

UPDATE ON OUR INVESTMENT IN DHFL SECURITIES

This is with regard to deviation from Valuation Guidelines as per SEBI Circular no SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019.

IDBI Mutual Fund is holding the following securities in various schemes:

Scheme Name	Security Name	ISIN Code	Issuer Name	Rating	Price per unit on 25.10.2019 as per Valuation Agencies	Price per unit on 25.10.2019 as per IDBI Mutual Fund	Impact on valuation & provision (Rs. In Crores)	Scheme Nav as on 24.10.2019	Scheme Nav as on 25.10.2019	Impact (%)
IDBI Short Term Bond Fund	Dewan Housing Fin Corp Ltd. 8.9% 04JUN21 NCD	INE202B07IY2	Dewan Housing Finance Corporation Ltd.	CARE D	25	0	1.36	15.0196	14.5175	-3.34
IDBI Credit Risk Fund	Dewan Housing Fin Corp Ltd. 8.9% 04JUN21 NCD	INE202B07IY2	Dewan Housing Finance Corporation Ltd.	CARE D	25	0	2.72	14.0017	13.4347	-4.05
IDBI Hybrid Equity Fund	Dewan Housing Fin Corp Ltd. 8.9% 04JUN21 NCD	INE202B07IY2	Dewan Housing Finance Corporation Ltd.	CARE D	25	0	2.72	11.4076	11.2875	-1.05

On October 25, 2019 the above mentioned securities have been marked down by 100%.

Rationale for deviation in valuation guidelines:

Since, DHFL has defaulted in security of DHFL 9.05% 09SEP19 NCD Tranche IA matured on September 09, 2019. IDBI AMC has made 100% provision of principal and interest amount on September 09, 2019. Further, IDBI AMC has taken a view to file a case against DHFL for the recovery.

There are also various news flowing in the media which gives the indication that DHFL may not be able to pay its future commitments.

Taking all the above factors and in order to have the true and fair valuation it has been decided that the above tabulated security shall be marked down by 100%.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.