

Compliance Tests for Mutual Funds regulated by SEBI
under SEBI (Mutual Funds) Regulations, 1996.

Compliance Test Report for the quarter ended :

Name of the Mutual Fund :

Name of the Asset Management Company :

Name of the Chief Compliance Officer :

Compliance Tests for Mutual Funds regulated by SEBI
under SEBI (Mutual Funds) Regulations, 1996.

I. General Compliance Test

II. Investment Compliance Test

III. Investor Services Compliance Test

Compliance Tests for Mutual Funds regulated by SEBI under SEBI (Mutual Funds) Regulations, 1996.

Compliance Test for the Quarter ended _____.

I. General Compliance Test

S.N.	Regulations	Particulars	Remarks
			(Indicate 'yes' if complied with the Regulations and 'No' for non-compliance)
1	sub-regulation 11 of regulation 18	Each trustee has filed the details of his transactions of dealing in securities on a quarterly basis.	
2	Sub-regulation	Independent directors of trustee	

	27 of regulation 18	or asset management company have paid specific attention and commented in their reports on clause (i) to (ix) of this sub regulation.	
3	Clause (f) of sub-regulation 1 of regulation 21	Networth of the AMC computed as per the definition under the regulation is more than Rs.10 crores.	
4	Sub-regulation 1 of regulation 24	The asset management company is not acting as a trustee	
5	sub-regulation 2 of regulation 24	The asset management company is not undertaking any other business activities in the nature of portfolio management services, management and advisory services to offshore funds, pension funds, provident funds, venture capital funds, management of insurance funds, financial consultancy and exchange of research on commercial basis if any of such activities are in conflict with the activities of the mutual fund	
6	first proviso to sub-regulation 2 of regulation 24	If the asset management company itself or through its subsidiaries undertake activities as mentioned in paragraph 2 above, it has satisfied SEBI that the key personnel of the asset management company, the systems, back office, bank and securities accounts are segregated activity wise and there exist systems to prohibit access to inside information of various activities.	
7	second proviso to sub-regulation 2 of regulation 24	The asset management company has met the capital adequacy requirements, if any, separately for each such activity as mentioned in para 2 above, and has obtained separate approval/registration from SEBI, if necessary under the relevant regulations of SEBI.	
8	sub-regulation 3 of regulation 24	The asset management company has not invested in any of its schemes unless full disclosure of its intention to invest has been	

		<p>made in the offer documents in case of schemes launched after the Notification dated 12th January'98.</p> <p>Indicate details of such investments giving the names of schemes and the nature and amount of investments.</p>	
9	sub-regulation 3 of regulation 24	If the asset management company has invested in any of its schemes, it has not charged any fees on its investment in that scheme.	
10	sub-regulation 1 of regulation 25	The asset management company has taken all reasonable steps and has exercised due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.	
11	sub-regulation 2 of regulation 25	The asset management company has exercised due diligence and care in all its investment decisions as is exercised by other persons engaged in the same business.	
12	sub-regulation 3 of regulation 25	The asset management company has ensured that there are no acts of commissions or omissions by its employees or the persons whose services have been procured by the asset management company	
13	sub-regulation 4 of regulation 25 and our Circular dated January 05, 2000	The asset management company has submitted to the trustees bi-monthly/quarterly/six monthly reports of each year on its activities and the compliance with the SEBI (Mutual Funds) Regulations, 1996.	
14	sub-regulation 8 of regulation 25	The asset management company has not utilized 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	
15	proviso to sub-	If the asset management	

	regulation 8 of regulation 25	company has utilized 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, the asset management company has ensured that disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly/ annual accounts of the mutual fund.	
16	second proviso to sub-regulation 8 of the regulation 25	<p>The Mutual Fund has disclosed in the half yearly & yearly accounts :</p> <p>(i) any underwriting obligations taken by the Scheme in respect of issues of securities of associate companies & (ii) devolvement, if any,</p> <p>(iii) subscriptions in 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 has acted as arranger or manager.</p>	
17	sub-regulation 9 of regulation 25	The asset management company has filed with the trustees the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company.	
18	sub-regulation 10 of regulation 25	In case the asset management company has entered into any securities transactions with any of its associates a report to that effect be sent to the trustees at its next meeting.	
19	sub-regulation 11 of regulation 25	In case any company has invested more than 5 per cent of the net asset value of a scheme, the investments made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries have been brought to the notice of the trustees by the asset management company indicating the names of	

		companies/schemes in which such investments have been made and have been disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment. Provided the latter investment has been made within one year of the date of the former investment calculated on either side.	
20	sub-regulation 12 of regulation 25	The asset management company has filed with the trustees and SEBI the following : (i) detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment; and (ii) any change in the interests of directors every 6 months	
		(iii) a quarterly report to the trustee giving details and adequate justification in respect of the purchase and/or sale of the securities of the group companies of the sponsor or the AMC by the mutual fund	
21	sub-regulation 13 of regulation 25	A statement of holdings in securities of the directors of the asset management company has been filed with the trustees with the dates of acquisition of such securities at the end of each financial year.	
22	sub-regulation 14 of regulation 25	The asset management company has not appointed any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.	
23	sub-regulation 15 of regulation 25	The asset management company has appointed registrars and share transfer agents who are registered with the Board.	
24	proviso sub-regulation 15 of regulation 25	If the work relating to the transfer of units is processed in-house, the charges at competitive market rates have been debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees has	

		been obtained and reasons for charging higher rates have been disclosed in the annual accounts.	
25	sub-regulation 16 of regulation 25	The asset management company has abided by the Code of Conduct as specified in the Fifth Schedule of the SEBI (Mutual Funds) Regulations, 1996.	
26	Regulation 31	The AMC has complied with each of the clauses under sixth schedule and SEBI circular MFD/CIR/4/51/2000 dated June 05, 2000, while releasing scheme specific advertisement, sales literature, news letters, web sites and any other advertisement pertaining to the mutual fund.	

Place:

Date :

Signature of the Chief Compliance Officer :

II. Investment Compliance Test

S.N.	Regulations	Particulars	Remarks (Indicate 'yes' if complied with the Regulations and 'No' for non-compliance)
1	clause 1 of seventh schedule to sub-regulation 1 of regulation 44	No scheme has invested more than 15% of its NAV in rated (not below investment grade by a credit rating agency authorised to carry out such activity) debt instruments (apart from Government securities), issued by a single issuer and has not extended such investments to 20% of NAV of the Scheme without the prior approval of the Board of AMC and Board of Trustee.	
2	clause 1A of seventh schedule to sub-regulation 1 of regulation 44	No scheme has invested more than 10% of its NAV in unrated debt issued by a single issuer and the total investment in such instruments has not exceeded 25% of NAV of any of the Scheme and all such investments are with the prior approval of the Board of AMC and Trustee Company.	
3	clause 2 of seventh schedule to sub-regulation	The Mutual Fund <u>does not</u> own more than 10% of any company's paid-up capital carrying voting rights under all	

1 of regulation
44

its schemes.

(If yes, give details of the investments made in excess of 10% of the paid up capital of the company in the prescribed format CRI)

4
clause 3 of
seventh schedule
to sub-regulation
1 of regulation
44

Inter scheme transfers of investments have been done at the prevailing market price for quoted instruments on spot basis and are in conformity with the investment objective of the scheme to which such transfer has been made.

(Give details of all inter scheme transfers in the prescribed format CR2)

5	clause 4 of seventh schedule to sub-regulation 1 of regulation 44	<p>Aggregate inter scheme investments made by all schemes under the mutual fund including investments in schemes under another mutual fund have not exceeded 5% of the net asset value of all the schemes under the mutual fund and no fees has been charged for the same.</p> <p><i>(Give details of such investments in the prescribed format CR 3)</i></p>	
6	clause 6 of seventh schedule to sub-regulation 1 of regulation 44	<p>The fund has bought and sold securities on the basis of deliveries and has in all cases of purchases, taken delivery of relative securities and in all cases of sale delivered the securities.</p>	
7	clause 6 of seventh schedule to sub-regulation 1 of regulation 44	<p>The fund <u>has not</u> indulged in short sale or carry forward transactions or engaged in "badla" finance. In case of short sales please furnish details of names of the scrips , short sale price, buy price for covering up the short sale, loss if any and total loss. <i>[The aforesaid details if applicable should be submitted in a tabular form as an annexure]</i></p> <p>The fund has not entered into any derivative transactions for the purpose of hedging and portfolio balancing except in accordance with the guidelines.</p>	
8	clause 7 of seventh schedule to sub-	<p>The securities purchased have been transferred in the name of the Mutual Fund on account of the concerned</p>	

	regulation 1 of regulation 44	scheme, wherever investments are intended to be of long term nature.	
9	clause 9 of seventh schedule to sub-regulation 1 of regulation 44	No mutual fund <u>Scheme</u> has invested in any unlisted or private placement security of the associate or group company of the sponsor nor invested in any listed securities of the group companies of sponsor in excess of 25% of the NAV of its Scheme.	
10	clause 10 of seventh schedule to sub-regulation 1 of regulation 44	No mutual fund <u>Scheme</u> at the time of making the investment has invested more than 10% of its NAV in the equity shares or equity related instruments of any Company except as provided in the proviso to clause 10. <i>[Give details of all cases where the investments have exceeded the limit of 10% including the exempted cases under the proviso to clause 10 in the prescribed format CR 4]</i>	
11	clause 11 of seventh schedule to sub-regulation 1 of regulation 44	No mutual fund <u>Scheme</u> has invested more than 5% of its NAV in the unlisted equity shares or equity related instruments in case of open ended scheme and 10% in case of close ended schemes.	
12	Proviso to sub-regulation 2 of regulation 44	The borrowings by the Mutual Fund do not exceed more than 20% of net assets of the scheme and do not exceed a period of six months. <i>(Give details of all borrowings by the scheme as per the prescribed format CR 5)</i>	
13	sub-regulation 2 of regulation 44	The Mutual Fund has borrowed only for the purpose mentioned in sub-regulation 2 of regulation 44.	
14	sub-regulation 3 of regulation 44	No loans have been advanced by the Mutual Fund	
15	sub-regulation 4 of regulation 44	The mutual fund has lent securities in accordance with the stock lending scheme	
16	sub-regulation 7 of regulation 25	a. The business done through any broker associated with the sponsor or through a firm which is an associate of the sponsor has not exceeded 5% of the aggregate purchase and sale of	

securities made by the mutual fund in all its Scheme in a block of three months.

(b) A justification has been furnished in writing to the Trustee in the quarterly report for the business done through any broker (other than a broker referred to in Regulation 25(7) (a)) which is average of 5% or more of the aggregate purchase or sale of securities made by the mutual fund in all its schemes. Inter scheme transfer and direct offer of companies have not been included in the in the aggregate transaction amount used as the basis for the computation of the business to non-associate brokers.

*(Give details of transactions done through the top 20 brokers, by amount, as per the prescribed format in CR 6, please mark * against the names of associates.)*

(Regulation 25 (7)(a) & (b) above – Inter scheme transfer and direct deals with the companies should not be included in the aggregate transaction amount used as the basis for the computation of the total business to the brokers)

Place:

Date:

Signature of the Chief Compliance Officer :

III. Investors Service Compliance Test

S No	Regulation	Particulars	Remarks
			(Indicate 'yes' if complied with the Regulations and 'No' for non-compliance)
1	sub-clause 2 of regulation 37	The unit certificates are transferred and returned to the transferees within 30 days from the date of production of instruments of transfer together with relevant unit	

		certificates.	
2	sub-clause a of regulation 53	The dividend warrants have been despatched to the unit holders within 42 days of the declaration of the dividend.	
3	sub-clause b of regulation 53	The repurchase/redemption proceeds have been despatched within 10 working days from the date of receipt of requests for repurchase/redemption.	
4	sub-clause c of regulation 53	The AMC has paid interest @15% for the period of delay in the event of failure to despatch the redemption or repurchase proceeds within the stipulated time. Details of interest paid enclosed in the format specified in SEBI circular MFD/CIR/2/266/2000 dated May 19, 2000.	

Give details regarding the status of investor complaints forwarded by SEBI during the quarter and at the beginning of the quarter as per the following format :

Number of complaints pending at the beginning of the quarter.	Number of complaints forwarded by SEBI during the quarter	Number of complaints redressed* during the quarter	Number of complaints pending at the end of the quarter

Give details regarding the status of investor complaints received directly by the mutual fund as per the following format :

Number of complaints pending at the beginning of the quarter.	Number of complaints received during the quarter	Number of complaints redressed* during the quarter	Number of complaints pending at the end of the quarter

* All complaints which have been fully resolved and a communication thereof has been sent to the complainant shall be deemed to have been redressed.

Place

Date
Officer

Signature of the Compliance

CR 1

REPORT OF INVESTMENT IN COMPANIES IN EXCESS OF 10% OF THEIR PAID UP CAPITAL CARRYING VO

Date	Name of the	Purchase	Value	Holding as % of
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	Company	Price	(Rs.lacs)	company's paid-up capital carrying voting rights.

Signature of the Compliance Officer

CR 2

INTER SCHEME TRANSFERS

Date	Name of the Transferor Scheme	Name of the Transferee Scheme	Name of the company and type of security	Details of Transfer			Market rate (if unquoted/unlisted and basis of rate)	Reasons of transfer
				Quantity	Rate	Value (Rs.lacs)		

Signature of Compliance Officer

CR 3

INTRA AND INTER SCHEME INVESTMENTS

Investee Scheme		Investor Scheme				Total investments by schemes as % of net assets of the investee schemes*
Name	Resources mobilised / net assets (Rs. lacs) Name	Name	Net assets (Rs. lacs)	Investments (Rs. lacs)	Investment as % of net assets	

*Information to be given only in the case of intra scheme investments.

Signature of the Compliance Officer.

CR – 4

(1)	(2)	(3)	(4)	(5)	(6) *	(7)
<i>Sl. No</i>	<i>Scheme</i>	<i>Scrip</i>	<i>Date/s of violation/s (First and each of the subsequent ones due to incremental investments, if any)</i>	<i>Holding in the scrip as a % of the NAV of the scheme, consequent to the investment</i>	<i>Applicable limit</i>	<i>Name & closing value of the benchmark index / sub-index(if applicable)</i>
1.						
2.						
3.						
4.						

(6)* For the sector /industry specific schemes, the applicable (upper) limit is the weightage of the scrip in the representati whichever is higher, as specifically disclosed in the offer document.

For index funds/schemes, the upper limits shall be in accordance with the weightage of the scrips as disclosed in the offer

For all other schemes, the applicable upper limit for holding in each scrip is 10% of NAV.

Signature of the Compliance Officer

CR 5

REPORT ON BORROWINGS OF MUTUAL FUNDS

Name of the scheme and category	Nature of instruments/ mode of borrowings	Source (Institutions/ banks/ others)	Purpose	Date of borrowing	Date of repayment of borrowing (specify the period of borrowing)	Rate of borrowing	Amount borrowed as % of net assets	Collateral used (if any)

Signature of the Compliance Officer

CR 6

REPORT ON TRANSACTIONS THROUGH BROKERS

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Name of the broker	Value of business (Rs. lacs)	Brokerage paid (Rs. lacs)	Broker wise contracts outstanding for more than 60 days	% of gross business done

Signature of Compliance Officer
