



ICRA Management Consulting Services Limited

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Ref No: 02-05-2013-14-169B

Mr. Sandesh Kirkire,
Chairman Valuation Committee - AMFI,
One Indiabulls Centre,
Tower 2, Wing B, 701, 7th floor,
841, Senapati Bapat Marg,
Elphinstone Road
Mumbai - 400 013

Dear Mr. Kirkire,

Sub: Security Level Valuation for fixed income securities

In continuation to our commercial proposal dated August 8 2013, for security level valuation and the feedback received on our proposal, we are pleased to offer our revised commercials for the same as below:

We envisage the following deliverables as part of our valuation services after the completion of trial run.

- 1) Scrip wise valuation of all debt securities with residual tenure greater than 60 days held in the portfolio of mutual funds excluding market linked products by 6:30 PM every day. The deliverables could be delayed to 8:00 PM on days with high volatility in the debt market.
 - a. The Security wise prices will be sent in two separate Microsoft Excel files by email; one for money market instruments (MMIs) including CPs and CDs and other for corporate bonds and PTCs.
 - b. The files will contain the following data fields for all securities: ISIN, Nomenclature, Deemed maturity, Yield, Clean price and Modified duration.
- 2) Scrip wise valuation of all Treasury bills, Cash Management Bills, Government of India Bonds and State Developments Loans held in the portfolio of mutual funds by 7:00 PM every day.
- 3) Yield matrices for valuation of corporate bonds and MMI by 5:00 PM every day.
- 4) iMaCS Bond valuation Tool (IBT) and aggregator for valuation of debt securities.



- 5) The annual charges for each Asset Management Company for providing the services mentioned in points 1 to 3 above will be as per the fee structure mentioned below:

Assets Under Management of Debt Schemes as of 30 June every year	Existing fee for current services	Proposed annual fee for Security Level Valuation	Proposed fee for the period October 2013 to March 2015 for Security Level Valuation
Between 1-1,000 crore	Rs 3.85 lakh + Service tax	Rs 5.40 lakh + Service tax	Rs. 8.37 lakh + Service tax
Between 1001-5,000 crore	Rs 6.05 lakh + Service tax	Rs 9.70 lakh + Service tax	Rs. 15.04 lakh + Service tax
Between 5001-20,000 crore	Rs 7.15 lakh + Service tax	Rs 11.50 lakh + Service tax	Rs. 17.83 lakh + Service tax
Between 20001-50,000 crore	Rs 8.25 lakh + Service tax	Rs 13.20 lakh + Service tax	Rs. 20.46 lakh + Service tax
Above 50,000 crore	Rs 8.25 lakh + Service tax	Rs. 15.00 lakh + Service tax	Rs. 23.25 lakh + Service tax

Note: The fee for the period October 2013 to March 2015 includes an increase of 10% from October 2014 onwards. The fee has been rounded off to the nearest thousands

- 6) The annual charges for each Asset Management Company for the subscription to IMaCS Bond valuation Tool (IBT) and aggregator mentioned in points 4 above will be as per the fee structure mentioned below.

Assets Under Management of Debt Schemes as of 30 June every year	Proposed annual fee for IMaCS Bond Valuation Tool (IBT) and Aggregator	Proposed fee for the period October 2013 to March 2015 for IMaCS Bond Valuation Tool (IBT) and Aggregator
Between 1-1,000 crore	Rs 0.75 lakh + Service tax	Rs. 1.16 lakh + Service tax
Between 1001-5,000 crore	Rs 1.00 lakh + Service tax	Rs. 1.55 lakh + Service tax
Between 5001-20,000 crore	Rs 1.25 lakh + Service tax	Rs. 1.94 lakh + Service tax
Between 20001-50,000 crore	Rs 1.50 lakh + Service tax	Rs. 2.33 lakh + Service tax
Above 50,000 crore	Rs.1.75 lakh + Service tax	Rs. 2.71 lakh + Service tax

Note: The fee for the period October 2013 to March 2015 includes an increase of 10% from October 2014 onwards. The fee has been rounded off to the nearest thousands

- 7) Service tax shall be payable at applicable rates (currently 12.36%).
8) The fee shall be payable half-yearly in advance.
9) Bills shall be raised by IMaCS on each AMC availing the valuation services.
10) Any change in scope of the services may lead to a change in the pricing.



The key contacts from IMaCS for the project shall be as follows:

a) Ankit Kala

Email: ankit.kala@imacs.in

Mobile: +91 98206 44306

b) Vivek Singhi

Email: vivek.singhi@imacs.in

Mobile: +91 99200 07329

We trust the above meets your requirements. We look forward to hearing from you at your earliest convenience.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sriram V', is written over a horizontal line.

Sriram V

Chief Operating Officer
