

Frequently Asked Questions on Additional Offering Period

BHARAT 22 ETF

An open-ended Exchange Traded Fund investing in S&P BSE Bharat 22 Index

PRODUCT

1. What is the launch date of Additional Offering Period for BHARAT 22 ETF?

Additional Offering period of BHARAT 22 ETF opens and closes on February 14, 2019. Applications supported by Cheques/Demand Drafts, Transfer requests, RTGS and NEFT will be accepted till 8:00 p.m. on February 14, 2019*.

*or such other time as may be permitted under the respective modes of transactions, as applicable.

2. What is BHARAT 22 ETF?

Government of India (GOI), as part of its disinvestment programme, approved the setting up of Exchange Traded Fund (ETF) comprising shares of listed Central Public Sector Enterprises (CPSE), some of the strategic holding of Specified Undertaking of Unit Trust of India (SUUTI) and other corporate entities.

ICICI Prudential Asset Management Company Limited (ICICI Prudential AMC/the AMC) was appointed to create, launch and manage the ETF. On August 4, 2017, the Government announced a new ETF by the name "BHARAT 22 ETF" and also, announced the index for BHARAT 22 ETF. BHARAT 22 ETF will invest in the equity securities of the underlying constituent companies of "S&P BSE Bharat 22 Index" in similar composition and weightages as they appear in the said Index.

3. Where will BHARAT 22 ETF invest in?

BHARAT 22 ETF shall invest in equity securities of the underlying constituent companies of "S&P BSE Bharat 22 Index", which is also the Benchmark Index of the BHARAT 22 ETF.

4. What are the broad highlights of S&P BSE Bharat 22 Index?

There are 22 stocks under the S&P BSE Bharat 22 Index which comprises shares of Central Public Sector Enterprises (CPSE), Public Sector Banks and some of the strategic holding of Specified Undertaking of Unit Trust of India (SUUTI). S&P BSE Bharat 22 Index is well diversified index across six sectors. The stock level capping is at 15% and sector capping is at 20% applied annually at rebalancing.

To know more about the index constituents and for more details, please visit: https://www.bseindia.com/sensex/IndicesWatch_Weight.aspx?iname=BHRT22&index_Code=100#

5. Will there be separate Application form for Bharat 22 ETF Additional Offer?

Yes, there will be separate Application form for Bharat 22 ETF Additional Offer which will be available on the website of AMC.

6. Is there any discount to investors?

A 5% Discount* for all investor categories on Government disinvestment shares. The discount offered by GOI may not be a discount to the closing market price of the underlying shares of S&P Bharat 22 Index on the Additional Offering Period/ Allotment Date.

* Discount is calculated on Additional Offering Period Reference Market Price which is determined on the basis of full day volume weighted average price on the BSE during the additional offering period for each of the index constituents of the S&P BSE BHARAT 22 Index. Discount will be on shares to be disinvested by the Government of India. In the event an index constituent is purchased from open market to meet the Maximum Amount to be raised during additional offering period, no discount will be offered on such purchase of index constituent from open market. For more details refer notice available on website

7. What is the Total Expense Ratio of BHARAT 22 ETF?

Currently, the expense ratio of BHARAT 22 ETF is up to 0.0095% p.a. of daily net assets of the scheme.

Please refer to Scheme Information Document (SID) for more details.

8. Do we have Direct or Regular Plan option in BHARAT 22 ETF?

Currently, there are no separate Plans/options under BHARAT 22 ETF.

9. Will the Scheme declare dividend or it will be growth scheme?

The Scheme can declare dividend subject to availability of distributable surplus and approval from the Trustees of the Scheme.

10. What will the tax treatment be in case of short term capital gains (STCG) and long term capital gains (LTCG)?

Taxation for this ETF will be like that of equity shares or equity mutual funds. As per the prevalent tax laws, capital gains arising from investments held up to one year will be classified as STCG and will be taxed at 15%, plus surcharge and cess as applicable. Long term capital gains exceeding one lakh rupees in a financial year, arising from the transfer of units of an equity oriented fund', equity shares and units of business trust are chargeable to tax at 10 per cent plus surcharge and cess, as applicable. Investors are requested to consult their tax advisors to understand tax implications of subscribing to the units of the Scheme.

Investment Process

11. How can I make application/subscription in BHARAT 22 ETF during the Additional Offering Period?

Applicants may submit the physical application at designated Investor Service Centres of ICICI Prudential Asset Management Company Limited or Computer Age Management Services Pvt. Ltd. (CAMS).

Additionally, the below mentioned online modes will be available:

- i. ICICI Prudential AMC or ICICI Prudential Mutual Fund website
- ii. IPRUTOUCH App
- iii. NSE MFSS
- iv. BIMF (BSE IBBS PLATFORM)
- v. NMF II platform of NSE
- vi. e-ETF under web based NSE e-IPO platform
- vii. MF Utility
- viii. CAMSONLINE

12. Is there any lock-in period under BHARAT 22 ETF Additional Offering Period?

There is no lock-in period for Investors.

13. Who can apply and how much one can apply in BHARAT 22 ETF during the Additional Offering Period?

Investors who hold a demat account can apply for units of the ETF during the Additional Offer period. The different categories of investors with respective application amounts under each category is provided in the below table:

Type of Investors	Description	Investment Amount
Retail Individual Investors (RII) (Excluding Prudential Bharat 22 FOF)	Natural persons including NRI, sole proprietorship concern and HUF represented by Karta	Rs.5,000 and in multiples of Re. 1 thereafter up to Rs. 2,00,000 per investor.
Retirement Funds (RF)	Any private or public trust, or any other entity, set up with the objective of making investments for the benefit of retirement or social security benefits for employees or workmen in the private or public sector and includes pension funds, gratuity funds, provident funds, annuity funds, deposit-linked insurance funds or superannuation funds, whether regulated by any authority or not.	Rs. 2,00,001 and in multiples of Re.1 thereafter.
Other than Retail Individual Investors and Retirement Funds	All investors who are neither Retail Individual Investors nor Retirement Funds.	

14. Can I submit multiple applications?

An Investor ideally should submit one application. If multiple applications are submitted by an investor/ investor(s) (with different holding pattern) the applications will be clubbed on first/ sole holder PAN for determining investor category (i.e. Retail Individual). E.g. an Individual Investor A, submits two applications of Rs.1,50,000 each with two different demat accounts with holding pattern as A,B and A,C,B. The total application under Investor A's PAN will be considered as Rs. 3,00,000, thus he will be categorized as "Other than Retail Individual Investor and Retirement Funds" will not receive the allotment under Retail Individual Investor category.

15. Do I need to pay any transaction charges to the distributor through whom I am applying in the Additional Offering Period?

In case the Distributor has 'opted in' to receive Transaction Charges, Rs 150 (new investor in mutual fund) & Rs 100 (existing investor) will be deducted if the Subscription amount is Rs.10,000 & above.

Further note that transaction charges will be applicable for transactions routed from Physical, ICICI Prudential MF Online portal, Channel Partners and stock exchange platforms through ARN-Holders (Mutual fund distributors) if the distributor is in 'Opt in' list and Transaction charges will not be applicable for transactions routed from stock exchange platforms routed through stock brokers even if the broker is in 'Opt in' list.

16. Can I register nominee for this investment?

Mode of holding for BHARAT 22 ETF is compulsorily dematerialized. The allotment will happen in demat mode. Hence, the nomination details registered in your demat account will be applicable to this investment.

17. Will there be any Folio No. for future reference?

Since the ETF units are compulsorily held in Demat mode and ongoing transactions happen through Secondary market, there will be no MF Folio number. For all future queries on allotment, applicants need to refer the Demat account number and 1st/ Sole Holder's PAN which were used in the Additional Offering Period.

18. I don't have a demat account, but I want to apply for this ETF. Is it mandatory to have a demat account to apply for this Additional Offering Period? Can I apply for it like I apply for any other mutual fund?

Demat account is mandatory to apply for this ETF.

19. Is it mandatory to apply only through cheque and not ASBA?

ASBA facility is not available. You can submit Cheques /Demand drafts, Transfer requests/ RTGS and NEFT along with the application form or invest online through your broker's trading platform to apply for this ETF.

ALLOTMENT PROCESS

20. What is the issue size during the Additional Offering Period?

An 'Initial Amount' of Rs. 3500 crores plus an "Additional Amount" - The AMC, on the instruction of the Seller/The Government of India, shall notify the Additional Amount to the investors vide public notification/addendum post closure of Additional Offering Period.

21. Will the Allotment be on First Come First Serve basis?

Allotment will be made on a proportionate basis and not on a first-come first-served basis.

22. When will the units be allotted?

For all successful applications, the units will be allotted within 5 business/working days from the closure of the Additional Offering Period. Allotment advices will be processed after the allotment is completed. Allotment will be made in whole units only. The fractional unit payment would be made to client's bank account registered with DP.

23. How and when will I receive allotment intimation?

Post allotment of units, allotment intimation through SMS/email will be sent on the applicant's registered mobile number/email id. Investors where mobile number/email id isn't available, an allotment advice in physical form shall be sent to the applicant's registered mailing address. All communication will be sent as per the data received from the respective Depositories.

24. What is the principle of allocation to all categories of investors?

The maximum amount to be raised by BHARAT 22 ETF during Additional Offering Period shall be allocated in the following manner.

- **Retail Individual Investors (Excluding ICICI Prudential Bharat 22 FOF):** 34% of 'Maximum Amount to be raised.
- **Retirement Funds:** 33% of 'Maximum Amount to be raised.
- **Other than Retail Individual Investors and Retirement Funds:** 33% of 'Maximum Amount to be raised.

Maximum amount to be raised shall be an Initial amount of INR 3,500 crores plus an "Additional Amount" (The AMC shall on the instruction of the Seller/The Government of India, shall notify the Additional Amount to the investors vide public notification/addendum post closure of Additional Offering Period). **Please refer the notice available on website of AMC i.e. www.icicipruamc.com**

25. What will happen if one of the investor category is under/oversubscribed during the Additional Offering Period?

- In case of oversubscription in all the above investor categories/ sub-categories, units shall be allotted in proportion to the amount of applications received.
- In case of under subscription in all the above investor categories/ sub-categories, all the units applied by investors shall be allotted.
- In case of under subscription in one or more of the investor categories/ sub-categories, the undersubscribed portion will be allowed to be met with spill over from the below mentioned categories/ sub-categories in the following order of preference.
 - Firstly, to Retail Individual Investors
 - Then, to Retirement Funds
 - Lastly, to Other than Retail Individual Investors and Retirement Funds

The illustration of the same is highlighted below:

Category	% Allocation	Max. amount to be allocated	Scenario 1 - Under subscription in all investors categories		Scenario 2 - Under subscription in Retail Individual Investors category and oversubscribed in RF and Other		Scenario 3 - Under subscription in Retirement Fund category		Scenario 4 - Under subscription in Others than Retail Individual Investors and Retirement Funds category	
			Subs. Amt.	Amt. Allocated	Subs. Amt.	Amt. Allocated	Subs. Amt.	Amt. Allocated	Subs. Amt.	Amt. Allocated
Retail Individual Investors	34%	1,190	1156	1156	1000	1,000	1200	1,200	1500	1,500
Retirement Funds	33%	1,155	1122	1122	1200	1,200	1000	1000	1400	1,300
Others than Retail Individual Investors and Retirement Funds	33%	1,155	1122	1122	1400	1,300	1400	1,300	700	700
Total	100%	3,500	3400	3400	3600	3,500	3600	3500	3600	3500

26. How Allotment price will be calculated?

The Allotment Price in the Additional Offering Period will be arrived at as follows:

The Scheme will endeavor to invest the Additional Offering Period proceeds in the underlying Shares on or before the Additional Offering Allotment Date.

Note: The Additional Offering Period proceeds would be invested post adjusting discount, if any, offered by the Seller to the Scheme for buying the underlying shares. No discount will be offered on such purchase of index constituent from open market. For more details refer notice available on website

After investment, the Scheme will determine the allotment price as follows:

Additional Offering Allotment Price =

Amount collected in the Additional Offering Period – Refund on account of application rejections, if any

Net Assets in the Scheme on 1 Working Day prior to the Additional Offering allotment date collected from Additional Offering / NAV of the Scheme on 1 Working Day prior to the Additional Offering Allotment Date

LISTING PROCESS

27. When and where will the ETF units trade post allotment?

The units will be listed on BSE & NSE within 5 working days from the allotment date. Post listing of these units, trading happens on the exchange similar to any other listed securities.

REFUND PROCESS

28. To which bank account will the refund be credited?

For all successful applications, the refund (if any) will be credited to the investors' bank account as registered in his demat account. For Invalid applications, the refund may be processed to bank account mentioned in the application form/source bank account from where the cheque was issued.

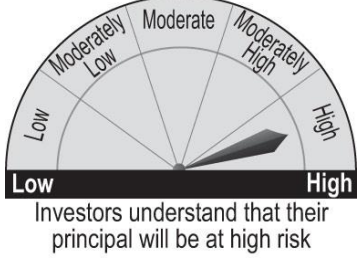
29. When can we expect the refund amount?

Refunds will be processed within 5 business days from the date of allotment.

Index Constituents

S.No.	Index Constituents	Weightage
1	Axis Bank Ltd	12.21%
2	Bank of Baroda	0.98%
3	Bharat Electronics Ltd	1.66%
4	Bharat Petroleum Corp Ltd	3.28%
5	Coal India Ltd	3.67%
6	Engineers India Ltd	0.78%
7	Gail India Ltd	4.52%
8	ITC Ltd	16.38%
9	Indian Bank	0.18%
10	Indian Oil Corp Ltd	3.57%
11	Larsen & Toubro Ltd	15.89%
12	NBCC (India) Ltd	0.68%
13	NHPC Ltd	0.85%
14	NLC India Ltd	0.11%
15	NTPC Ltd	6.80%
16	National Aluminium Co Ltd	4.83%
17	Oil & Natural Gas Corp Ltd	5.00%
18	Power Finance Corp Ltd	0.83%
19	Power Grid Corp of India Ltd	6.66%
20	REC Ltd	0.90%
21	SJVN Ltd	0.16%
22	State Bank of India	9.94%

Data as on January 31, 2019. Source: Asia Index Pvt Ltd. (AIPL).

This Product is suitable for investors who are seeking*:	Riskometer
<ul style="list-style-type: none"> • Long term wealth creation • An Exchange Traded Fund that aims to provide returns that closely correspond to the returns provided by S&P BSE Bharat 22 Index, subject to tracking error. 	 <p>Investors understand that their principal will be at high risk</p>
<p>*Investors should consult their financial advisers if in doubt about whether the product is' suitable for them.</p>	

For more information, visit www.iciciprumpf.com or please refer the Scheme Information Document. The Information contained herein should not be construed as a forecast or promise nor should it be considered as an investment advice.

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.