
- If the statements are presently being dispatched by e-mail either by the Fund or the Depositories then CAS will be sent through email. However the Unit holder will have an option to receive CAS in physical form at the address registered in the Depository system.
- In case there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details will be sent to the Unit holders on half yearly basis.
- The dispatch of CAS by Depositories to Beneficial Owners would constitute compliance by AMC / the Fund with the requirements under Regulation 36(4) of SEBI (Mutual Funds) Regulations 1996.
- The AMC shall send first account statement for a new folio separately with all details registered in the folio by way of a physical account statement and/or an e-mail to the investor's registered address / e-mail address not later than five business days from the date of closure of the initial subscription list and/ or from the date of receipt of subscription request from the unit holder.
- In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the Depositories shall send account statement in terms of regulations applicable to the Depositories.

\*the word 'transaction' shall include transaction in demat accounts of the investor or in any of his mutual fund folios.

**b) Who have opted not to receive CAS through Depositories**

Unitholder(s) will have an option not to receive CAS through Depositories. Such Unitholder(s) will be required to provide negative consent to the Depositories. Unitholder(s) who have opted not to receive CAS through Depositories will continue to receive CAS from AMC / the Fund.

Further, CAS issued for the half-year (ended September/ March) shall also provide:

- a) The amount of actual commission paid by AMC/ Mutual Fund to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each Mutual Fund scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMC/Mutual Fund to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as service tax (wherever applicable, as per existing rates), operating expenses, etc.
- b) The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all Mutual Fund investors, excluding those investors who do not have any holdings in Mutual Fund schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

**For Unitholders holding units in demat mode:**

1. Unit holder who has opted to hold units in electronic (demat) mode will receive a confirmation specifying the number of units allotted by way of e-mail and/ or SMS to the applicant's registered e-mail address and/or mobile number within five business days from the date of closure of the NFO period / the date of receipt transaction request from the unit holders.
2. Further, such Unit holder will receive the holding/transaction statements directly from his depository participant at such a frequency as may be defined in the Depositories Act, 1996 or regulations made there under or on specific request.
3. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be dispatched within 30 days of the declaration of the dividend.
4. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request.

**(xiv) Tax consequences:**

Investors should note that, as and when investor claims unclaimed redemption / dividend amounts after such amounts were invested in Unclaimed Redemption / Dividend Plan(s), redemption from Unclaimed Redemption / Dividend Plan(s) and subsequent payment to concerned investor may entail tax consequences. In view of individual nature of tax consequence, each unitholder / investor is advised to consult his / her professional tax advisor.

For more details on how to claim the unclaimed redemption/dividend, please refer to the website of the Fund viz. [www.yesamc.in](http://www.yesamc.in)

**(xv) Pledge of Units**

Subject to the other terms of the scheme, the units under the respective scheme(s) (subject to completion of lock-in period, if any) may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFC's), or any other body. The AMC/RTA will note and record such pledged units. A standard form for this purpose is available on request at all ISCs and YES Mutual Fund's website ([www.yesamc.in](http://www.yesamc.in)).

The AMC shall mark a lien on the specified units only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and YES Mutual Fund assumes no responsibility thereof.

The pledgor will not be able to redeem/switch units that are pledged until the entity to which the units are pledged provides a written authorisation to YES Mutual Fund that the pledge / lien/ charge may be removed. As long as units are pledged, the pledgee will have complete authority to redeem such units. Dividends declared on units under lien will be paid / reinvested to the credit of the unitholder and not the lien holder unless specified otherwise in the lien letter.

**For Units held in Electronic (Demat) Mode**

For units of the scheme(s) held in electronic (demat) form, the rules of depository applicable for pledge will be applicable for pledge/assignment of units of the scheme(s). Pledgor and pledgee must have a beneficial account with the Depository. These accounts can be with the same DP or with different depository participants.

**(xvi) Website**

The website of the YES Mutual Fund/ AMC is intended solely for the use of resident Indians, non-resident Indians, persons of Indian origin and foreign institutional investors / foreign portfolio investors registered with SEBI. It should not be regarded as a solicitation for business in any jurisdiction other than India. In particular the information is not for distribution and does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such activity is prohibited. Any persons resident outside India, who nevertheless intend to respond to this material must first satisfy themselves that they are not subject to any local requirements, which restrict or prohibit them from doing so. Information other than that relating specifically to the AMC/YES Mutual Fund and its products is for information purposes only and should not be relied upon as a basis for investment decisions. The AMC cannot be responsible for any information contained in any website linked from the YES Mutual Fund's website.

The AMC makes no representations whatsoever about any such website which the user may access through the said website. A link to another website does not mean that the AMC endorses or accepts any responsibility for the content, or the use, of such website. It is the responsibility of the user to take precautions to ensure that whatever is selected for use is free of such items as viruses and other items of a destructive nature. The investors are requested to read the terms and conditions given on the said website carefully before using the said website. By using the said website, the investor will be deemed to have agreed that the terms and conditions specified apply to the use of the investor of the said website, any information obtained from the site, and our products and services. If the investor does not agree to the specified terms, the investor may not use the said website or download any content from it.

**(xvii) Disclosure of Investors' Information to Service Providers and Intermediaries**

- (a) The investors may note that the YES Mutual Fund or AMC need to use the services of intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, electronic mode, etc.
- (b) The AMC may share investors' personal information with the following third parties:
  1. Registrar, banks and / or authorised external third party service providers who are involved in transaction processing, despatches, etc., of investors' investment in the scheme;

2. Distributors or sub-brokers through whom applications of investors are received; or
  3. Any other organisations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering laws.
- (c) The investor expressly agrees and authorises the YES Mutual Fund or AMC or their intermediaries to correspond with the investor or make payments through intermediaries including but not limited to post office, local and international couriers, and banks. The investor clearly understands that the YES Mutual Fund or AMC uses such intermediaries for convenience of the investor and such intermediaries are agents of the investor and not the YES Mutual Fund or AMC.

**(xviii) Compliance with Foreign Account Tax Compliance Act (FATCA)**

FATCA is a United States (US) Federal Law, to improve compliance of US tax citizens who have foreign financial assets and offshore accounts. In terms of FATCA, foreign financial institutions (FFIs) are required to report information about financial accounts held by US taxpayers (even if they hold only non-US assets) or held by foreign entities in which US taxpayers hold a substantial ownership interest.

The Government of India and US Government have signed an Inter-Governmental Agreement (IGA) on July 9, 2015 to implement FATCA. Pursuant to the reporting requirements mandated under FATCA.

Further, the YES Mutual Fund (through its agents or service providers) may report the information related to the investment of any investor to the US tax authorities (or to an Indian agency as notified, once India signs the inter-governmental agreement with US) and redeem and/or apply withholding tax to payments to investors who fail to provide the information and documents required to identify their status, or are non-FATCA compliant financial institutions or fall within other categories specified in the FATCA provisions and regulations. Investors should consult their own tax advisors regarding the applicability of FATCA requirements to them.

The AMC would be required from time to time to:

- (i) undertake necessary due diligence process by collecting information/ documentary evidence about US/Non-US status of the investors/ unitholders and identify US reportable accounts; and
- (ii) disclose/ report information about the holdings, investments returns pertaining to US reportable accounts to the specified US agencies and/or such Indian authorities as may be specified under FATCA guidelines or under any other guidelines issued by Indian regulatory authorities such as SEBI, Income Tax etc. (collectively referred to as the guidelines’).

FATCA due diligence will be applicable at each investor/ unit holder (including joint holders) level and on being identified as reportable person/ specified US person, all folios/ accounts will be reported including their identity, direct or indirect beneficiaries, beneficial owners and controlling persons. Further, in case of folio(s)/ account(s) with joint holder(s), the entire account value of the investment portfolio will be attributable under each such reportable person. Investor(s)/ unitholder(s) will, therefore, be required to comply with the request of the AMC/ the YES Mutual Fund to furnish such information, in a timely manner as may be required by the AMC/ the YES Mutual Fund to comply with the due diligence/ reporting requirements stated under IGA and/ or the Guidelines issued from time to time. With respect to individuals, the US reportable accounts would cover those with US citizenship or US residency. One may note that in US, both US citizens and residents are taxed on their worldwide income. With respect to entities, FATCA requires reporting in relation to specified US persons (Eg. US partnerships, private corporations) as well as passive Non-Financial Foreign Entities (NFFEs) in which controlling interest is held by specified US person.

The identification of US person will be based on one or more of the following—US “indicia” –

- Identification of account holder as a US citizen or resident;
- Unambiguous indication of a US place of birth;
- Current US mailing or residence address (including a US post office box)
- Current US telephone number;
- Standing instructions to transfer funds to an account maintained in USA;
- Current effective power of attorney or signing authority granted to a person with a US address; or
- An -in-care of or-hold mail address that is the sole address that the Indian Financial Institution has on the file for the account holder.

FATCA provisions are relevant not only at on-boarding stage of investor(s)/ unit holder(s) but also throughout the life cycle of investment with the Fund/ the AMC. In view of this, investors should immediately intimate to the Fund/ the AMC, in case of any change in their status with respect to FATCA related declaration provided by them previously.

The YES Mutual Fund/AMC reserves the right to reject any application or redeem the units held directly or beneficially in case the applicant/investor(s) fails to furnish the relevant information and/or documentation in accordance with the FATCA provisions, notified.

Investors(s)/unitholder(s) should consult their own tax advisors to understand the implications of FATCA provisions/requirements. Existing investors of the YES Mutual Fund are also advised to download the FATCA declaration form from AMC's website ([www.yesamc.in](http://www.yesamc.in)) and submit the duly filled FATCA declaration form to the AMC or RTA for necessary updation in the records.

**(xix) Common Reporting Standard (CRS)**

On similar lines as FATCA, the Organization of Economic Development ("OECD"), along with the G20 countries, of which India is a member, has released a –Standard for Automatic Exchange of Financial Account Information in Tax Matters, in order to combat the problem of offshore tax evasion and avoidance and stashing of unaccounted money abroad, requiring cooperation amongst tax authorities. The G20 and OECD countries have together developed a CRS on automatic exchange of information ("AEOI"). The CRS on AEOI was presented to G20 Leaders in Brisbane on 16th November, 2014. On June 3, 2015, India has joined the multilateral competent authority agreement (MCAA) on AEOI. The CRS on AEOI requires the financial institutions of the - source jurisdiction to collect and report information to their tax authorities about account holders - residents in other countries, such information having to be transmitted - automatically annually. The information to be exchanged relates not only to individuals, but also to shell companies and trusts having beneficial ownership or interest on the –residential countries.

Appropriate rules have been notified to implement CRS and FATCA. In view of India's commitment to implement the CRS on AEOI and also the IGA with USA, and with a view to provide information to other countries, necessary legislative changes have been made through Finance (No. 2) Act, 2014, by amending section 285BA of the Income -tax Act, 1961. Income tax Rules, 1962 were amended vide notification No. 62 of 2015 dated 7th August, 2015 by inserting Rules 114F to 114H and Form 61B to provide a legal basis for the Reporting Financial Institutions (RFIs) for maintaining and reporting information about the Reportable Accounts.

**C. General Information**

**(i) Associate Transactions**

- a) Underwriting obligations undertaken by the schemes of the YES Mutual Fund with respect to issues of associate companies and devolvement if any, of such commitments, during the last 3 (three) fiscal years: - NIL
- b) Subscription by the schemes in issues lead managed by associate companies during the last 3 (three) fiscal years: - NIL
- c) Total business given to associate brokers and the percentage of brokerage commission paid to them during the last 3 (three) fiscal years: - NIL
- d) Distribution of units performed by associate companies during the last 3 (three) fiscal years and
- e) Commission paid to associates/ related parties/ group companies of the Sponsor/ the AMC during the last 3 (three) fiscal years:

Name of associate/related parties/group companies of sponsor/ AMC	Nature of Relationship	Period covered	Value of transaction (Rs. In Cr. & % of total value of transaction of the fund)		Commission (Rs. In Cr. & % of total) commission paid by the fund)	
			(Rs. In Cr)	%	(Rs. In Cr)	%
YES Bank Limited	Sponsor/ Associates	16-Jan-2019 to 31-Mar-2019*	3.11	0.13	0.0003	2.82
		<b>Total</b>	<b>3.11</b>	<b>0.13</b>	<b>0.0003</b>	<b>2.82</b>

**\*Note:** YES Mutual Fund launched its first Scheme i.e. "YES Liquid Fund" on January 02, 2019 and the allotment of units happened on January 16, 2019. Accordingly, details have been provided from the date of allotment.

Any investment made by the schemes of the Mutual Fund in group companies of the Sponsor or the Sponsor shall be in accordance with the provisions of the Mutual Fund Regulations.

The AMC may however, for the purposes of providing certain services utilize the services of the Sponsor, group companies and any other associate company of the Sponsor, who is in a position to provide the requisite services to the AMC. Following are the associates of the Sponsor or AMC with which the YES Mutual Fund proposes to have dealings, transactions and those whose services may be used for marketing and distributing the schemes and the commissions may be paid to them.

- YESBANK Limited

Note: The above list is not exhaustive and is subject to change from time to time.

The AMC shall conduct its business with the aforesaid companies on commercial terms and on arms-length basis and at mutually agreed terms and conditions to the extent permitted under the Mutual Fund Regulations.

**(ii) Inter-Scheme Transfer of Investments**

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

- a) such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a stock exchange for the spot transaction); and
- b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

**(iii) Stock Lending by the YES Mutual Fund**

Subject to the SEBI Regulations as applicable from time to time, the Mutual Fund may, engage in Stock Lending. Stock Lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on the expiry of the stipulated period.

For details, investors are requested to refer to the Scheme Information Document of the respective schemes.

**(iv) Borrowing by the YES Mutual Fund**

Under the Mutual Fund Regulations, the YES Mutual Fund is allowed to borrow to meet the temporary liquidity needs of the schemes for the purpose of repurchase, redemption of units or payment of interest or dividend to the unit holders, provided that the YES Mutual Fund shall not borrow more than 20% (twenty per cent) of the net assets of each scheme and the duration of such borrowing shall not exceed a period of 6 (six) months. The Fund may raise such borrowings after approval by the Trustee.

**(v) Underwriting by the YES Mutual Fund**

Subject to Mutual Fund Regulations the schemes of the YES Mutual Fund may enter into underwriting agreements after the YES Mutual Fund obtains a certificate of registration in terms of the SEBI (Underwriters) Rules and SEBI (Underwriters) Regulations, 1993 authorising it to carry on activities as underwriters. The capital adequacy norms for the purpose of underwriting shall be the net assets of the respective scheme/ plans and the underwriting obligation of the respective scheme/ plans shall not at any time exceed the total NAV of the respective scheme/ plans.

**(vi) Documents available for inspection**

The following documents will be available for inspection at the office of the YES Mutual Fund at 602 B, 6th Floor, Indiabulls Finance Centre (IFC) 1 & 2, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013 during business hours on any business day (excluding Saturdays, Sundays and public holidays):

1. Memorandum and articles of association of AMC
2. Investment Management Agreement
3. Trust Deed and amendments thereto, if any
4. Mutual fund registration certificate
5. Agreement between the Mutual Fund and the Custodian
6. Agreement with Registrar and Transfer Agents
7. Consent of Auditors to act in the said capacity
8. Consent of Legal Advisors (if any) to act in the said capacity
9. Mutual Fund Regulations and amendments from time to time thereto.
10. Indian Trusts Act, 1882

**(vii) Investor Grievances Redressal Mechanism**

The status of complaints relating to YES Mutual Fund Schemes received as on July 31, 2019<sup>#</sup>:

Period	Number of complaints pending at the beginning of the period	Number of complaints received during the period	Number of complaints pending at the end of the period
2018-2019*	Nil	Nil	Nil
2019-2020 (as on July 2019)	Nil	Nil	Nil

<sup>#</sup> Data relating to history of Investor Complaints for the period 2019-2020 (as on July 2019) has been updated on August 06, 2019.

\* YES Mutual Fund Launched its first Scheme on January 02, 2019. Hence investor complaints details provided from January 02, 2019 till March 31, 2019.

Investors may contact any of ISCs of the AMC for any queries / clarifications at 1800 3000 3060 (toll free), fax number +91 022 40827653.

In order to protect confidentiality of information, the customer service representatives may require personal information of the investor for verification of the investor's identity.

Investors may also send an e-mail to [clientservice@yesamc.in](mailto:clientservice@yesamc.in) or post their grievances/ feedback/ suggestions on the YES Mutual Fund's website at ([www.yesamc.in](http://www.yesamc.in)) under the section 'Customer Care' appearing under 'Contact Us'.

The head office of the AMC will follow up with the respective ISC and the Registrar on complaints and enquiries received from investors to ensure timely redressal and prompt investor services. The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly.

Ms. Vasudha Shah is the Investor Relations Officer for the YES Mutual Fund. All unresolved queries, complaints may be forwarded to her at the AMC's head office at the address mentioned in clause C(vi) or forwarded via e-mail to: [clientservice@yesamc.in](mailto:clientservice@yesamc.in) or by Fax to +91 022 40827653. She can be contacted at telephone number: 1800 3000 3060.

**(viii) Soft-Dollar Policy**

In terms of the SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, Soft-dollar arrangement refers to an arrangement between asset management companies and brokers in which an asset management company executes trades through a particular broker and in turn the broker provides benefits such as free research, hardware, software or even non research-related services, etc., to that asset management company. The AMC may, from time to time, have soft dollar arrangements with its brokers and while entering into such arrangements the AMC shall ensure that such arrangements are limited to only benefits (like free research report, etc.) that are in the interest of investors.

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the Mutual Fund Regulations and the guidelines thereunder shall be applicable.

For and on behalf of

**YES Asset Management Company (India) Limited**

Sd/-

**Kanwar Vivek**

**Chief Executive Officer**

**Date: June 26, 2019**



**LIST OF INVESTOR SERVICE CENTERS**

**YES ASSET MANAGEMENT (INDIA) LIMITED**

**Investor Service Centres / Official Points of Acceptance for YES Mutual Fund  
(During NFO Period and Post NFO Period)**

**YES MF - 602B, 6th Floor, Indiabulls Finance Centre (IFC) 1 & 2, Senapati Bapat Marg,  
Elphinstone Road (West), Mumbai - 400 013. Tel. No. : +91 022 - 4082 7666.**

**CAMS - OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS**

**ANDHRA PRADESH** : Anantapur - 15-570-33, I Floor Pallavi Towers, Subash Road Opp: Canara Bank, **Anantapur** - 515 001. Guntur - CAMS SERVICE CENTRE, Door No.6-4-28,1st Floor, Above Prestige Showroom, 4/2,Arundalpet, **Guntur** - 522002. Kadapa - Bandi Subbaramaiah Complex, D. No: 3/1718, Shop No: 8, Raja Reddy Street, **Kadapa** - 516 001. Kakinada : CAMS SERVICE CENTRE, D No. 25-4-29,1st Floor, Kommireddy Vari Street, Beside Warf Road, Opp Swathi Medicals, **Kakinada** - 533 001. Kurnool : CAMS SERVICE CENTRE, Shop No. 26 and 27, Door No. 39/265A and 39/265B, Second Floor, Skanda Shopping Mall, Old Chad Talkies, Vaddageri, 39th Ward, **Kurnool** - 518 001. Nellore : 97/56, I Floor, Immadisetty Towers Ranganayakulapet Road, Santhapet, **Nellore** - 524 001. Rajahmundry : Door No: 6-2-12, 1st Floor, Rajeswari Nilayam, Near Vamsikrishna Hospital, Nyapathi Vari Street, T. Nagar, **Rajahmundry** - 533 101. Srikakulam : Door No. 4-4-96, First Floor. Vijaya Ganapathi Temple Back Side, Nanubala Street, **Srikakulam** - 532 001. Tirupati - Shop No : 6, Door No: 19-10-8, (Opp to Passport Office), AIR Bypass Road, **Tirupati** - 517 501. Vijayawada : 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M. G. Road, Labbipet, **Vijayawada** - 520 010. Visakhapatnam : CAMSSERVICE CENTRE Door No 48-3-2, Flat No 2, 1st Floor, Sidhi Plaza, Near Visakha Library, Srinagar, **Visakhapatnam** - 530 016. • **ASSAM** : CAMS Transaction Point, Bhowal Complex Ground Floor, Near Dena Bank, Rongagora Road PO / Dist - **Tinsukia** - 786 125. • **BIHAR** : Bhagalpur - Krishna, I Floor, Near Mahadev Cinema, Dr. R. P. Road, **Bhagalpur** - 812 002. Darbhanga : Ground Floor, Belbhadrapur, Near Sahara Office, Laheriasarai Tower Chowk, Laheriasarai, **Darbhanga** - 846 001. Muzaffarpur : Brahman Toli, Durgasthan Gola Road, **Muzaffarpur** - 842 001. Patna : G-3, Ground Floor, OM Complex, Near Saket Tower, SP Verma Road, **Patna** - 800 001. • **CHATTISGARH** : CAMS SERVICE CENTRE,1st Floor, Plot No.3, Block No.1, Priyadarshini Pariswar West, Behind IDBI Bank, Nehru Nagar, **Bhilai** - 490 020. Bilaspur: CAMS SERVICE CENTRE, Shop No.B-104, First Floor, Narayan Plaza, Link Road, **Bilaspur (C.G)** 495 001. Raipur : HIG, C-23 Sector - 1 Devendra Nagar, **Raipur** - 492 004. • **GOA** : Lawande Shamalkar Bhavan,1st Floor, Office No.2, Next to Mahalakshmi Temple, **Panaji Goa**, Goa 403 001. Mapusa (Parent ISC :) Office No.CF-8, 1st Floor, Business Point, Above Bicholim Urban Co-op, Bank Angod, **Mapusa**, Goa - 403 507. Margao : CAMS SERVICE CENTRE, F4 -Classic Heritage, Near Axis Bank, Opp.BPS Club, Pajifond, **Margao**, Goa - 403 601. Vasco (Parent Goa) : No DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex, Near ICICI Bank, **Vasco**, Goa - 403 802. • **GUJARAT** : Anand - 101, A.P. Tower, B/H, Sardhar Gunj, Next to Nathwani Chambers, **Anand** - 388 001. Ankleshwar : Shop No - F -56, First Floor, Omkar Complex, Opp Old Colony, Nr Valia Char Rasta, GIDC, **Ankleshwar** - 393 002. Bharuch : CAMS SERVICE CENTRE, A-111,First Floor, R. K. Casta, Behind Patel Super Market, Station Road, **Bharuch** - 392 001. Bhavnagar : 305-306, Sterling Point, Waghawadi Road, Opp. HDFC Bank, **Bhavnagar** - 364 002. Bhuj: CAMS Service Centre, Office No. 4-5, First Floor, RTO Relocation Commercial Complex -B, Opp. Fire Station, Near RTO Circle, **Bhuj-Kutch** - 37 0001. Gandhidham : CAMS Service Centre, Office No. 4, Ground Floor, Ratnakala Arcade, Plot No 231, Ward 12 B, **Gandhidham** - 370 201. Gondal (Parent Rajkot) : A/177, Kailash Complex, Opp. Khedut Decor, **Gondal** - 360 311. Himmatnagar : D-78, First Floor, New Durga Bazar, Near Railway Crossing **Himmatnagar** - 383 001. Jamnagar : 207, Manek Centre, P. N. Marg, **Jamnagar** - 361 001. Junagadh : "Aastha Plus", 202-A, 2nd Floor, Sardarbag Road, Nr. Alkapuri, Opp. Zansi Rani Statue, **Junagadh** - 362 001. Mehsana : 1st Floor, Subhadra Complex, Urban Bank Road, **Mehsana** - 384 002. Nadiad : F-134, First Floor, Ghantakarna Complex, Gunj Bazar, **Nadiad** - 387 001. Navsari : C/o. Vedant Shukla Associates, 16 Shivani Park, Opp. Shankeshwar Complex, Kaliawadi, **Navsari** - 396 445. Palanpur : CAMS SERVICE CENTER, Gopal Trade Center, Shop No.13-14, 3rd Floor, Nr. BK Mercantile Bank, Opp. Old Gunj, **Palanpur** - 385 001. Surendranagar : 2 M I Park, Near Commerce College, Wadhwan City, **Surendranagar** - 363 035. Surat : CAMS Service Centre, Shop No-G-5, International Commerce Center, Nr.Kadiwala School, Majura Gate, Ring Road, **Surat** - 395 002. Valsad : 3rd Floor,Gita Nivas, Opp. Head Post Office, Halar Cross Lane, **Valsad** - 396 001. Vapi : 208, 2nd Floor, Heena Arcade, Opp. Tirupati Tower, Near G.I.D.C., Char Rasta, **Vapi** - 396 195. • **HARYANA** : Ambala : Shop No. 48, Opp Peer, Bal Bhawan Road, **Ambala** - 134 003. Hisar : CAMS SERVICE CENTRE, No-12, Opp. HDFC Bank, Red Square Market, **Hisar** - 125 001. Karnal (Parent :Panipat TP) : No.29, Avtar Colony, Behind Vishal Mega Mart, **Karnal** - 132 001. Panipat : SCO 83-84, First Floor, Devi Lal Shopping Complex, Opp RBL Bank, G.T.Road, **Panipat** - 132 103. Rohtak: CAMS SERVICE CENTRE, SCO 06, Ground Floor, MR Complex, Near Sonipat Stand Delhi Road, **Rohtak** - 124 001. Sirsa : M. G. Complex, Bhawna Marg, Beside Over Bridge, **Sirsa** - 125 055. Yamuna Nagar : 124-B/R, Model Town, **Yamunanagar** - 135 001. • **HIMACHAL PRADESH** : Shimla : I Floor, Opp. Panchayat Bhawan, Main Gate Bus Stand, **Shimla** - 171 001. Solan : 1st Floor, Above Sharma General Store, Near Sanki Rest House, The Mall, **Solan** - 173 212. • **JAMMU & KASHMIR** : JRDS Heights, Lane Opp. S & S Computers, Near RBI Building, Sector 14, Nanak Nagar, **Jammu & Kashmir** - 180 004. • **JHARKHAND** - Bokaro : Mazzanine Floor, F-4, City Centre, Sector 4, Bokaro Steel City, **Bokaro** - 827 004. Deoghar : SSM Jalan Road, Ground Floor, Opp. Hotel Ashoke, Caster Town, **Deoghar** - 814 112. Hazaribag : Municipal Market, Annanda Chowk, **Hazaribag** - 825 301. Jamshedpur : Millennium Tower, "R" Road, Room No. 15, First Floor, **Bistupur** - 831 001. Ranchi : 4, HB Road, No: 206, 2nd Floor, Shri Lok Complex, H. B. Road, Near Firayalal, **Ranchi** - 834 001. • **KARNATAKA** - Ballari : CAMS SERVICE CENTER, No.18/47/A, Govind Nilaya, Ward No.20, Sangankal Moka Road, **Gandhinagar** - 583 102. Bangalore (Wilson Garden) : CAMS SERVICE CENTER, First Floor, No.17/1, (272) 12th Cross Road, Wilson Garden, **Bangalore** - 560 027. Belgaum : CAMS SERVICE CENTRE, Classic Complex, Block No.104, 1st Floor, Saraf Colony, Khanapur Road, Tilakwadi, **Belgaum** - 590 006. Davangere : 13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P.J. Extension, **Davangere** 577 002. Gulbarga : Pal Complex, 1st Floor, Opp. City Bus Stop, Super Market, **Gulbarga** - 585 101. Hubli: No.204 - 205,1st Floor' B ' Block, Kundagol Complex, Opp. Court, Club Road, **Hubli** - 580 029. Mangalore: No. G4 & G5, Inland Monarch, Opp. Karnataka Bank, Kadri Main Road, **Kadri** - 575 003. Manipal : CAMS SERVICE CENTER, Shop No-A2, Basement Floor, Academy Tower, Opposite Corporation Bank, **Manipal** - 576 104. Mysore : No.1, 1st Floor, CH.26 7th Main, 5th Cross (Above Trishakthi Medicals), Saraswati Puram, **Mysore** - 570 009. Shimoga : No.65 1st Floor, Kishnappa Compound, 1st Cross, Hosmane Extn, **Shimoga** - 577 201. • **KERALA** - Alleppey : Doctor's Tower Building, Door No. 14/2562, 1st Floor, North of Iorn Bridge, Near Hotel Arcadia Regency, **Alleppey** - 688 001. Calicut : 29/97G 2nd Floor, S A Arcade, Mavoor Road, Arayidathupalam, **Calicut** - 673 016. Kannur : Room No.PP.14/435, Casa Marina Shopping Centre, Talap, **Kannur** - 670 004. Kollam : Kochupilamoodu Junction, Near VLC, Beach Road, **Kollam** - 691 001. Kottayam : CAMS SERVICE CENTRE, Thamarappalil, Building, Door No-XIII/658, M. L. Road, Near KSRTC Bus Stand Road, **Kottayam** - 686 001. Palakkad: 10 / 688, Sreedevi Residency, Mettupalayam Street, **Palakkad** - 678 001. Tiruvalla : 24/590-14, C.V.P. Parliament Square Building, Cross Junction, **Tiruvalla** - 689 101. Trichur : Room No. 26 & 27, Dee Pee Plaza, Kokkalai, **Trichur** - 680 001. • **MADHYA PRADESH** : Bhopal : Plot No 10, 2nd Floor, Alankar Complex, Near ICICI Bank, MP Nagar, Zone II, **Bhopal** - 462 011. Chhindwara : Shop No. 01, Near Puja Lawn, Prarasia Road, **Chhindwara** - 480 001. Gwalior : G-6 Global Apartment,

**CAMS - OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS (Contd.)**

Kailash Vihar Colony, Opp. Income Tax Office, City Centre, **Gwalior** - 474 002. Indore : 101, Shalimar Corporate Centre, 8-B, South Tukogunj, Opp. Greenpark, **Indore** - 452 001. Jabalpur : 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, **Jabalpur** - 482 001. Katni : 1st Floor, Gurunanak Dharmakanta, Jabalpur Road, Bargawan, **Katni** - 483 501. Ratlam : Dafria & Co, No. 18, Ram Bagh, Near Scholar's School, **Ratlam** - 457 001. Ujjain : 123, 1st Floor, Siddhi Vinayaka Trade Centre, Saheed Park, **Ujjain** - 456 010. • **MAHARASHTRA** : Ahmednagar : B, 1+3, Krishna Enclave Complex, Near Hotel Natraj Nagar, Aurangabad Road, Ahmednagar - 414 001. • Akola : Opp. RLT Science College Civil Lines, **Akola** - 444 001. Amaravati : 81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, **Amaravati** - 444 601. Andheri : CAMS Pvt Ltd, No.351, Icon, 501, 5th Floor, Western Express Highway, **Andheri East**, Mumbai - 400 069. Bhusawal (Parent: Jalgaon TP) : 3, Adelaide Apartment, Christain Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, **Bhusawal** - 425 201. Borivali : CAMS PVT. LTD., Hirji Heritage, 4th Floor, Office No. 402, L.T. Road, **Borivali (West)**, Mumbai - 400 092. Dhule : House No 3140, Opp Liberty Furniture, Jammalal Bajaj Road, Near Tower Garden, **Dhule** - 424 001. Ghatkopar : CAMS SERVICE CENTRE, Platinum Mall, Office No. 307, 3rd Floor, Jawahar Road, **Ghatkopar (East)**, Mumbai - 400 077. Jalgaon : Rustomji Infotech Services 70, Navipeth, Opp. Old Bus Stand, **Jalgaon** - 425 001. Jalna : Shop No 6, Ground Floor, Anand Plaza Complex, Bharat Nagar, Shivaji Putla Road, **Jalna** - 431 203. Ratnagiri : Office No - 2, Kohinoor Complex, Near Savarkar Natya Theatre, Nachane Road, **Ratnagiri** - 415 639. Sangli : Jiveshwar Krupa Bldg., Shop. No.2, Ground Floor, Tilak Chowk Harbhat Road, **Sangli** - 416 416. Satara : 117 / A / 3 / 22, Shukrawar Peth, Sargam Apartment, **Satara** - 415 002. Solapur : Flat No 109, 1st Floor, A Wing, Kalyani Tower, 126 Siddheshwar Peth, Near Pangal High School, **Solapur** - 413 001. Thane : CAMS SERVICE CENTER, Dev Corpora, 1st Floor, Office No.102, Cadbury Junction, Eastern Express Way, **Thane** - 400 601. Vashi : CAMS SERVICE CENTRE, BSEL Tech Park, B-505, Plot No.39/5 & 39/5A, Sector 30A, Opp.Vashi Railway Station, **Vashi, Navi Mumbai** - 400 705. Yavatmal : Pushpam, Tilakwadi, Opp. Dr. Shrotri Hospital, **Yavatmal** - 445 001. • **NEW DELHI** : Janakpuri : CAMS SERVICE CENTER, No. 306, 3rd Floor, DDA-2 Building, District Center, Janakpuri, **New Delhi** - 110 058. New Delhi-CC : Flat No.512, Narian Manzil, 23 Barakhamba Road, Connaught Place, **New Delhi** - 110 001. Pitampura : CAMS SERVICE CENTRE, Aggarwal Cyber Plaza-II, Commercial Unit No-371, 3rd Floor, Plot No C-7, Netaji Subhash Palace, **Pitampura** - 110 034. • **ORISSA** : Balasore B C Sen Road, **Balasore** - 756 001. Berhampur : Kalika Temple Street, Adjacent To SBI Bazar Branch, **Berhampore**, Dist.-Ganjam - 760 002. Cuttack : Near Indian Overseas Bank, Cantonment Road, Mata Math, **Cuttack** - 753 001. Rourkela : CAMS Service Centre, J. B. S Market Complex, 2nd Floor, Udit Nagar, **Rourkela** - 769 012. • **PONDICHERY** : S-8, 100, Jawaharlal Nehru Street, (New Complex Opp. Indian Coffee House), Pondicherry - 605 001. • **PUNJAB** : Amritsar : S C O - 18J, 'C' Block Ranjit Avenue, **Amritsar** - 143 001. Bhatinda : 2907 GH, GT Road, Near Zila Parishad, **Bhatinda** - 151 001. Hoshiarpur : Near Archie's Gallery, Shimla Pahari Chowk, **Hoshiarpur** - 146 001. Jalandhar : 367/8, Central Town Opp.Gurudwara, Diwan Asthan, **Jalandhar** - 144 001. Moga : Gandhi Road, Opp Union Bank of India, **Moga** - 142 001. Patiala : CAMS Service Centre, 35 New Lal Bagh, Opposite Polo Ground, **Patiala** - 147 001. • **RAJASTHAN** : Ajmer AMC No. 423/30 Near Church Opp T B Hospital, Jaipur Road, **Ajmer** - 305 001. Alwar : 256A, Scheme No:1, Arya Nagar, **Alwar** - 301 001. Bhilwara : C/o. Kodwani Associates, Shope No. 211-213 2nd Floor IndraPrasth Tower, Syam Ki Sabji Mandi, Near Mukerjee Garden, **Bhilwara** - 311 001. Bikaner : Behind Rajasthan Patrika In Front of Vijaya Bank, 1404, Amar Singh Pura, **Bikaner** 334 001. Chittorgarh : 3, Ashok Nagar, Near Heera Vatika, **Chittorgarh** - 312 001. Jodhpur : 1/5, Nirmal Tower, 1st Chopasani Road, **Jodhpur** - 342 003. Udaipur : CAMS Service Centre, 32, Ahinsapuri, Fatehpura Circle, **Udaipur** - 313 001. Kota : B-33 'Kalyan Bhawan, Triangle Part, Vallabh Nagar, **Kota** - 324 007. Sri Ganganagar : 18 L Block, **Sri Ganganagar** - 335 001. • **TAMILNADU** : Chennai - Satellite ISC. No. 158, Rayala Tower-1, Anna Salai, **Chennai** - 600 002. Coimbatore : CAMS SERVICE CENTRE, No.1334, Thadagam Road, Thirumurthy Layout, R.S.Puram, Behind Venketeswara Bakery, **Coimbatore** - 641 002. Dharmapuri 16A/63A, Pidamaneri Road, Near Indoor Stadium, **Dharmapuri** - 636 701. Erode : 197, Seshaiyer Complex, Agraharam Street, **Erode** - 638 001. Hosur : CAMS Service Center, Survey No.25/204, Attibele Road, HCF Post, Mathigiri, Above Time Kids School, Opposite to Kuttys Frozen Foods, **Hosur** - 635 110. Karur : 126 G, V.P. Towers, Kovai Road, Basement of Axis Bank **Karur** - 639 002. Kumbakonam : Jailani Complex 47, Mutt Street, **Kumbakonam** - 612 001. Namakkal : 156A / 1, First Floor, Lakshmi Vilas Building, Opp. To District, Registrar Office, Trichy Road, **Namakkal** - 637 001. Rajapalayam : No 59 A/1, Railway Feeder Road (Near Railway Station) **Rajapalayam** - 626 117. Salem : No.2, I Floor Vivekananda Street, New Fairlands, **Salem** - 636 016. Tambaram - CAMS SERVICE CENTER, 3rd Floor, B R Complex, No. 66, Door No.11A, Ramakrishna Iyer Street, Opp.National Cinema Theatre, West, **Tambaram** - 600 045. Tirunelveli - CAMS Service Centre, No. F4, Magnem Suraksaa Apartments, Tiruvananthapuram Road, **Tirunelveli** - 627 002. Tirupur - 1 (1), Binny Compound, II Street, Kumaran Road, **Tirupur** - 641 601. Trichy : No 8, I Floor, 8th Cross West Extn, Thillainagar, **Trichy** - 620 018. Tuticorin : 4B/A16, Mangal Mall Complex, Ground Floor, Mani Nagar, **Tuticorin** - 628 003. Vellore : No.1, Officer's Line, 2nd Floor, MNR Arcade, Opp. ICICI Bank, Krishna Nagar, **Vellore** - 632 001. • **TELANGANA** : Karimnagar : HNo. 7-1-257, Upstairs S.B.H. Mangamathota, Karimnagar, **Telangana** - 505 001. Khammam : Shop No: 11 - 2 - 31/3, 1st Floor, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, Khammam, **Telangana** - 507 001. Warangal : HNO. 2-4-641, F-7, 1st Floor, A.B.K Mall, Old Bus Depot. Road, Ramnagar, Hanamkonda, **Warangal** - 506 001. • **TIRUPURA** : Advisor Chowmuhanani (Ground Floor), Krishna Nagar, Agartala - 799 001. • **UTTARKHAND** : Dehradun : 204/121 Nari Shilp Mandir Marg (1st Floor), Old Connaught Place, Chakrata Road, **Dehradun** - 248 001. Roorkee : 22, Civil Lines, Ground Floor, Hotel Krish Residency, **Roorkee** - 247 667. • **UTTAR PRADESH** : Agra : No. 8, II Floor Maruti Tower Sanjay Place, Agra - 282 002. Aligarh : City Enclave, Opp. Kumar Nursing Home Ramghat Road, **Aligarh** - 202 001. Allahabad : 30/2, A&B, Civil Lines Station Besides, Vishal Mega Mart Strachey Road, **Allahabad** - 211 001. Bareilly : CAMS SERVICE CENTRE, D-61, Butler Plaza Commercial Complex, Civil Lines, **Bareilly** - 243 001. Basti : CAMS C/o. Rajesh Mahadev & Co Shop No. 3, Jamia Complex Station Road, **Basti** - 272 002. Faizabad : CAMS SERVICE CENTRE, 1/13/196, A, Civil Lines, Behind Tripati Hotel, **Faizabad** - 224 001. Ghaziabad : CAMS SERVICE CENTRE, B-11, LGF RDC, Rajnagar, Opp Kacheri Gate No.2, **Ghaziabad** - 201 002. Gorakhpur : CAMS SERVICE CENTRE, Shop No. 5 & 6, 3rd Floor, Cross Road The Mall, A D Tiraha, Bank Road, **Gorakhpur** - 273 001. Haldwani Durga City Centre, Nainital Road, **Haldwani** - 263 139. Jaunpur : 248, Fort Road Near Amber Hotel, **Jaunpur** - 222 001. Jhansi : No. 372/18D, 1st Floor, Above IDBI Bank, Beside V-Mart, Near Rakshan, Gwalior Road, **Jhansi** - 284 001. Mathura : 159/160 Vikas Bazar, **Mathura** - 281 001. Meerut : 108 Ist Floor Shivam Plaza, Opp: Eves Cinema, Hapur Road, **Meerut** - 250 002. Moradabad : H 21-22, Ist Floor, Ram Ganga Vihar Shopping Complex, Opposite Sale Tax Office, **Moradabad** - 244 001. Rae Bareilly : 17, Anand Nagar Complex, Opposite Moti Lal Nehru Stadium, SAI Hostel, Jail Road, **Rae Bareilly** - 229 001. Saharanpur : I Floor, Krishna Complex, Opp. Hathi Gate Court Road, **Saharanpur** - 247 001. Shahjahanpur : Bijlipura, Near Old Distt. Hospital, Jail Road, **Shahjahanpur** - 242 001. Sitapur : Arya Nagar, Near Arya Kanya School, **Sitapur** - 261 001. Sultanpur : 967, Civil Lines, Near Pant Stadium, **Sultanpur** - 228 001. Varanasi : Office No 1, Second Floor, Bhawani Market, Building No. D-58/2-A1, Rathayatra Beside Kuber Complex, **Varanasi** - 221 010. • **WEST BENGAL** : Asansol : Block - G 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab PO, Ushagram, **Asansol** - 713 303. Burdwan : CAMS SERVICE CENTRE, No. 399, G T Road, 1st Floor, Above Exide Show Room, **Burdwan** - 713 101. Durgapur - CAMS SERVICE CENTRE, Plot No. 3601, Nazrul Sarani, City Centre, **Durgapur** - 713 216. Haldia - 1st Floor, New Market Complex, Durgachak Post Office, **Durgachak**, Haldia - 721 602. Kalyani - CAMS SERVICE CENTRE, A-1/50, Block A, **Kalyani** - 741 235. Kharagpur - CAMS SERVICE CENTRE, "Silver Palace" OT Road, Inda-Kharagpur, G-P-Barakola, P.S. **Kharagpur** - 721 305. Kolkata-CC (Kolkata Central) : 2A, Ganesh Chandra Avenue, Room No. 3A, Commerce House" (4th Floor), **Kolkata** - 700 013. Malda - Daxhinapan Abasan, Opp. Lane of Hotel Kalinga, SM Pally, **Malda** - 732 101.

**LIST OF NOTICE CUM ADDENDA TO STATEMENT OF ADDITIONAL INFORMATION ("SAI")**

<b>Sr. No.</b>	<b>Date of Notice cum Addendum</b>	<b>Particulars</b>
1	July 05, 2019	Change in Key Personnel of YES Asset Management (India) Limited ("YES AMC")
2	July 17, 2019	Change in Key Personnel of YES Asset Management (India) Limited ("YES AMC")
3	August 05, 2019	Change in composition of the Board of Directors of YES Trustee Limited ("Trustee Company")

**NOTICE CUM ADDENDUM NO. 1**

**Change in Key Personnel of YES Asset Management (India) Limited (“YES AMC”)**

Notice is hereby given that, Mr. Sandeep Prabhani has ceased to be Chief Operating Officer (“COO”) of YES AMC with effect from close of business hours on July 03, 2019. Accordingly, the details of Mr. Prabhani appearing in SAI under the para titled “**Information on Key Personnel of the Asset Management Company**” shall stand deleted.

Ms. Shobha Ramchandani, Head Operations, has now been designated as a Key Personnel of YES AMC with effect from July 04, 2019. Accordingly, following details pertaining to Ms. Ramchandani shall be incorporated in SAI under the para titled “**Information on Key Personnel of the Asset Management Company**”.

Name	Designation	Age	Education Qualification	Total no. of years of experience	Assignments held since first employment till the date		
					Name of Company	Job title	Duration
Ms. Shobha Ramchandani	Head Operations	40	ACA, FRM	17	YES Asset Management (India) Ltd.	Head Operations	April 17, 2018 till date
					IDFC Asset Management (India) Ltd.	SVP Operations	December 4, 2009 - April 16, 2018
					Shinsei Asset Management (India) Pvt. Ltd.	AVP Operations	June 2007 - November 2009
					HSBC Bank	AVP Operations	January 2007 - May 2007
					JM Financial Asset Management Ltd	Manager Operations	September 2004 - December 2006
					PWC & Co	Senior	September 2002 - August 2004

This addendum forms an integral part of the SAI of YES Mutual Fund and all the other terms and conditions of the SAI will remain unchanged.

*This Notice cum Addendum dated is July 05, 2019*

**NOTICE CUM ADDENDUM NO. 2**

**Change in Key Personnel of YES Asset Management (India) Limited (“YES AMC”)**

Notice is hereby given that, Mr. Amit Deshmukh, Head – Finance, designated as Chief Financial Officer (“CFO”) for YES AMC and as a Key Personnel of YES AMC with effect from July 13, 2019. Accordingly, following details pertaining to Mr. Deshmukh shall be incorporated in SAI under the para titled “**Information on Key Personnel of the Asset Management Company**”.

Name	Designation	Age	Education Qualification	Total no. of years of experience	Assignments held since first employment till the date		
					Name of Company	Job title	Duration
Mr. Amit Deshmukh	Chief Financial Officer (CFO)	42	CA & CWA	18	YES Asset Management (India) Limited	CFO	July 13, 2019 till date
						Head - Finance	August 30, 2018 till July 12, 2019
					HSBC Bank	SVP, ALCM Finance	September 2016 to August 2018
					HSBC Asset Management India Private Limited	Chief Financial Officer	June 2011 to September 2016
					Bharti AXA Investment Manger Private Limited	Financial Controller	September 2008 to June 2011
					Fidelity Fund Management Limited	Manager	April 2006 to September 2008
					Standard chartered Bank	Manager	August 2003 to April 2006
					Kotak Securities	Executive, Manager	June 2001 to July 2003

This addendum forms an integral part of the SAI of YES Mutual Fund and all the other terms and conditions of the SAI will remain unchanged.

*This Notice cum Addendum dated is July 17, 2019*

### NOTICE CUM ADDENDUM NO. 3

#### Change in composition of the Board of Directors of YES Trustee Limited ("Trustee Company")

Mr. Rajeev Rishi has been appointed as an Independent Director on the Board of Trustee Company w.e.f. August 02, 2019.

Accordingly, the details of Mr. Rajeev Rishi shall be inserted under the para titled "**Details of Trustee Directors**" under section "**INFORMATION ABOUT SPONSOR, AMC AND TRUSTEES COMPANY**" as follows:

**Name:** Mr. Rajeev Rishi, **Age:** 60 years, **Qualification:** B.A., L.L.B.

**Brief Experience:** Mr. Rajeev Rishi has around 40 year of experience in the field of Commercial Bank Management, Corporate Credit, Human Resource Development, Strategic Management, Leadership, Strategic Risk Management, Corporate Governance & Policy formulation. He held several important positions in during his tenure in the banking industry. He retired as Managing Director and Chief Executive Officer of Central Bank of India in July 2018.

This addendum forms an integral part of the SAI of YES Mutual Fund and all the other terms and conditions of the SAI will remain unchanged.

*This Notice cum Addendum dated is August 05, 2019*