

In light of the current market conditions SEBI has postponed the implementation of following policy initiatives for the 2nd time

| SEBI Circular dated | Particulars | SEBI Regulations | Category Impacted | Due Date of Implementation | Extended Date as per SEBI Circular dated 23rd Mar-20 | Extended Date as per SEBI Circular dated 30th Apr-20 | Likely Impact |
|---------------------|---|--|-------------------|----------------------------|--|--|---|
| September 20, 2019 | Liquid Assets | Liquid funds shall hold at least 20% of its net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities | Liquid funds | April 01, 2020 | May 01, 2020 | June 30, 2020 | As liquid funds are mandatorily required to invest 20% (of the net assets) in liquid assets , Yield to Maturity (YTM) of the liquid funds are likely to come down , thus leading to lower returns in liquid Funds. However higher liquid assets may enable the funds to manage the liquidity in any unforeseen event. |
| September 24, 2019 | Valuation of money market and debt securities | Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices obtained from valuation agencies. | Liquid Funds | April 01, 2020 | May 01, 2020 | June 30, 2020 | Implementation of daily mark to market valuation of debt & money market instruments is likely to increase the volatility in liquid fund returns. Thus investors are advised to invest in liquid funds with an investment horizon equal to the maturity profile of the scheme. |
| October 01, 2019 | Sector level Exposure limit | The sector exposure limit has been capped at 20% as against 25% earlier. The additional exposure limits provided for HFCs in financial services sector has been capped at 10% as against 15%. | All Debt Funds | April 01, 2020 | May 01, 2020 | June 30, 2020 | Reduction in sectoral cap would reduce the concentration risk to a particular sector. |