

# Mutual Fund at a Glance Quarter-4 2021-2022

## MF Industry in Q4FY22

- ❖ **Asset base of Mutual Fund (MF) industry ended FY22 on a soft note: –**
  - Assets Under Management (AUM) fell marginally by 0.4% vis-à-vis Q3FY22 to Rs. 37.56 lakh crore
  - Average Assets Under Management (AAUM) grew 1% to Rs. 37.70 lakh crore compared to Dec 21
  - Quarterly Average Assets Under Management (QAAUM) grew slightly by 0.4% to Rs. 38.38 lakh crore
- ❖ **Systematic Investment Plan (SIP) contribution surpassed the Rs. 12,000 crore mark for the first time in March 2022; SIP AUM has grown 35% since March 2021**
- ❖ **With nearly 80% of growth in Q4FY22, folios continued to remain above 12 crore mark; top five categories accounted for 47% of the total folios.**
- ❖ **Despite net inflows in two out of three months of the quarter, MF industry witnessed net outflows in Q4FY22 due to significant redemptions in Debt Oriented Schemes.**
- ❖ **All sub-categories under Equity Oriented Schemes saw net inflows.**
- ❖ **Debt constituted around 39.5% of industry AAUM, down from 40.8% in Q3FY22.**
- ❖ **Individual investors accounted for 55% of total AAUM, similar to Q3FY22; institutional investors held the balance.**
- ❖ **Maharashtra, New Delhi, Karnataka, Gujarat and West Bengal retained their top five positions in terms of AUM.**
- ❖ **Samco Mutual Fund was the new entrant in the MF space.**

Source: AMFI and MFI 360

## What's Inside

Market Update

Mutual Fund Industry Size

Inflow Outflow Analysis

Industry Insights

Regulatory Update

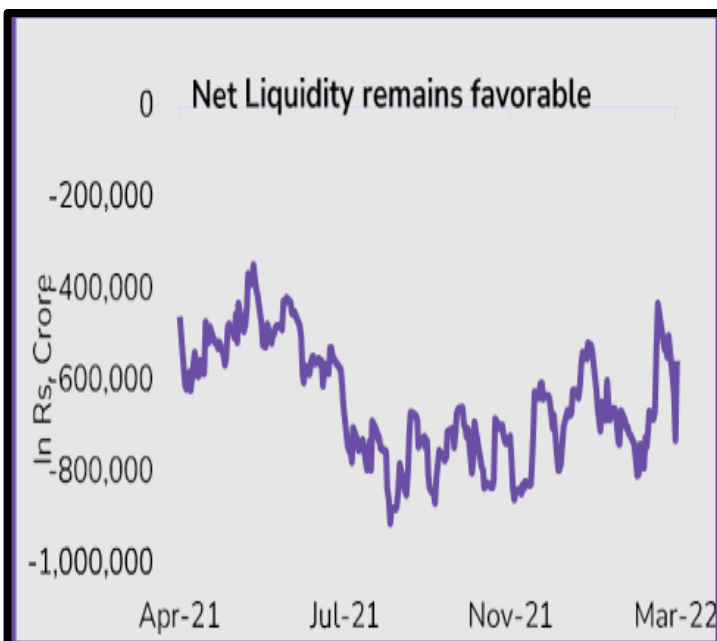
## Section – 1: Market Update

**10-year Benchmark yields grew quarterly and annually, Liquidity remained in surplus in Q4FY2022**



**10-year benchmark yields grew 39 bps on quarterly basis due to following reasons: –**

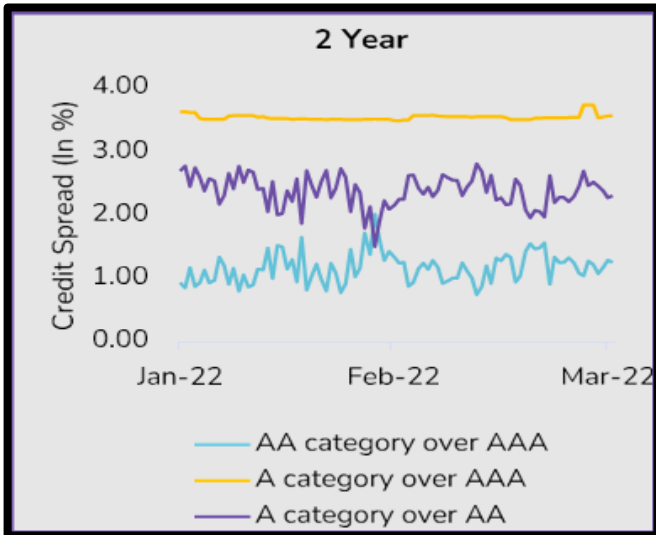
- Rise in global crude oil prices and U.S. Treasury Yields
- Concerns over ongoing Russia-Ukraine war
- Announcement of record borrowing in Union Budget for FY23



- However, MPC kept key rates unchanged and maintained accommodative policy stance to support growth, thereby restricting losses to some extent.
- Yields grew by 67 bps annually following rise in global crude oil prices, U.S. Treasury yields and domestic inflationary pressures. Concerns over aggressive monetary policy tightening by the U.S FED also weighed on market sentiments.
- Meanwhile, liquidity continued to remain in surplus mode.

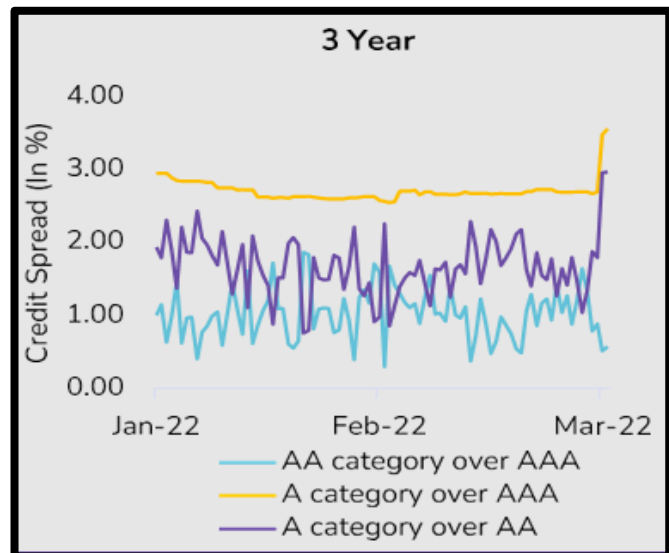
Source: Refinitiv

Spread Analysis

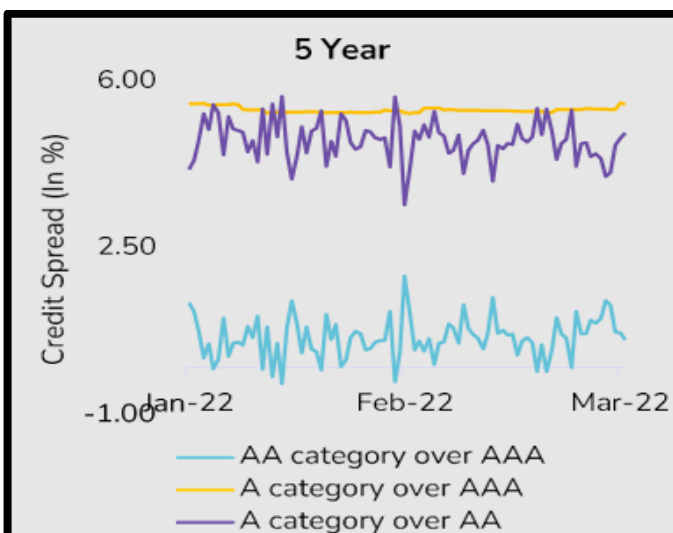


Credit Spread of A category over AAA remained flat in two, three and five year segment. However, towards the extreme end of the quarter, three-year segment witnessed expansion.

Credit Spread of AA category over AAA remained flat in two, three and five year segment. However, three-year and five-year segments experienced spread contraction towards end of quarter.

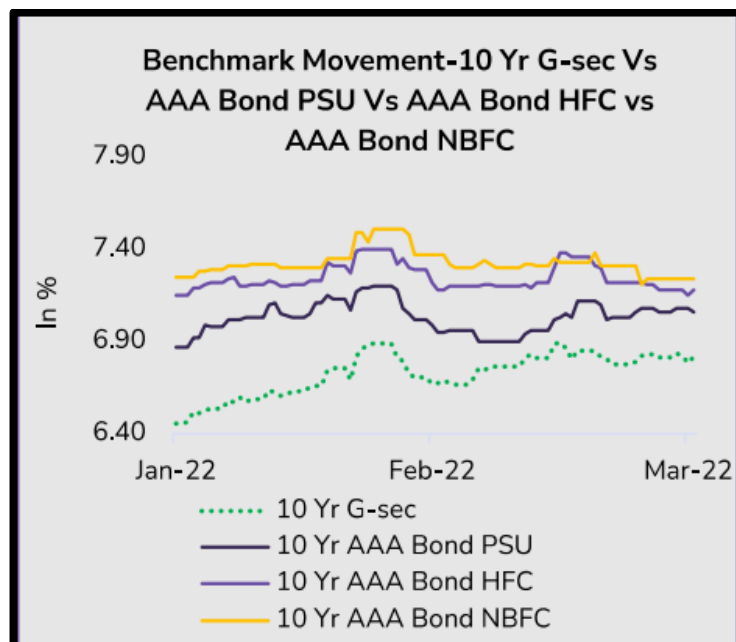


Credit Spread of A category over AA remained flat in two-year, three-year and five-year segment, though three-year, five-year segment experienced spread expansion towards the end of the quarter



Source: ICRA Analytics Limited; Calculated as average of all securities maturing in 2024, 2025, 2026, respectively in MF portfolio in their respective rating category

### Spread Analysis



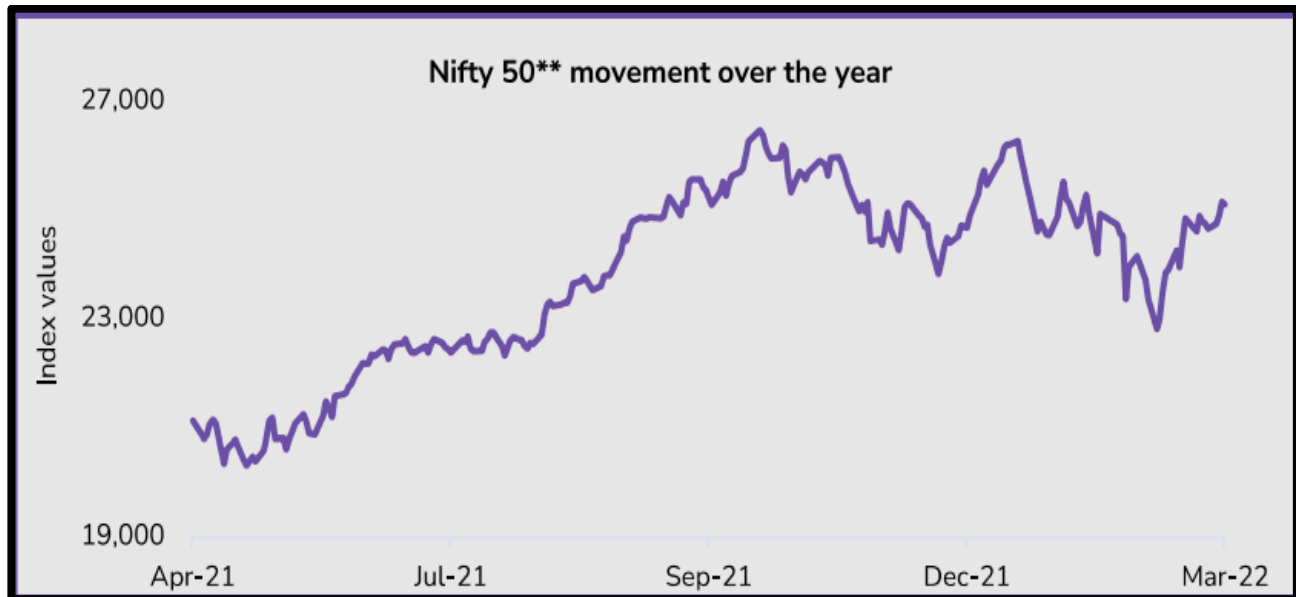
- ❖ Yield movement in 10-year G-sec, 10-year AAA Bond PSU, 10-year AAA Bond HFC and 10-year AAA Bond NBFC remained muted but experienced yield expansion at the quarter-end
- ❖ Credit spread of one-year AAA over G-sec experienced a slight spread expansion on quarterly and annual basis and the credit spread of three-year, five-year and ten-year AAA over G-sec experienced contraction on quarterly and annual basis.
- ❖ Credit spread of one-year, three-year and five-year and ten-year AA Bond over G-sec witnessed spread contraction compared to QoQ and YoY basis

### Corporate Bond and G-sec Spread Matrix\* (In bps)

	31-Mar-22	31-Dec-21	31-Mar-21	QoQ change	YoY Change
1 Y-AAA	66	48	63	18	3
3 Y-AAA	21	60	70	-39	-49
5 Y-AAA	46	94	88	-48	-42
10 Y-AAA	64	103	113	-39	-49
1 Y-AA	102	130	192	-28	-90
3 Y-AA	77	125	207	-48	-130
5 Y-AA	91	119	242	-28	-151
10 Y-AA	123	159	247	-36	-124

Source: ICRA Analytics Limited; Refinitiv \*With respect to G-Sec of similar maturity. Semi annualized yields of G-Sec Papers are annualized for calculating spreads

**Despite geo-political issues, Nifty 50 ended FY22 on a positive note**



❖ **Nifty 50 witnessed marginal gains of 1% QoQ as of March 31, 2022. Investors sentiments were boosted by:**

- Growth oriented budget delivery by the finance minister.
- Accommodative stance of the MPC in its latest policy meet held on Feb 10, 2022

However, most of the gains faded with:

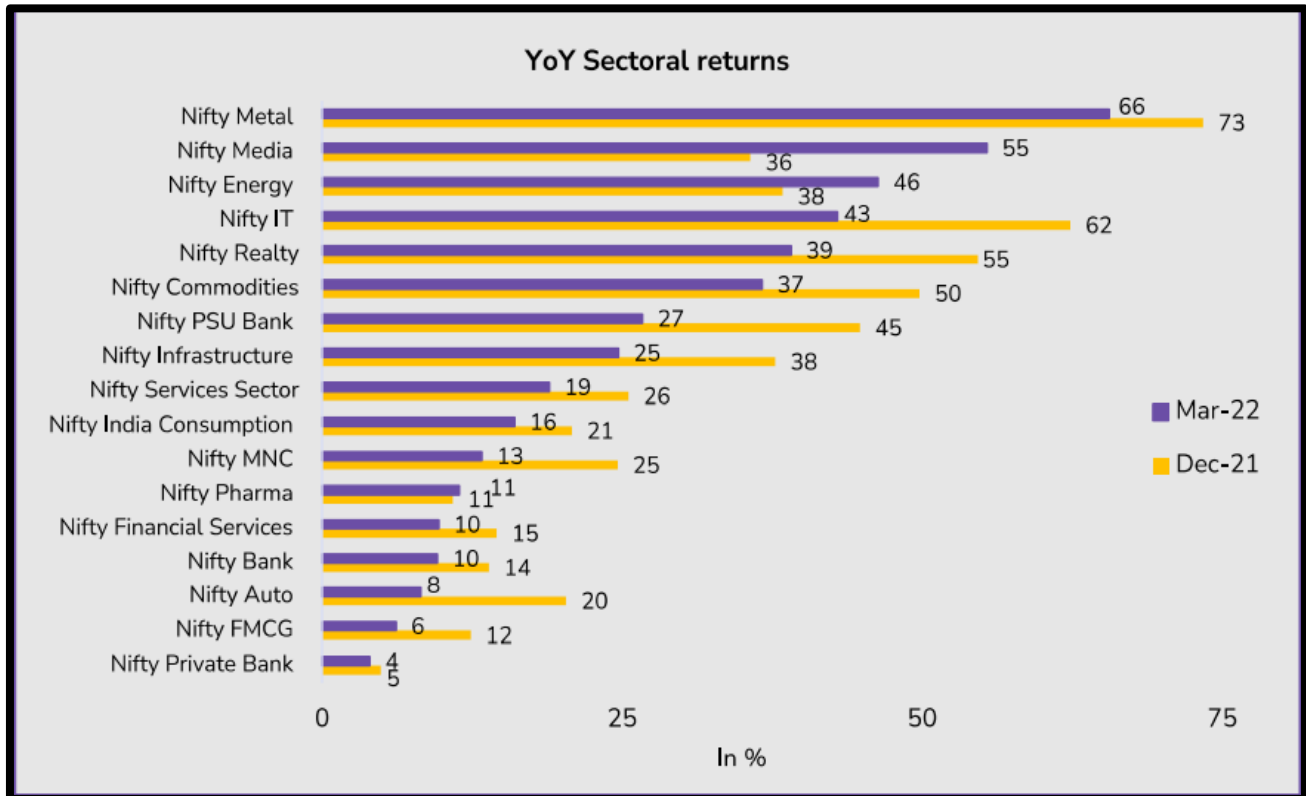
- On-going geo-political tension between Russia and Ukraine leading to elevated global crude oil prices
- Growing speculation over imminent rate hike by U.S. Fed
- Downward revision of domestic GDP forecasts by a domestic rating agency and United Nations
- Worries over rising COVID cases especially in China

❖ **Index grew by 20% YoY as of 31 Mar, 2022, with record highs in one of its sessions despite the wider economy shuttling between recovery and relapse, dictated by multiple mutations of Coronavirus and tensions between Russia and Ukraine.**

❖ **Factors supporting buying interest:**

- Optimism that MPC would maintain status-quo in its upcoming policy review
- Resumption of international flights
- Union Budget announcements for FY23

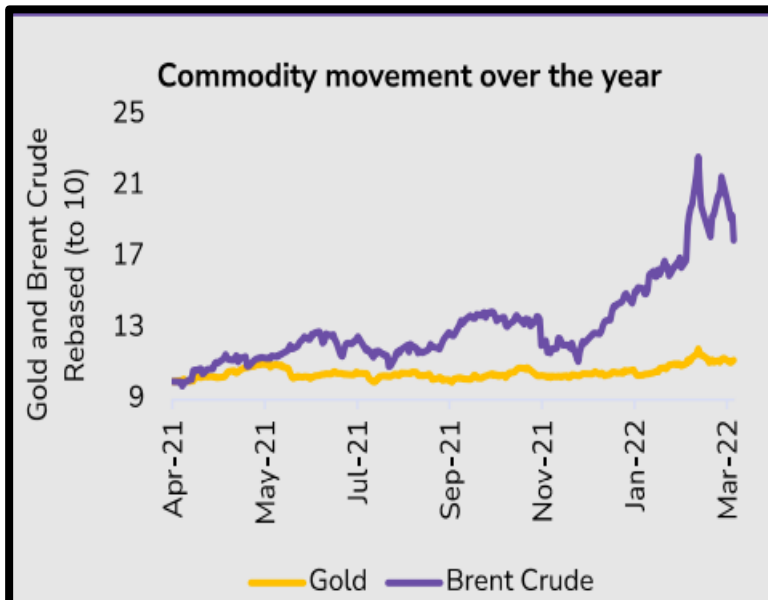
Yearly gains surged for media, energy, pharma sectors compared to gains in the previous quarter



- All major sectors posted yearly gains at the end of March 2022. However, except for Nifty Media, Nifty Energy and Nifty Pharma, returns of other sectors fell compared to yearly returns in Q3FY22
- Despite decline in gains, Nifty Metal continued to top the list like previous quarter as tensions between Russia and Ukraine created expectations of making India’s metal sector attractive
- Nifty Media replaced Nifty IT at the second position. Ongoing consolidation in the media sector helped gains. Nifty Energy replaced Nifty Realty in the third position

Source: MFI 360; \*\*TRI variant of the index has been used for representation purpose

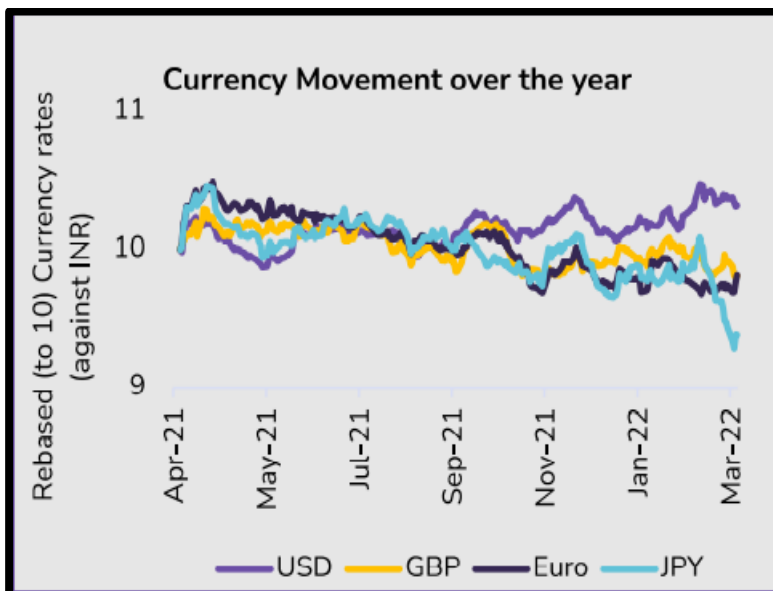
**Gold and Brent Crude prices surged; Rupee incurred quarterly losses due to Russia-Ukraine geopolitical turmoil**



Gold prices surged on quarterly and annual basis. Quarterly growth was buoyed by ongoing Russia-Ukraine tensions dampening risk appetite of investors. Reports that Ukraine military forces fired grenades and mortars on territory of the Luhansk People’s Republic in eastern Ukraine supported bullion prices.

Brent crude prices grew both quarterly and annually. Quarterly surge in prices were led by:

- Growing supply interruptions, owing to the Russia-Ukraine war
- Tight supplies after OPEC and its allied members adhered to an agreed-upon target increase for Feb 2022



However, gains were restricted to some extent by the U.S President’s announcement of realising 1 million barrels per day of crude oil for six months from May 2022.

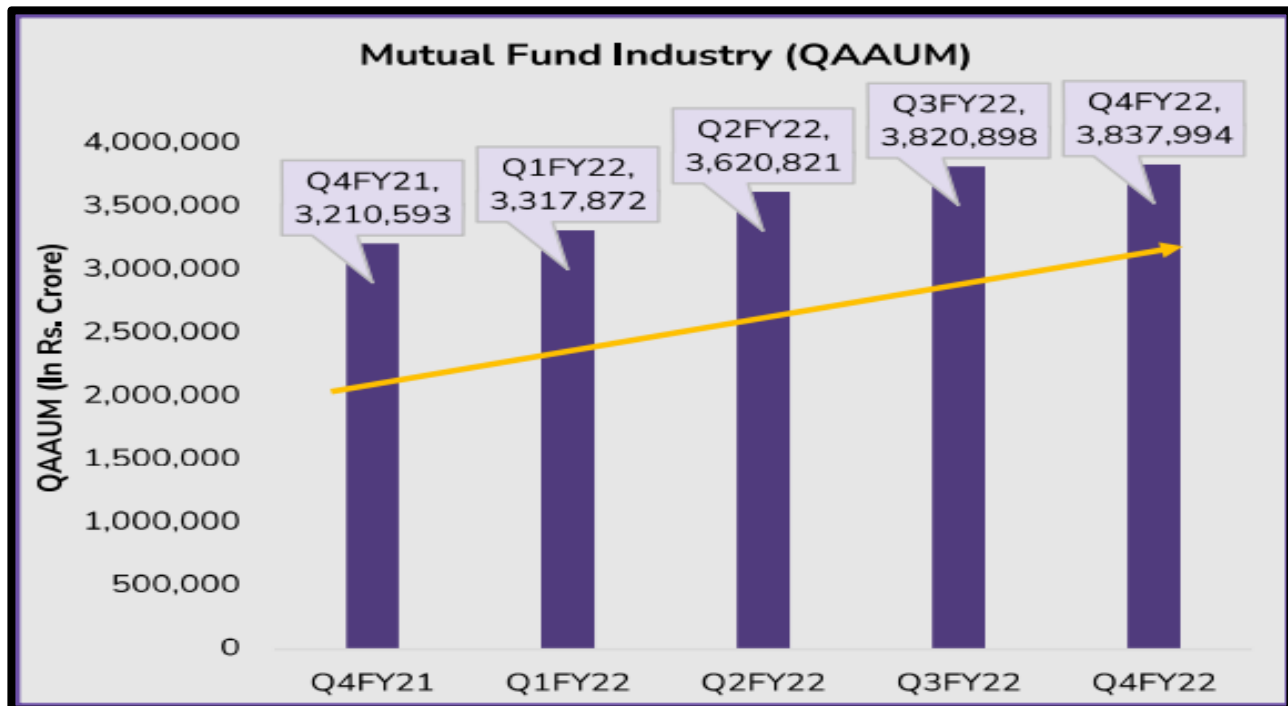
Rupee saw losses on quarterly and annual basis as intensifying geopolitical risk due to Russia-Ukraine conflict led to a surge in global crude oil prices. Rupee fell further on worries over a spike in coronavirus cases in Shanghai

Source: Refinitiv



## Section – 2: Mutual Fund Industry Size

QAAUM grew sequentially for seventh consecutive quarter



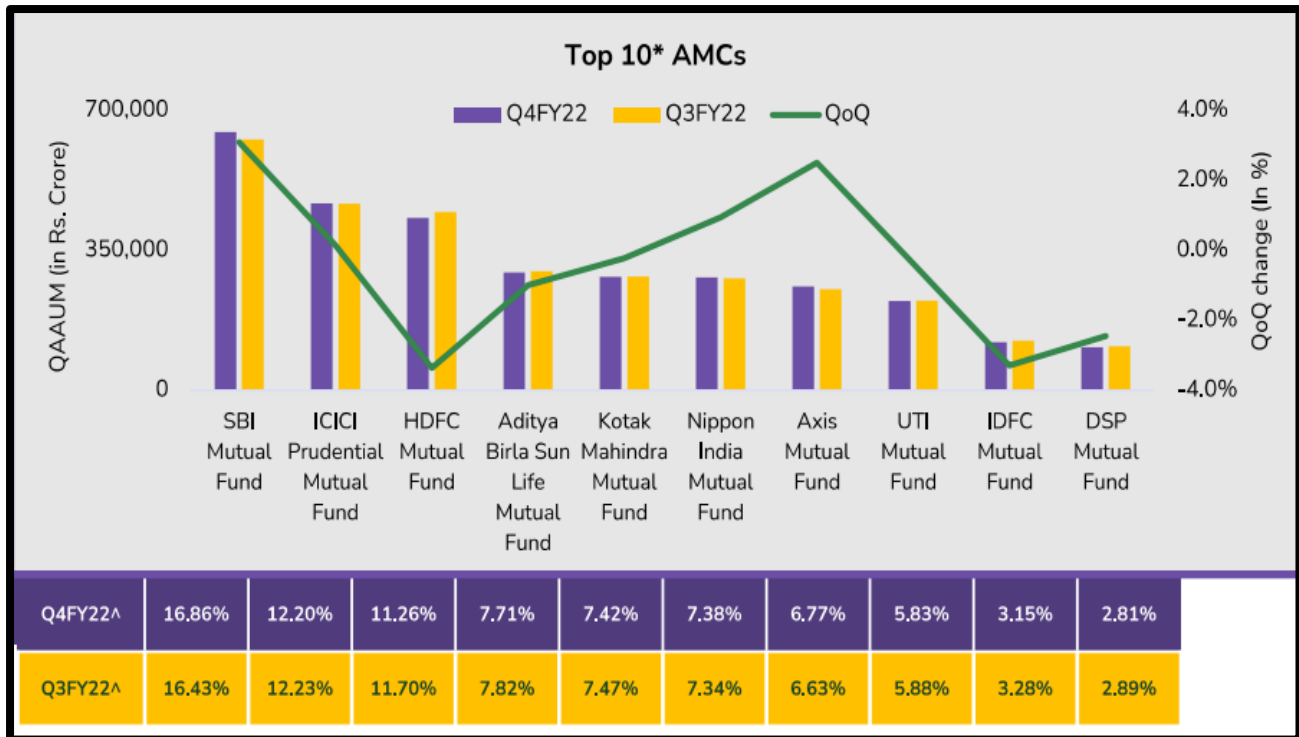
### Growth/De-growth\* Trend of AMCs for the Quarter ended Mar-22

AMCs	Range
Top 5	-3.4% to 3.1%
Next 10	-5.0% to 11.7%
Rest	-24.8% to 41.9%

- With marginal sequential growth of 0.4% and annual growth of 20%, asset base of industry continued to remain above Rs. 38 lakh crore mark. QAAUM was at Rs. 38.38 lakh crore.
- 24 AMCs witnessed quarterly growth in QAAUM in the range of 0.2% to 41.9%. This included top four AMCs (in terms of QAAUM).
- Smaller AMCs\*\* topped the chart for sequential growth in the following order:
  1. NJ Mutual Fund (42%) – new entrant in Q3FY22
  2. Quant Mutual Fund (39%)
  3. JM Financial Mutual Fund (15%)
  4. IIFL Mutual Fund (14%)
  5. ITI Mutual Fund (12.93%)
- Samco Mutual Fund, a new entrant, posted QAAUM of Rs. 367 crore.

Source: AMFI, MFI 360; \*QoQ growth of QAAUM ended Mar-22; \*\*Sundaram MF had completed the acquisition of Principal MF on Dec 31, 2021 and Sundaram AMCs % change may have been fueled by the acquisition of Principal AMC. Hence, it was not considered.

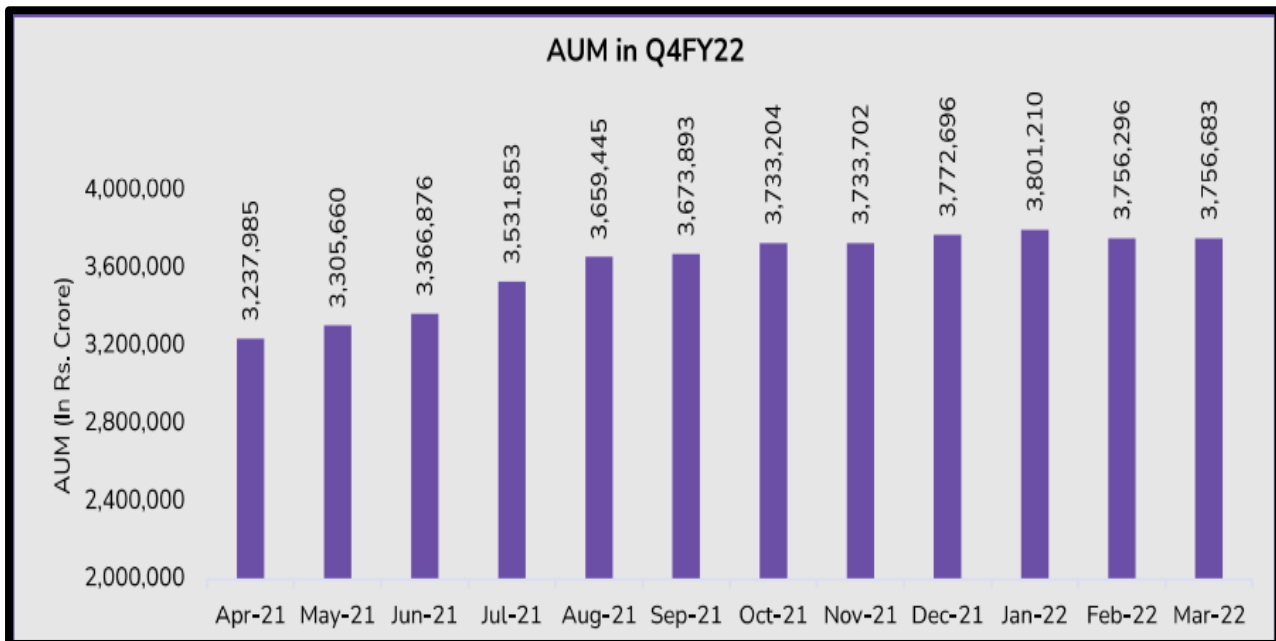
Top 10 composition remained unaltered for seventh quarter in a row in Q4FY22



- Top 10\* AMC's accounted for nearly 81% of QAAUM; six out of them saw sequential decline
- Amongst top 10 AMC's, SBI Mutual Fund gained the maximum market share (0.43%) on quarterly basis followed by Axis MF (0.14%). Both AMC's witnessed highest and second highest quarterly growth as well
- HDFC Mutual Fund lost maximum market share (0.44%) followed by IDFC Mutual Fund (0.12%). Both the AMC's witnessed highest and second highest quarterly decline but continued to remain in top 10.

Source: AMFI, MFI 360; \*Top 10 AMC's are based on Mar-22 QAAUM; <sup>^</sup>Market share in terms of QAAUM

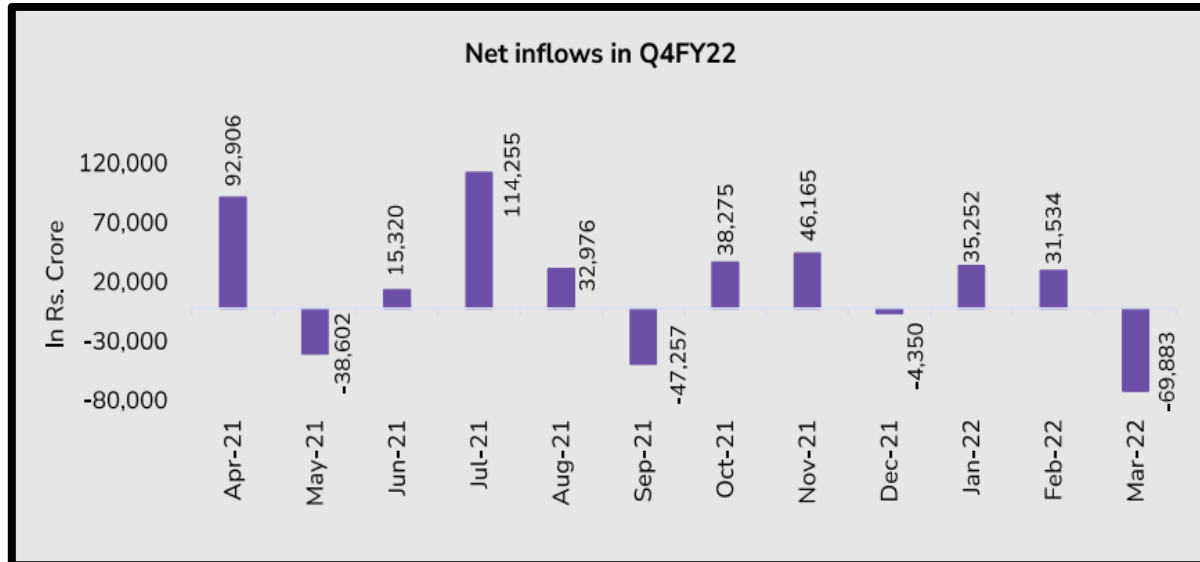
AUM fell marginally in Mar 22 as against Dec 21, saw annual growth as against Mar 21



- AUM fell marginally by 0.4% sequentially to Rs. 37.56 lakh crore in Q4FY22 compared to nearly 3% growth in Q3FY22. However, it grew by 20% on annual basis
- Under Open ended category:
  - Top five sub-categories with maximum increase (in Rs.) were: Other ETFs (Rs. 27, 148 crore), Index Funds (Rs. 23,246 crore), Multicap Fund (Rs. 12,072 crore), Balanced Advantage Fund (Rs. 9,123 crore) and Overnight Fund (Rs, 8,933)
  - Top five sub-categories to experience growth (in %) were: Index Funds (51%), Multicap (28%), Overnight Funds (9%), Other ETFs (7%) & Large & Mid cap Funds (7%)
  - Maximum degrowth (in %) was seen by the following five sub-debt categories: Medium to Long Duration Funds (28%), Short Duration Funds (17%), Floater Funds (15%), Corporate Bond Fund (14%) and Banking & PSU Fund (13%)

## Section – 3: Inflow Outflow Analysis

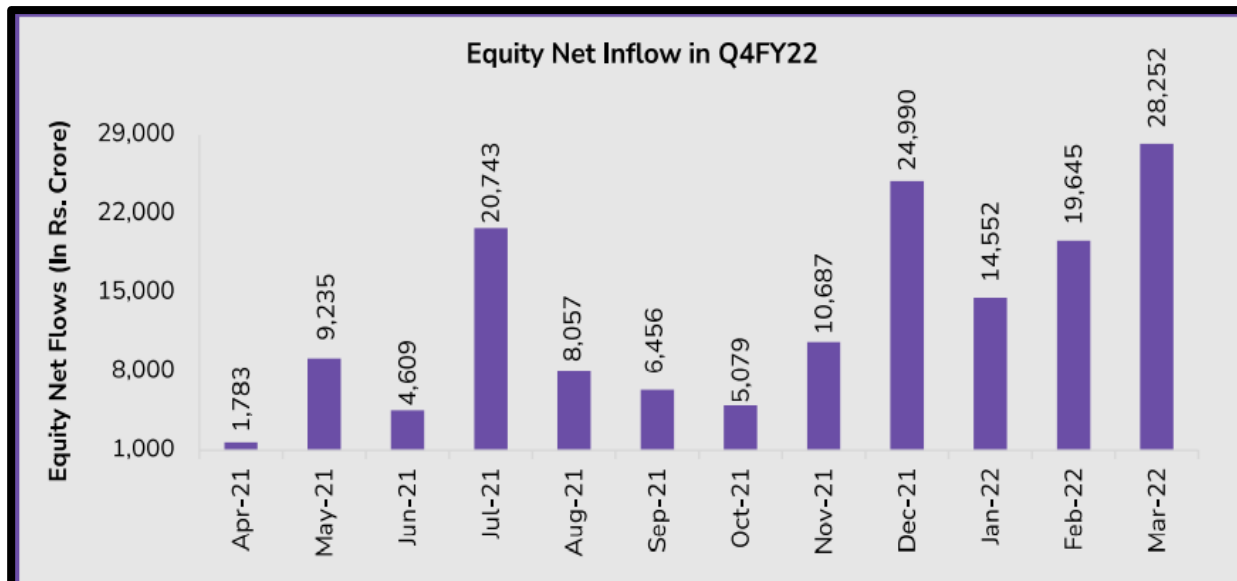
Q4FY22 saw net outflows despite net inflows in two months of the quarter



- After witnessing net inflows for the three consecutive quarters, MF industry saw net inflows in Q4FY22. Net outflow came in at Rs. 0.03 lakh crore as against net inflows of Rs. 0.80 lakh crore in Q3FY22
- Surge in net outflows in sub categories of Debt oriented Schemes mainly led to the downside. Quarter-end tax collections and uncertainty in RBI stance on interest rate turned investors cautious, impacting net-flows for Debt Schemes.
- Net-inflows were seen in two out the three months of the quarter. The last month of the quarter saw net outflows, highest in last two years.
- Under open-ended category:
  - Within Equity Category (including ELSS), Multicap Funds saw highest net inflows followed by Flexi cap funds.
  - Net Outflow for Debt Oriented Schemes came in at Rs. 1.18 lakh crore against Rs. 0.21 lakh crore. Except for overnight Fund (0.08 lakh crore), all sub-categories of Debt Oriented schemes saw net outflows. Highest net outflows were seen in Short Duration Fund, followed by Corporate Bond Fund.
  - Net inflows in Hybrid schemes came in at Rs. 0.06 lakh crore, down by 72% sequentially. Except Arbitrage Fund, all sub-categories under Hybrid schemes saw net inflows in Q4FY22. However, except Aggressive Hybrid Fund (282%), no other sub categories saw growth. Though Balanced Advantage Fund saw highest net inflows for the category, it fell 69% sequentially.
  - All sub-categories under Solution Oriented Schemes witnessed net inflows, only Gold ETF saw net outflows under other schemes.

Source: AMFI and MFI Explorer

### Equity MF inflows surged all time high in March 2022

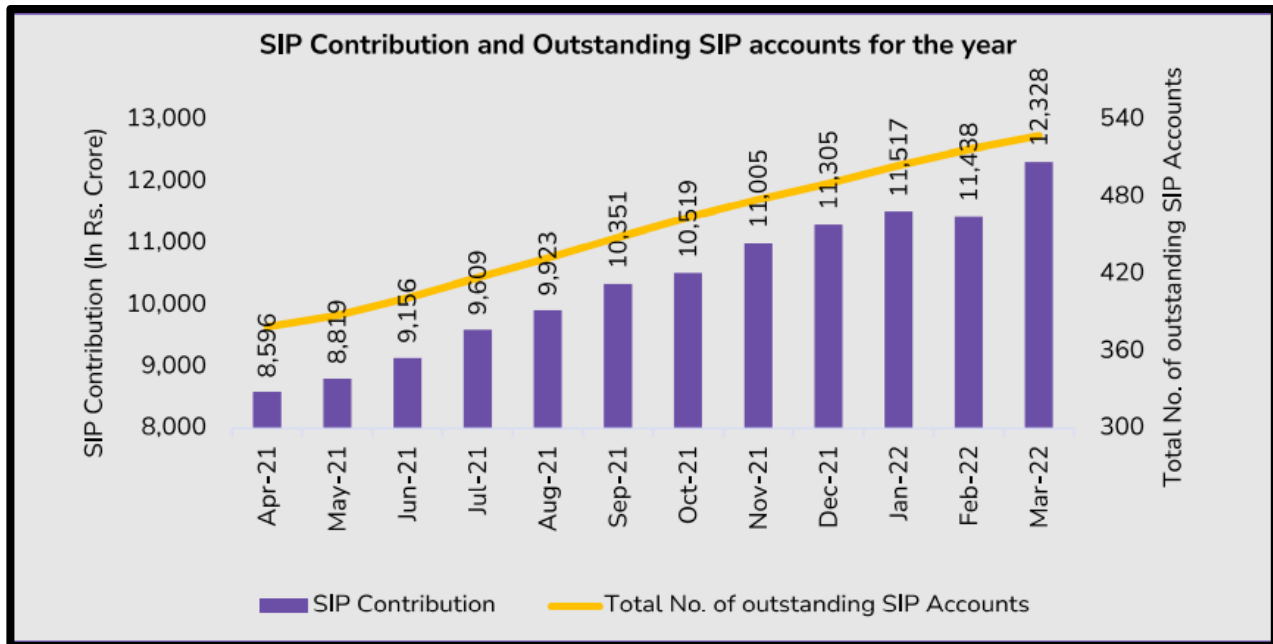


- Despite volatile stock market environment and continued selling by foreign portfolio investors, Equity net inflows witnessed 53% growth vis-à-vis Q3FY22 and came in at Rs. 0.62 lakh crore. Investors steady participation through SIPs and success of new fund offers helped equity inflows.
- Under Open Ended category:
  - Equity Funds (including ELSS) saw net inflows in all three months of Q4FY22, in last month of the quarter, net inflows came in at Rs. 0.28 lakh crore, highest since April 2019\*
  - All sub-categories saw net inflows, only two sub-categories (Multicap and Sectoral / Thematic Funds) saw decline in net inflows in % terms.
  - ELSS on a standalone basis saw net inflows of Rs. 4,579 crore in Q4FY22 as against net outflow of Rs. 116 crore in Q4FY21

Source: AMFI and MFI Explorer; Note: Equity includes ELSS funds; \*(Data available in new format since April 2019)

## Section – 4: Industry Insights

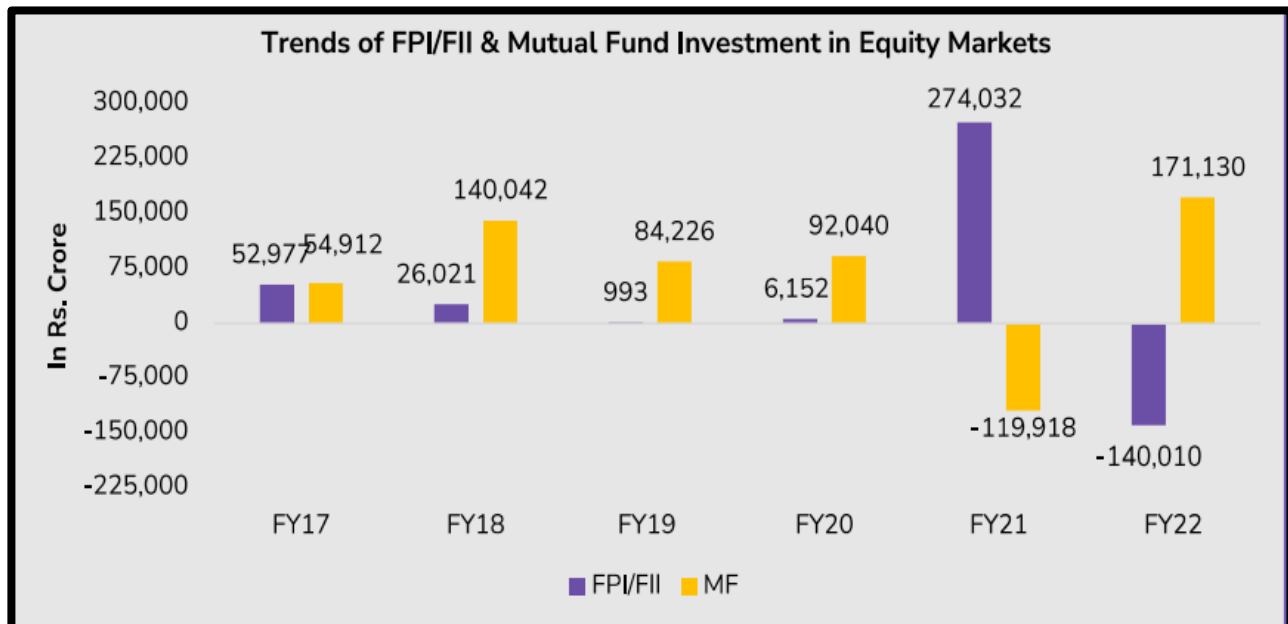
*SIP continued growth streak in Q4FY22, surpassed Rs. 12,000 crore mark*



- After surpassing Rs. 11,000 crore-mark in Q3FY22, Systematic Investment Plan (SIP) Contribution crossed a new mark of Rs. 12,000 crore in Q4FY22.
- With a growth of 9.05%, SIP contribution came in at Rs. 12,328 crore against Rs. 11,305 crore in Dec 2021
- At quarter end, SIP AUM stood at Rs. 5.76 lakh crore, up nearly by 2% QoQ. It was at 15% of total industry assets.
- SIP accounts grew 8% to 5.28 crore

Source: AMFI

**FPIs continued to be net sellers of domestic stocks amid risk to economic recovery**



- Foreign portfolio investors (FPIs) continued to be net sellers of domestic stocks for the second quarter. Net selling in Q4FY22 surged to Rs. 1,10,018 crore in Q4FY22 as against Rs. 38,521 crore in Q3FY22. In FY22, net selling from FPIs was at Rs. 140,000 crore against net purchase of Rs. 274,000 crore in the previous period
- The trend of foreign flows has not been encouraging this fiscal year amid:
  - Rate hike expectation by U.S. Fed
  - Concerns over the risk to economic recovery due to rise in inflation
  - Sharp surge in coronavirus cases globally
  - Global turmoil triggered by Russia-Ukraine war
- MF investment in equity was at Rs. 67,144 crore in Q4FY22, with a quarter growth of 29% vis-à-vis previous quarter. In FY22, investment in equity stood at Rs. 171,130 crore against disinvestment of Rs. 119,918 crore in the previous year period

Source: MFI Explorer



## QAAUM Q4FY22 at a glance

Market Share	Asset Management Company	QAAUM		QAAUM (In Rs. Crore)				% Change in QAAUM					
		Q4FY22	% Share	Q3FY22	Q2FY22	Q1FY22	Q4FY21	3M	6M	9M	12M		
Top 20 = 97%	Top 10 = 81%	Top 5 = 55%	SBI Mutual Fund	6,47,067	16.9%	6,27,589	5,78,166	5,23,198	5,04,455	3.1%	11.9%	23.7%	28.3%
			ICICI Prudential Mutual Fund	4,68,197	12.2%	4,67,461	4,47,118	4,16,701	4,05,406	0.2%	4.7%	12.4%	15.5%
			HDFC Mutual Fund	4,32,085	11.3%	4,47,089	4,38,926	4,16,950	4,15,566	-3.4%	-1.6%	3.6%	4.0%
			Aditya Birla Sun Life Mutual Fund	2,95,805	7.7%	2,98,763	3,00,289	2,75,454	2,69,278	-1.0%	-1.5%	7.4%	9.9%
			Kotak Mahindra Mutual Fund	2,84,618	7.4%	2,85,260	2,69,234	2,46,584	2,33,780	-0.2%	5.7%	15.4%	21.7%
	Nippon India Mutual Fund	2,83,261	7.4%	2,80,601	2,65,459	2,40,364	2,28,586	0.9%	6.7%	17.8%	23.9%		
	Axis Mutual Fund	2,59,818	6.8%	2,53,450	2,38,177	2,08,143	1,96,549	2.5%	9.1%	24.8%	32.2%		
	UTI Mutual Fund	2,23,842	5.8%	2,24,671	2,08,971	1,87,210	1,82,853	-0.4%	7.1%	19.6%	22.4%		
	IDFC Mutual Fund	1,21,032	3.2%	1,25,141	1,26,357	1,26,070	1,22,131	-3.3%	-4.2%	-4.0%	-0.9%		
	DSP Mutual Fund	1,07,911	2.8%	1,10,614	1,07,290	1,04,026	97,386	-2.4%	0.6%	3.7%	10.8%		
	Mirae Asset Mutual Fund	1,00,909	2.6%	99,533	90,690	77,674	69,598	1.4%	11.3%	29.9%	45.0%		
	Tata Mutual Fund	86,713	2.3%	83,554	77,010	66,999	62,078	3.8%	12.6%	29.4%	39.7%		
	Edelweiss Mutual Fund	78,642	2.0%	70,434	61,282	54,406	46,849	11.7%	28.3%	44.5%	67.9%		
	L&T Mutual Fund	75,592	2.0%	79,550	78,274	75,531	72,728	-5.0%	-3.4%	0.1%	3.9%		
	Franklin Templeton Mutual Fund	62,876	1.6%	65,710	63,345	60,525	82,553	-4.3%	-0.7%	3.9%	-23.8%		
	Canara Robeco Mutual Fund	47,956	1.2%	45,049	39,344	32,541	28,273	6.5%	21.9%	47.4%	69.6%		
	Invesco Mutual Fund	43,863	1.1%	45,106	42,881	38,967	36,795	-2.8%	2.3%	12.6%	19.2%		
	Sundaram Mutual Fund	43,107	1.1%	34,362	33,377	32,151	32,052	25.4%	29.2%	34.1%	34.5%		
	Motilal Oswal Mutual Fund	30,620	0.8%	31,418	30,012	26,780	25,460	-2.5%	2.0%	14.3%	20.3%		
	PPFAS Mutual Fund	23,114	0.6%	20,515	15,943	11,343	8,720	12.7%	45.0%	103.8%	165.1%		
Baroda BNP Paribas Mutual Fund	21,393	0.6%											
LIC Mutual Fund	17,817	0.5%	19,354	18,040	17,642	16,927	-7.9%	-1.2%	1.0%	5.3%			
PGIM India Mutual Fund	16,492	0.4%	14,702	11,185	8,110	6,527	12.2%	47.5%	103.4%	152.7%			
HSBC Mutual Fund	12,619	0.3%	12,449	11,314	10,657	10,385	1.4%	11.5%	18.4%	21.5%			
Mahindra Manulife Mutual Fund	8,805	0.2%	7,911	6,687	5,664	5,271	11.3%	31.7%	55.5%	67.0%			
Union Mutual Fund	8,147	0.2%	8,100	7,300	5,916	5,240	0.6%	11.6%	37.7%	55.5%			
Quant Mutual Fund	6,506	0.2%	4,664	3,301	1,642	722	39.5%	97.1%	296.2%	801.0%			
NJ Mutual Fund	5,247	0.1%	3,697				41.9%						
IIFL Mutual Fund	4,264	0.1%	3,750	3,128	2,591	2,370	13.7%	36.3%	64.6%	79.9%			
IDBI Mutual Fund	4,121	0.1%	4,433	4,344	4,255	4,120	-7.0%	-5.1%	-3.1%	0.0%			
BOI AXA Mutual Fund	2,750	0.1%	2,727	2,494	2,211	2,289	0.8%	10.3%	24.4%	20.1%			
ITI Mutual Fund	2,718	0.1%	2,407	1,983	1,562	1,179	12.9%	37.1%	74.0%	130.6%			
JM Financial Mutual Fund	2,318	0.1%	2,020	2,089	2,135	2,389	14.7%	10.9%	8.6%	-3.0%			
Quantum Mutual Fund	1,784	0.0%	1,858	1,829	1,779	1,786	-4.0%	-2.5%	0.3%	-0.1%			
IL&FS Mutual Fund (IDF)	1,338	0.0%	1,280	1,385	1,686	1,679	4.5%	-3.4%	-20.6%	-20.3%			
Trust Mutual Fund	1,218	0.0%	1,137	1,033	858	625	7.1%	17.9%	41.9%	94.8%			
Navi Mutual Fund	1,039	0.0%	930	867	728	698	11.8%	19.9%	42.7%	49.0%			
IIFCL Mutual Fund (IDF)	625	0.0%	618	612	596	592	1.0%	2.1%	4.8%	5.5%			
Indiabulls Mutual Fund	544	0.0%	653	655	632	664	-16.6%	-16.8%	-13.9%	-18.0%			
Taurus Mutual Fund	511	0.0%	538	539	496	475	-5.0%	-5.2%	3.0%	7.5%			
Samco Mutual Fund	367	0.0%											
Shriram Mutual Fund	220	0.0%	227	217	208	203	-3.0%	1.3%	6.1%	8.7%			
WhiteOak Capital Mutual Fund	105	0.0%	139	46	81	110	-24.8%	128.1%	28.4%	-4.7%			
Principal Mutual Fund			9,547	8,930	8,038	7,768							
Baroda Mutual Fund			12,769	11,953	10,645	9,641							
BNP Paribas Mutual Fund			9,117	8,745	8,122	7,837							
<b>Grand Total</b>			<b>38,37,976</b>	<b>100%</b>	<b>38,20,898</b>	<b>36,20,821</b>	<b>33,17,872</b>	<b>32,10,593</b>					

Source: Sundaram MF had completed the acquisition of Principal Mutual Fund on Dec 21, 22. Accordingly, % change in QAAUM & latest QAAUM data for Principal MF has not been displayed. Also, for Sundaram AMC % change may have been fueled by the acquisition of Principal AMC. On Mar 14, 22 BNP Paribas Asset Mgmt and Baroda Asset Mgmt has merged to be a new entity with the name of Baroda BNP Asset Mgmt. Hence, for Q4FY22, QAAUM of Baroda BNP Mutual Fund has been shown for the previous quarters QAAUM of Baroda MF & BNP MF has been shown. QAAUM is excluding FOF – Domestic but including FOF - Overseas



## Section – 5: Regulatory Update

### **SEBI brings in Risk value of commodities for risk-o-meter:**

Effective immediately, SEBI has declined that investment in commodities by mutual fund schemes shall be assigned a risk score corresponding to the annualized volatility of the price of said commodity. The annualized volatility shall be computed quarterly based on past 15 years prices of benchmark index of said commodity. Risk score for the commodity shall be as follows: Annualized Volatility <10% - Moderate (3). Annualized Volatility 10% - 15% Moderately High (4). Annualized Volatility 15% - 20% - High (5). >20% Very High.

### **SEBI defines timelines for Rebalancing of Portfolios of Mutual Fund Schemes:**

SEBI clearly defined the rules governing rebalancing of portfolios of schemes launched by Mutual Funds. Except for overnight Funds, all schemes will have mandated rebalancing period of 30 days, in the event of deviation from mandated asset allocation mentioned in the SID due to passive breaches. The investment committee of the AMC can extend this period for rebalancing up to 60 business days from the date of completion of the mandated rebalancing period. In case the portfolio of schemes is not rebalanced within the mandated plus extended timeline. AMCs shall not be permitted to launch any new schemes till the time of the portfolio is rebalanced. Also, AMCs will not be able to levy exit load, if any on the investor exiting such schemes. Additionally, SEBI has shared reporting and disclosure requirements to Trustees and Investors. The guidelines will be effective from 1 July, 2022.

### **SEBI comes up with circular on change in control of the AMC:**

SEBI formulated guidelines to streamline the process of providing approval to proposed change in control of an AMC. The change involves scheme of arrangement which needs sanction of NCLT in terms of provisions of the Companies Act, 2013. A few key-points are – application seeking approval for proposed change in control of the AMC shall be filed with SEBI prior to filing the application with the NCLT; an in-principal approval will be granted by SEBI once it is satisfied with compliance of applicable regulatory requirements; validity of such in-principal approval shall be three months from date of issuance.

**Implementation Date for Swing Pricing extended to May 1, 2022:** SEBI has decided to extend the implementation date for Swing pricing framework for open ended debt mutual fund schemes to May 1, 2022 from earlier implementation date of Mar 1, 2022. The funds to be exempted from this framework are Overnight Funds, Gilt Funds, and Gilt with 10-year maturity Funds. Swing pricing framework will be applicable only for scenarios related to net outflows. Executed under hybrid framework, it will have a partial swing during normal times and a mandatory full swing during market dislocation for high-risk open-ended debt schemes.

**SEBI brings norms regarding pool accounts by MF:** Clarification issued by SEBI on discontinuation of usage of pool accounts for transactions in the units of Mutual Funds states that existing mandates being used for MF transactions can continue to remain in the name of the stockbrokers/ clearing members. This will be subject to Stock Exchanges/ Clearing Corporations ensuring that payment Aggregators put in place mechanisms wherein beneficiary of the mandate can only be an Approved Account (which shall only be the bank account of the clearing corporation). PA shall directly credit the monies collected from the bank account of the investor only into an approval account. Additionally, PA shall not act on instructions of the stockbrokers/ clearing members to alter or modify the list of Approved Accounts and in no case the monies shall be credited to the bank account of the stockbrokers / clearing members.

Also, existing mandates can continue to remain in the name of such OTM holders, subject to AMCs ensuring that the PA puts in place mechanisms wherein beneficiary of the mandate can only be an Approved Account (which shall only be the bank account of a mutual fund pool account or mutual fund scheme account). AMCs shall be liable to the unit holders for breach of these conditions or misuse of funds by PA or OTM holder with respect to mandates covering Mutual Fund transactions.

RNB Corporate Services Pvt Ltd  
614, Corporate Annexe, Sonawala Road, Goregaon (E)  
AMFI REGISTERED MUTUAL FUND DISTRIBUTOR NO.173108  
CIN: U67190MH2020PTC349176

**Disclaimer:** The information contained in this report has been obtained from sources considered to be authentic and reliable. However, RNB Corporate Services Pvt. Ltd. is not responsible for any error or inaccuracy or for any losses suffered on account of this information. Mutual Fund investments are subject to market risks, read all scheme related documents carefully.