

Disclosure in accordance with SEBI Circular no. SEBI/HO/IMD/DF4/CIR/P/2019/41 dated March 22, 2019 & SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019

Valuation of security issued by Coffee Day Natural Resources Private Limited:

Background:

SEBI vide its Circular no. SEBI/HO/IMD/DF4/CIR/P/2019/41 dated March 22, 2019 ('Circular'), has provided guidelines for valuation of debt and money market instruments below investment grade.

As per the Circular, all money market and debt securities which are rated below investment grade shall be valued at the price provided by valuation agencies. Till the time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircuts provided by these agencies.

In reference to the above circular dated March 22, 2019 and with accordance of SEBI circular SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019; in case AMC decides to deviate from the valuation price for money market and debt security provided by the valuation agencies, the rationale for deviation along-with details shall be disclosed to investors by disclosing instances of deviations under a separate head on their website.

Facts:

Post internal evaluation and as guided by Valuation Committee of the AMC, the securities issued by Coffee Day Natural Resources Private Limited are valued at lower of the (i) Estimated Realisable value of Collaterals (**ERVC**) (ii) Average of Security Level Prices (**SLP**) provided by valuation agencies, thus adopting a conservative approach.

The SLP was lower than ERVC until September 12, 2019 however with effect from September 13, 2019 the SLP provided was higher than the ERVC and thus we have ignored the SLP provided by the valuation agencies thus deviating the valuation guideline prescribed by the circular.

The detail impact on account of deviation is appended in **Annexure 1.**

DSP INVESTMENT MANAGERS PRIVATE LIMITED (Formerly, DSP BlackRock Investment Managers Pvt. Ltd.)

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Annexure 1: Daily impact on account of deviation in valuation guideline

Issuer Name	Coffee Day Natural Resources Private Limited
Current Rating	BWR D (CE) - (effective September 24, 2019)
Scheme Name	DSP Credit Risk Fund

ISIN - INE634N07075				
Date	Day End Price	Valuation Agency price	Impact of Deviation (Amount)	Impact of Deviation (in % to Net Assets)
13-Sep-19	58.2011	58.2142	(90,390)	0.000%
16-Sep-19	58.2011	58.2581	(393,300)	-0.002%
17-Sep-19	58.2011	58.2728	(494,730)	-0.003%
18-Sep-19	58.2011	58.2874	(595,470)	-0.003%
19-Sep-19	58.2011	58.3021	(696,900)	-0.004%
20-Sep-19	58.2011	58.3167	(797,640)	-0.004%
23-Sep-19	58.2011	58.3606	(1,100,550)	-0.006%
24-Sep-19	58.2011	58.3753	(1,201,980)	-0.006%
25-Sep-19	58.2011	58.3899	(1,302,720)	-0.007%
26-Sep-19	58.2011	58.4046	(1,404,150)	-0.008%
27-Sep-19	58.2011	58.4192	(1,504,890)	-0.008%
30-Sep-19	58.2011	58.4631	(1,807,800)	-0.010%
01-Oct-19	58.2011	58.4778	(1,909,230)	-0.011%
03-Oct-19	58.2011	58.5070	(2,110,710)	-0.012%
04-Oct-19	58.2011	58.5217	(2,212,140)	-0.013%
07-Oct-19	58.2011	58.5656	(2,515,050)	-0.014%
09-Oct-19	58.2011	58.5949	(2,717,220)	-0.016%
10-Oct-19	58.2011	58.6095	(2,817,960)	-0.016%
11-Oct-19	58.2011	58.6242	(29,19,390)	-0.017%

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