

Date: July 21, 2025

Update on Roadstar Infra Investment Trust (InVIT's) received in certain scheme(s) of DSP Mutual Fund through resolution framework by IL&FS Transportation Networks Limited

DSP Mutual Fund (Fund) through its certain schemes held unsecured Non-Convertible Debentures (NCDs') of IL&FS Transportation Networks Limited (ITNL). In December 2018, Fund had completely marked down the exposure in ITNL bonds. Basis resolution framework undertaken for marked down exposure in ITNL bonds, certain schemes of DSP Mutual Fund had received units of Roadstar Infra Investment Trust ('InVITs') as a part of settlement proceeds.

Pursuant to receipt of said InVITs as a part of the corporate action (i.e. from a resolution framework of IL&FS group) and not the active decision taken by the Mutual Fund has resulted in the passive deviation as follows:

I. Deviation to mandated Asset allocation:

There is a deviation in the mandated asset allocation of 2 schemes, (viz. DSP Aggressive Hybrid Fund and DSP Ultra Short Fund) as these schemes are not enabled to invest in InVITs.

As per para 2.9 of the Master Circular for Mutual Funds dated June 27, 2024 ('the Master Circular') provides the timelines for rebalancing of portfolios of mutual fund schemes in the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches (occurrence of instances not arising out of omission and commission of AMC's). In case if there is any deviation from mandated asset allocation limit and same is not rebalanced within mandatory rebalancing timeline of 30 business days, then Investment Committee ('IMC') of the Mutual Fund can extend this timeline by another 60 business days. Investment Committee basis the necessary justification has extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. The revised timeline to rebalance the said deviation ended on July 17, 2025.

II. Deviation to single issuer limit: There is passive breach to the single issuer limit in DSP Credit Risk as the exposure to InVITs was 9.01% as on July 15, 2025 (more than 5% of the NAV).

III. Deviation to Potential Risk Class (PRC) matrix: Current PRC positioning for DSP Ultra Short Fund is "B III" which is higher than "B I", the PRC boundary defined in the scheme information document.

IV. Financial Impact in Net Asset Value (NAV): Below is the Impact (Gain) in the NAV on the date of recognizing the InVITs in the scheme books. Since the InVITs did not involve any cost, the market value represents the gain in the NAV. The InVITs were recognized in the schemes on March 7, 2025.

Scheme Name	ISIN	Security Name	Quantity	Market Value	% to Net Asset
DSP Aggressive Hybrid Fund	INE0JEI23010	Roadstar Infra Investment Trust	660,000	49,500,000	0.05%
DSP Ultra Short Fund	INE0JEI23010	Roadstar Infra Investment Trust	733,333	54,999,975	0.18%
DSP Credit Risk Fund	INE0JEI23010	Roadstar Infra Investment Trust	2,588,667	194,150,025	9.41%

The carrying value of the InVITs as on July 15, 2025 is mentioned below. The distribution done by InVITs in the form of principal repayment has been adjusted in the carrying market value.

Scheme Name	ISIN	Security Name	Quantity	Market Value	% to Net Asset
DSP Aggressive Hybrid Fund	INE0JEI23010	Roadstar Infra Investment Trust	660,000	47,909,400	0.04%
DSP Ultra Short Fund	INE0JEI23010	Roadstar Infra Investment Trust	708,333	51,417,892	0.14%
DSP Credit Risk Fund	INE0JEI23010	Roadstar Infra Investment Trust	2,588,667	187,911,338	9.01%

DSP Mutual Fund had made an application to SEBI informing about the said deviation on March 18, 2025 and also made a separate application on June 26, 2025 seeking extension for mandatory rebalancing timeline. AMFI vide its e-mail dated July 17, 2025 has informed that SEBI has provided an extension till June 30, 2026 to all AMC's to rebalance the said deviation.

Investors are requested to take note of the same.