

APRIL 2011



*when you have it, regularly. Over time your average cost of acquisition will be much lower than its present market value and with a lot of patience you can make a tidy nest egg.*

- *Of equity investing, index funds offer a feasible option, because there is no fund management judgment in the stock selection nor in making cash calls. Once you have chosen to invest in equity the mutual fund must respect your choice and invest in equity.*
- *Index funds are the best for a long term investor, since in the long term people move and change, but the index is maintained by the exchange, dynamically to contain the most representative stocks in the market.*

## *Dear Investors,*

We have come to the end of yet another financial year. FY2011 was exciting in many ways. Firstly, one was expecting it to be a rocking year in the stock market, taking off from the excellent returns that one got in FY2010. People were talking about crossing the 21,000 Sensex and of India as the only haven for investments in an uncertain world. The Coal India IPO attracted record subscriptions from India and abroad. Then just as we waited with bated breath for new highs, the market did what it always does: it belied the soothsayers and forecasters.

For various reasons the market chose to correct sharply and none of the reasons could have been predicted anyway – a runaway food price inflation, rising interest rates, certain political

developments, international events in the middle east and improvement in economic conditions in Europe and USA, drew money away from the Indian markets and as a result the markets became range bound and moody. The Union Budget was good and yet the market seemed lackluster.....till the last days of March saw the indices shaking themselves awake and galloping off once again.

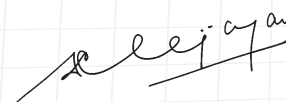
Late in FY2010 and all through FY2011, we have been saying that market predictions are on par with the astrology charts i.e. scientific but unreliable, and advocating systematic investing in equity index funds for 3 simple reasons:

- *No one can predict the markets in the short term, and so it's a waste of time doing it. The only way to make money on your equity investments is to put money*

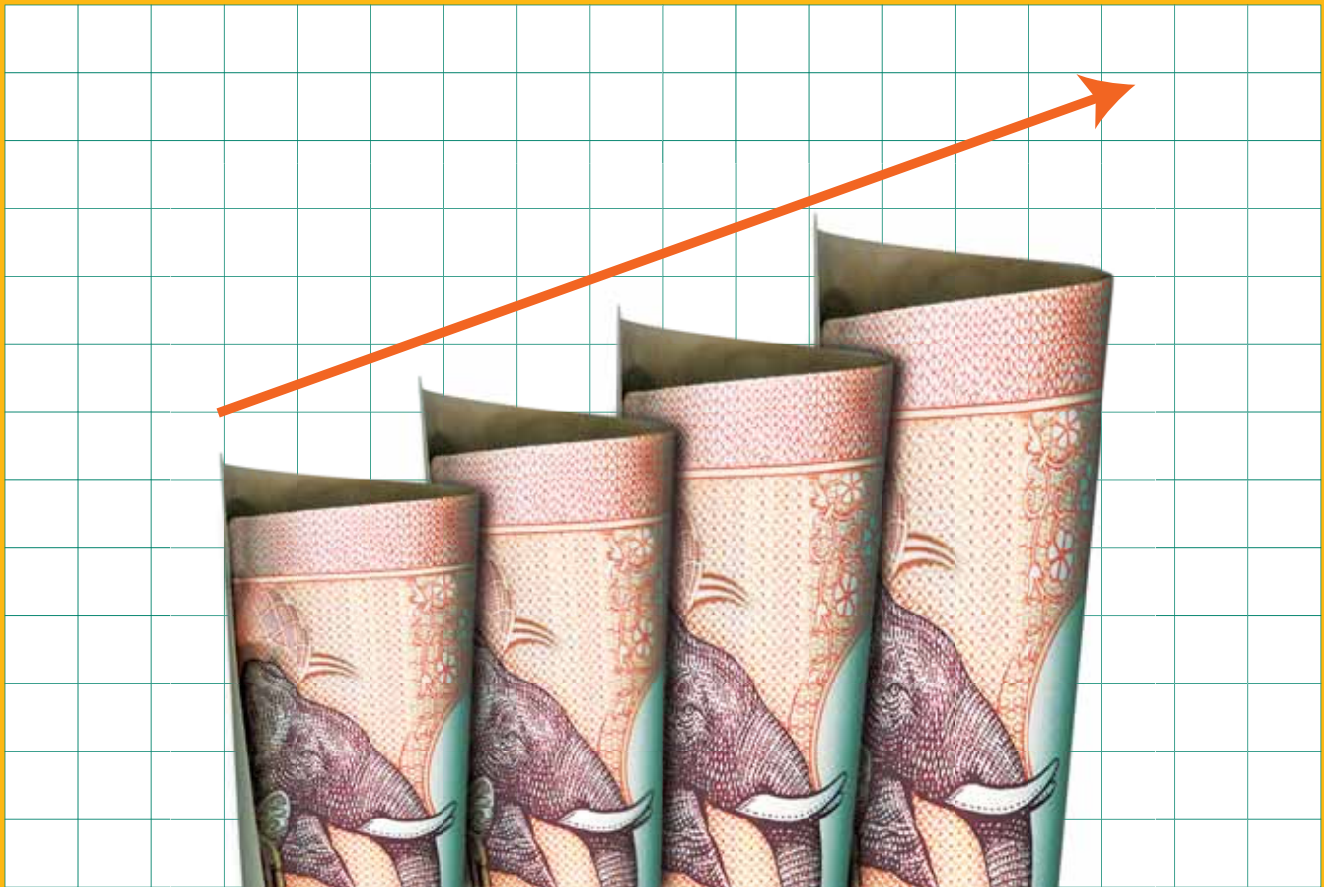
Our views have not changed during the last dip and we have strongly advocated that people accumulate the index while it is low – after all you can't get a low average price by investing only when the market is "looking good".

I do look forward to FY2011 and the opportunities that it shall bring to us; after all we are in the most exciting country in the world, in the country with the best growth story. What more can anyone want?

*Happy investing and warm regards*



**Krishnamurthy Vijayan**  
MD & Chief Executive Officer



# Save regularly to build wealth

## Presenting **IDBI Nifty Index Fund** Systematic Investment Plan

The easy way to build wealth is to save small amounts regularly. A systematic approach to investing and building wealth, the IDBI Nifty Index Fund SIP offers the twin benefit of a SIP and an Index Fund. Firstly, it takes the guesswork

out of investing. Add to this the fact that it is a SIP and you automatically benefit from the principle of Rupee Cost Averaging.

Invest in the IDBI Nifty Index Fund SIP and start building wealth steadily.



Index Investing. Sensible Investing

To invest SMS 'IDBIMF' to 09220092200 • Tollfree: 1800-22-4324 • e-mail: [contactus@idbimutual.co.in](mailto:contactus@idbimutual.co.in) • website: [www.idbimutual.co.in](http://www.idbimutual.co.in)



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## Equity Market Overview

### Some Key Events in March 2011 and their implications

**Inflation check:** According to the Central Statistical Organization (CSO), WPI inflation climbed up marginally to 8.3% in February 2011, vs. 8.2% in the previous month, due to an increase in inflation in manufactured products (65% weightage) from 3.8% in January 2011 to 4.9% in February 2011. Inflation in primary articles was lower at 14.8% from 17.3% in the previous month, owing to lower food inflation at 10.7% in February 2011. Fuel index went up marginally to 11.5% in February 2011 from 11.4% in January 2011.

**Index of Industrial Production (IIP):** IP index registered a growth of 3.7% Y-o-Y in January 2011 from 1.6 % in December 2010. The growth is above the consensus expectation of 2.7%. Manufacturing growth continued the low trend and grew 3.3% Y-o-Y in January 2011 and dragged the overall index down. The month of January also saw capital goods recording negative growth of 18.6% on the back of 85% growth rate of last year.

**Earthquake and Tsunami in Japan:** Japan, the world's third largest economy, has suffered one of the worst earthquakes followed by a tsunami. The 8.9 magnitude earthquake triggered a devastating tsunami, wreaking havoc in certain areas in North Japan, which represents 2% of the nation's economy. Over 10,000 people are supposedly killed and many others injured. The economic loss for the country is expected to be around \$200-300 bn which is about 5% of the country's GDP. Japan contributes 8.7% to the global GDP, with total trade to the tune of US\$27,563bn. Its total trade to India is US\$464bn.

**Interest Rate Hike:** RBI has made a hike of 25bps in both repo and reverse repo rates to 6.75% and 5.75% respectively and has left CRR and SLR unchanged in wake of deficient liquidity. The move was in line with the consensus view. Also,

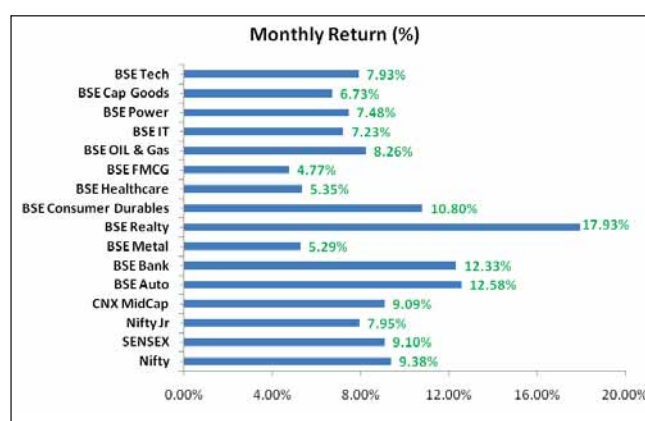
RBI has revised the WPI inflation forecast for the year end to ~8%. This upward revision comes on the indicating stickiness in demand-side inflation.

### Market Summary

Indian equities rallied sharply during March 2011 buoyed by Budget 2011 which tried to strike a balance between growth and inflation. However, the earthquake in Japan and the unrest in Middle East kept the sentiments a little nervous. But market recovered during later half of the month, after the realization that Japanese disaster has limited impact on the Indian economy. To sum it up, the market ended the month with a gain of 9.38% in terms of S&P CNX Nifty Index of NSE.

In the sectoral space, all the sectoral indices were in the green with BSE Realty, BSE Auto and BSE Bank being the major gainers.

A much needed respite for the Realty sector this month as it ended the last two months losing streak and ended the month ~18% higher.



Source : Bloomberg

## Fixed Income Overview

The single event which overshadowed all others this month was the tragedy in Japan which caused unimaginable loss of life and property. Ironical as it may seem, many believe that the resulting rebuilding and reparation may work as a shot in the arm for the export-based but consumption-starved Japanese economy. The Yen was extremely volatile amidst expectations of repatriation of foreign investment by Japanese corporate on one hand, and intervention by Bank of Japan to shield exports.

Meanwhile, the US recovery still seems fragile with no clear macro-indications on consumption and credit growth, as significant erosion of personal wealth during the financial crisis, and high personal leverage continue to dissuade pervasive spending. Quantitative Easing is making little impact as much of the excess liquidity has been deployed in commodities and emerging markets.

Inflation continued to play spoil sport, not just domestically but also in many other emerging economies, as crude and other commodity prices rallied further. China raised reserve requirement by 50 bps to a record 20% for major banks and 16.5% for smaller banks, to combat rising inflation and commodity speculation. The situation in North Africa continued to be unstable with Allied Forces entering the fray.

Domestically, liquidity tightened in March on the back of advance tax outflows and aggressive lending by banks towards the year-end. Yields on 3-month

Certificates of Deposits (CD's) peaked at 10.15-10.20% during the first fortnight and rallied to 9.50% due to expectation of a relatively liquid first quarter of the fiscal 2011-12. 1-year CD's followed suit, peaking at 10.25%, and rallying to 9.75%. Benchmark 10-year G-sec yields were range-bound between 7.93% and 8.00% month, closing the month at 7.98%.

WPI for February marginally rose to 8.31% (YoY) from 8.23% in January. However, weekly food inflation fell further to 9.50% for the week ended March 19, from 11.49% for the week ended February 12, due to sharp decline in prices of vegetables, pulses and other protein-based foods. The fuel and power index rose to 13.13% from 12.14% mainly due to rise in prices of Aviation Turbine Fuel. Primary articles' inflation also fell to 12.98% v/s 14.59%, on the back of receding food prices.

IIP growth for January was weak at 3.7% YoY, but improved from a dismal 1.6% last month, against 2.7% growth in October, mainly due to capital goods degrowth of 18.6%.

Source : Bloomberg News, IDBI Asset Management Ltd. - Internal Research



# IDBI Nifty Index Fund

(An open-ended passively managed equity scheme tracking the S&P CNX Nifty Index [Total Returns Index])

## Scheme Features

### Investment objective:

The investment objective of the scheme is to invest only in and all the stocks comprising the S&P CNX Nifty Index in the same weights of these stocks as in the Index with the objective to replicate the performance of the Total Returns Index of S&P CNX Nifty index. The scheme may also invest in derivatives instruments such as Futures and Options linked to stocks comprising the Index or linked to the S&P CNX Nifty index. The scheme will adopt a passive investment strategy and will seek to achieve the investment objective by minimizing the tracking error between the S&P CNX Nifty index (Total Returns Index) and the Scheme.

### Benchmark:

S&P CNX Nifty Index (Total Returns Index)

### Fund Manager:

Mr. Gautam Kaul

### Inception Date:

25th June, 2010

### NAV (as on 31st March 2011):

Growth: ₹ 10.9998

Dividend: ₹ 10.4907

### Plans:

- Growth Plan
- Dividend Plan
  - Reinvestment
  - Payout

### Asset Allocation Pattern:

Instrument	Indicative allocation (% of total assets)		Risk Profile
	Min.	Max.	
Stocks in the S&P CNX Nifty Index and derivative instruments linked to the S&P CNX Nifty Index	95%	100%	Medium to High
Cash and Money Market Instruments including money at call but excluding Subscription and Redemption Cash Flow	0%	5%	Low to Medium

### Application Amount:

New Purchase – ₹ 5000/- and in multiples of ₹ 1/- thereafter

### Min. Addl. Investment:

₹ 1000/- and in multiples of ₹ 1/- thereafter

### Load Structure:

Entry Load: Nil.

### Exit Load:

1% for exit (repurchase / switch-out / SWP), on or before 1 year from the date of allotment.

### For SIP

1% of Exit (repurchase / switch-out), on or before 1 year from the date of allotment of each installment.

### SIP:

#### Monthly Option:

₹ 500 per month for a minimum period of 12 months or ₹ 1,000 per month for a minimum period of six months.

#### Quarterly Option:

₹ 1,500 per quarter for a minimum period of 4 quarters.

### SWP:

Minimum balance in the Scheme should be ₹ 25,000 at the time of enrollment for SWP. Minimum amount for each withdrawal should be ₹ 1,000 and in multiples of ₹ 1 thereafter for a minimum period of 6 months.

### STP:

Available

## Portfolio as on 31/03/2011

Security Name	% To Net Assets*	Security Name	% To Net Assets*
<b>EQUITY</b>			
ACC Ltd.	0.59%	Maruti Suzuki India Ltd.	0.95%
Ambuja Cements Ltd.	0.69%	NTPC Ltd.	1.40%
Axis Bank Ltd.	2.05%	Oil & Natural Gas Corpn Ltd.	2.24%
Bajaj Auto Ltd.	1.13%	Power Grid Corporation of India Ltd.	0.81%
Bharat Heavy Electricals Ltd.	1.86%	Punjab National Bank Ltd.	0.92%
Bharat Petroleum Ltd.	0.45%	Ranbaxy Laboratories Ltd.	0.39%
Bharti Airtel Ltd.	2.45%	Reliance Capital Ltd.	0.38%
Cairn India Ltd.	0.86%	Reliance Communications Ltd.	0.41%
CIPLA Ltd.	0.93%	Reliance Industries Ltd.	10.10%
DLF Ltd.	0.56%	Reliance Infrastructure Ltd.	0.55%
Dr. Reddy's Laboratories Ltd.	1.18%	Reliance Power Ltd.	0.41%
Gas Authority of India Ltd.	1.19%	Sesa Goa Ltd.	0.63%
Grasim Industries Ltd.	0.89%	Siemens Ltd.	0.76%
HCL Technologies Ltd.	0.65%	State Bank of India Ltd.	4.07%
HDFC Bank Ltd.	4.75%	Steel Authority of India Ltd.	0.57%
HDFC Ltd.	5.17%	Sterlite Industries ( India ) Ltd.	1.41%
Hero Honda Motors Ltd.	0.86%	Sun Pharmaceuticals Industries Ltd.	0.94%
Hindalco Industries Ltd.	1.54%	Tata Consultancy Services Ltd.	3.42%
Hindustan Unilever Ltd.	1.70%	Tata Motors Ltd.	2.48%
ICICI Bank Ltd.	7.30%	Tata Power Company Ltd.	1.23%
Infosys Technologies Ltd.	8.90%	Tata Steel Ltd.	2.32%
Infrastructure Development Finance Co. Ltd.	0.94%	Wipro Ltd.	1.39%
ITC Ltd.	5.49%	<b>Equity Total</b>	<b>99.87%</b>
Jaiprakash Associates Ltd.	0.61%	<b>BONDS/DEBENTURES</b>	
Jindal Steel & Power Ltd.	1.54%	Dr. Reddy's Laboratories Ltd.** (LAA+)	0.02%
Kotak Mahindra Bank Ltd.	0.92%	Cash Receivables	0.11%
Larsen & Toubro Ltd.	5.01%	<b>Total</b>	<b>100.00%</b>
Mahindra & Mahindra Ltd.	1.89%		

\* Rounded off to the nearest two digits after the decimal point.

\*\* Due to corporate action on shares of Dr. Reddy's Laboratories Ltd.

## Fund Features

Average AUM for the qtr. ended March 2011 : ₹ 135.95 Crs.

## Scheme Performance as on 31/03/2011 (in %)

Scheme Name	1 Month	3 Months	6 Months	Since Inception (25-Jun-2010)
IDBI Nifty Index Fund (Growth)	9.25	-5.27	-3.99	10.00
S&P Nifty Index - TRI	9.43	-4.81	-3.01	11.37

Source: Accord Fintech

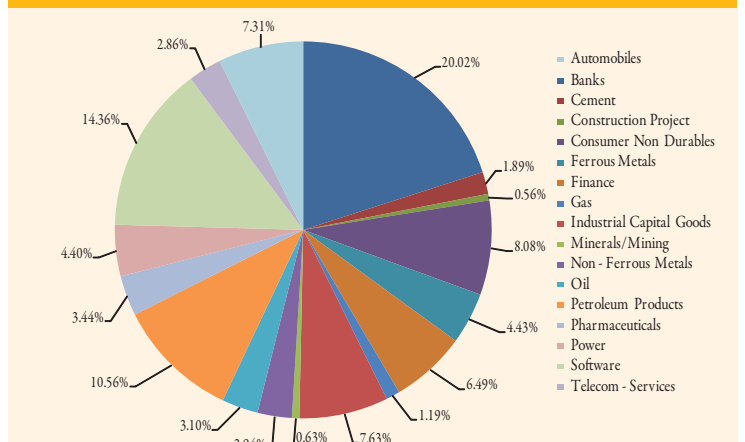
Disclaimer: Returns are of growth plan. Past Performance may or may not be sustained in the future.

## Dividend History

Date	Rate	Cum Dividend NAV (in ₹)	Ex Dividend NAV (in ₹)
<b>IDBI Nifty Index Fund - Dividend</b>			
15th Oct 2010	0.4000	11.5740	10.9628
1st Sept 2010	0.1200	10.2883	10.2886

Past performance may or may not be sustained in the future. After the payment of dividend, the per unit NAV falls to the extent of the dividend payout and distribution taxes, if any.

## Sector Classification



# IDBI Nifty Junior Index Fund

(An open-ended passively managed equity scheme tracking the CNX Nifty Junior Index (Total Returns Index))

## Scheme Features

### Investment objective:

The investment objective of the scheme is to invest only in and all the stocks comprising the CNX Nifty Junior Index in the same weights of these stocks as in the Index with the objective to replicate the performance of the Total Returns Index of CNX Nifty Junior Index. The scheme may also invest in derivatives instruments such as Futures and Options linked to stocks comprising the Index or linked to the CNX Nifty Junior Index as and when the derivative products on the same are made available. The scheme will adopt a passive investment strategy and will seek to achieve the investment objective by minimizing the tracking error between the CNX Nifty Junior Index (Total Returns Index) and the Scheme.

### Benchmark:

CNX Nifty Junior Index (Total Returns Index)

### Fund Manager:

Mr. Gautam Kaul

### Inception Date:

20th September, 2010

### NAV (as on 31st March 2011):

Growth: ₹ 8.8372

Dividend: ₹ 8.8372

### Plans:

- Growth Plan
- Dividend Plan
  - Reinvestment
  - Payout

### Asset Allocation Pattern:

Instrument	Indicative allocation (% of total assets)		Risk Profile
	Min.	Max.	
Stocks in the CNX Nifty Junior Index and derivative instruments linked to the CNX Nifty Junior Index as and when the derivative products are made available on the same	95%	100%	Medium to High
Cash and Money Market Instruments including money at call but excluding Subscription and Redemption Cash Flow	0%	5%	Low to Medium

### Application Amount:

New Purchase – ₹ 5000/- and in multiples of ₹ 1/- thereafter

### Min. Addl. Investment:

₹ 1000/- and in multiples of ₹ 1/- thereafter

### Load Structure:

Entry Load: Nil.

Exit Load:

1% for exit (repurchase/switch-out/SWP/STP) on or before 1 year from the date of allotment.

For SIP

1% for exit(repurchase/switch-out/SWP/STP) on or before 1 year from the date of allotment of each installment.

### SIP:

#### Monthly Option:

₹ 500 per month for a minimum period of 12 months or ₹ 1,000 per month for a minimum period of six months.

#### Quarterly Option:

₹ 1,500 per quarter for a minimum period of 4 quarters.

### SWP:

Minimum balance in the Scheme should be ₹ 25,000 at the time of enrollment for SWP. Minimum amount for each withdrawal should be ₹ 1,000 and in multiples of ₹ 1 thereafter for a minimum period of 6 months.

### STP:

Available

## Portfolio as on 31/03/2011

Security Name	% To Net Assets*	Security Name	% To Net Assets*
<b>EQUITY</b>			
Adani Enterprises Ltd.	5.26%	JSW Steel Ltd.	3.06%
Aditya Birla Nuvo Ltd.	1.42%	LIC Housing Finance Ltd.	2.13%
Andhra Bank Ltd.	1.11%	Lupin Ltd.	3.10%
Ashok Leyland Ltd.	1.16%	Mphasis Ltd.	0.95%
Asian Paints Ltd.	3.70%	Mundra Port and Special Economic Zone Ltd.	1.92%
Bank of Baroda Ltd.	5.11%	Oracle Financial Services Software Ltd.	1.02%
Bank of India Ltd.	2.80%	Patni Computer Systems Ltd.	0.73%
Bharat Electronics Ltd.	1.02%	Power Finance Corporation Ltd.	0.92%
Bharat Forge Ltd.	1.47%	Punj Lloyd Ltd.	0.42%
Biocon Ltd.	0.75%	Rural Electrification Corporation Ltd.	2.62%
Canara Bank Ltd.	2.84%	Shriram Transport Finance Company Ltd.	3.32%
Colgate Palmolive (India) Ltd.	1.70%	Syndicate Bank Ltd.	0.67%
Container Corporation of India Ltd.	1.80%	Tata Chemicals Ltd.	1.89%
Crompton Greaves Ltd.	3.26%	Tech Mahindra Ltd.	0.73%
Cummins India Ltd.	2.12%	The Federal Bank Ltd.	2.24%
Exide Industries Ltd.	2.06%	The Indian Hotels Co. Ltd.	1.32%
Glaxosmithkline Pharmaceuticals Ltd.	2.72%	Titan Industries Ltd.	2.51%
Glenmark Pharmaceuticals Ltd.	1.24%	Torrent Power Ltd.	1.33%
GMR Infrastructure Ltd.	1.45%	UltraTech Cement Ltd.	3.48%
Hindustan Petroleum Corporation Ltd.	1.84%	Union Bank of India Ltd.	2.47%
Housing Development and Infrastructure Ltd.	1.34%	United Phosphorus Ltd.	1.60%
IDBI Bank Ltd.	1.54%	United Spirits Ltd.	2.79%
Indiabulls Real Estate Ltd.	1.21%	Yes Bank Ltd.	2.31%
Indian Overseas Bank Ltd.	0.96%	Zee Entertainment Enterprises Ltd.	2.19%
IndusInd Bank Ltd.	2.87%	<b>Equity Total</b>	<b>99.57%</b>
Industrial Finance Corporation Ltd.	1.12%	Cash Receivables	0.43%
		<b>Total</b>	<b>100.00%</b>

\* Rounded off to the nearest two digits after the decimal point.

## Fund Features

Average AUM for the qtr. ended March 2011 : ₹ 46.88 Crs.

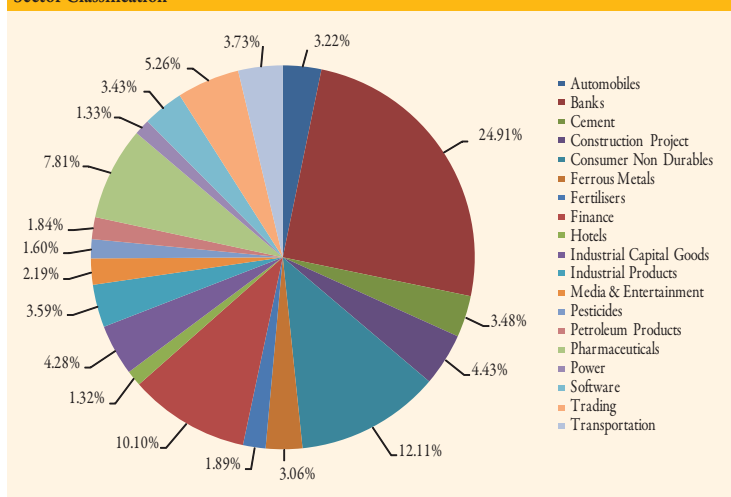
## Scheme Performance as on 31/03/2011 (in %)

Scheme Name	1 Month	3 Months	6 Months	Since Inception (20-Sept-2010)
IDBI Nifty Junior Index (G)*	7.57	-8.08	-10.93	-11.63
CNX Nifty Junior-TRI	8.13	-7.54	-10.10	-10.88

\*Source: Accord Fintech

Disclaimer: Returns are of growth plan. Past Performance may or may not be sustained in the future.

## Sector Classification



**Scheme Features**
**Investment objective:**

The investment objective of the Scheme will be to provide investors with high level of liquidity along with regular income for their investment. The Scheme will endeavour to achieve this objective through an allocation of the investment corpus in a low risk portfolio of money market and debt instruments.

**Benchmark:**

CRISIL Liquid Fund Index

**Fund Manager:**

Mr. Gautam Kaul

**Inception Date:**

9th July, 2010

**NAV (as on 31st March 2011):**

Growth	₹ 1052.0836
Daily Dividend	₹ 1000.0000
Weekly Dividend	₹ 1001.2610
Monthly Dividend	₹ 1001.5540

**Plans:**

- Growth Option
- Dividend Option
  - Daily Dividend
  - Weekly Dividend
  - Monthly Dividend

**Asset Allocation Pattern:**

Instrument	Indicative allocation (% of total assets)		Risk Profile
	Min.	Max.	
Money market instruments with maturity/residual maturity up to 91 days	50%	100%	Low
Debt instruments (including floating rate debt instruments and securitized debt)* with maturity/residual maturity/interest rate resets up to 91 days	0%	50%	Low to Medium

\* Investment is securitized debt not to exceed 50% of the net assets of the Scheme. Investment in Derivatives will be up to 50% of the net assets of the Scheme. The Scheme does not propose to invest in foreign securities.

**Application Amount:**

New Purchase - ₹ 5000/- and in multiples of ₹ 1/- thereafter

**Min. Addl. Investment:**

₹ 1000/- and in multiples of ₹ 1/- thereafter

**Load Structure:**

Entry Load: Not Applicable

Exit Load : Nil

**SIP:**
**Monthly Option:**

₹ 500 per month for a minimum period of 12 months or

₹ 1,000 per month for a minimum period of 6 months

**Quarterly Option:**

₹ 1,500 per quarter for a minimum period of 4 quarters with additional investment thereafter..

**SWP:**

Minimum balance in the Scheme should be ₹ 25,000 at the time of enrollment for SWP. Minimum amount for each withdrawal should be ₹ 1,000 and in multiples of ₹ 1 thereafter for a minimum period of 6 months.

**STP:**

Available

**Portfolio as on 31/03/2011**

Security Name	Rating	% To Net Assets*	Security Name	Rating	% To Net Assets*
<b>CERTIFICATES OF DEPOSIT</b>			Canara Bank	PR1+	3.27%
Oriental Bank of Commerce	P1+	13.01%	Bank of Maharashtra	P1+	3.26%
Punjab National Bank	PR1+	9.82%	Andhra Bank Ltd.	PR1+	1.64%
Central Bank of India	PR1+	9.81%	Central Bank of India	P1+	0.33%
UCO Bank	P1+	9.79%	<b>COMMERCIAL PAPERS</b>		
Canara Bank	P1+	6.92%	JM Financial Services Pvt. Ltd	P1+	2.93%
Allahabad Bank Ltd	P1+	6.83%	Tata Motors Finance	A1+	1.32%
HDFC Bank Ltd	PR1+	6.51%	Birla TMT Holdings Pvt Ltd	P1+	1.30%
Bank of India	P1+	6.50%	HCL Infosystems Ltd.	A1+	0.66%
Corporation Bank	P1+	4.91%	Cash "n" Call Assets & Receivables		4.68%
Allahabad Bank Ltd	A1+	3.27%	<b>TOTAL</b>		<b>100.00%</b>
Indian Overseas Bank	P1+	3.27%			

\* Rounded off to the nearest two digits after the decimal point.

YTM : 9.69% Average Maturity : 67.34 days Modified Duration : 67.34 days

Average AUM for the qtr. ended March 2011 : ₹ 2365.38 Crs

**Scheme Performance as on 31/03/2011 (in %)**

Scheme Name	1 Week	2 Week	1 Month	3 Months	6 Months	Since Inception (9-July-2010)
IDBI Liquid Fund (G)	9.44	8.93	8.48	8.14	7.66	7.17
Crisil Liquid Fund Index	8.69	8.42	8.39	7.96	7.43	6.93

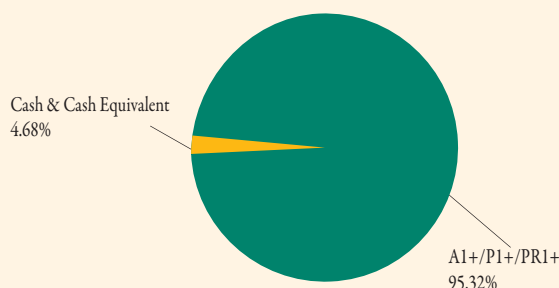
Source: Accord Fintech

Disclaimer: Returns are of growth plan. Past Performance may or may not be sustained in the future.

**Dividend History**

Date	Rate	Cum Dividend NAV* (in ₹)	Ex Dividend NAV (in ₹)
<b>IDBI Liquid Fund - Weekly Dividend</b>			
27th March 2011	1.3213	1001.3936	1000.2200
20th March 2011	1.2635	1001.3705	1000.2200
13th March 2011	1.2100	1001.3189	1000.2200
6th March 2011	1.1855	1001.3115	1000.2200
27th Feb 2011	1.1926	1001.3119	1000.2200
20th Feb 2011	1.1901	1001.3091	1000.2200
13th Feb 2011	0.0118	10.0131	10.0022
6th Feb 2011	0.0117	10.0130	10.0022
<b>IDBI Liquid Fund - Monthly Dividend</b>			
25th March 2011	4.9250	1006.0305	1000.0000
25th Feb 2011	5.2520	1006.4755	1000.0000

Past performance may or may not be sustained in the future. After the payment of dividend, the per unit NAV falls to the extent of the dividend payout and distribution taxes, if any. \* NAV of the previous business day.

**Asset Profile**


\* For rating disclaimers, please refer to page 11

**Scheme Features**
**Investment objective:**

The objective of the Scheme will be to provide investors with regular income for their investment. The Scheme will endeavour to achieve this objective through an allocation of the investment corpus in a diversified portfolio of money market and debt instruments with maturity predominantly between a liquid fund and a short term fund while maintaining a portfolio risk profile similar to a liquid fund.

**Benchmark:**

CRISIL Liquid Fund Index

**Fund Manager:**

Mr. Gautam Kaul

**Inception Date:**

3rd September, 2010

**NAV (as on 31st March 2011):**

Growth	₹ 10.4516
Daily Dividend	₹ 10.0000
Weekly Dividend	₹ 10.0084
Monthly Dividend	₹ 10.0158

**Plans:**

- Growth Option
- Dividend Option
  - Daily Dividend
  - Weekly Dividend
  - Monthly Dividend

**Asset Allocation Pattern:**

Instrument	Indicative allocation (% of total assets)		Risk Profile
	Min.	Max.	
Money market instruments/debt instruments (including floating rate debt instruments and securitized debt*) with maturity/residual maturity up to 1 year (or 365 days)	80%	100%	Low to Medium
Debt instruments (including floating rate debt instruments and securitized debt*) with duration/maturity/residual maturity above 1 year	0%	20%	Medium

It is the intent of the Scheme to maintain the average maturity of the portfolio within a range of 30 days to 120 days under normal market conditions depending on the fund manager's assessment of various parameters including interest rate environment, liquidity and macro-economic factors. However, the maturity profile of the scheme can undergo a change in case the market conditions warrant and at the discretion of the fund manager.

\*Investment in Securitised Debt not to exceed 50% of the net assets of the Scheme. Investment in Derivatives will be upto 50% of the net assets of the Scheme.

**Application Amount:**

New Purchase – ₹ 5000/- and in multiples of ₹ 1/- thereafter

**Min. Addl. Investment:**

₹ 1000/- and in multiples of ₹ 1/- thereafter

**Load Structure:**

Entry Load: Not Applicable

Exit Load : Nil

**SIP:**
**Monthly Option:**

₹ 500 per month for a minimum period of 12 months or

₹ 1,000 per month for a minimum period of 6 months

**Quarterly Option:**

₹ 1,500 per quarter for a minimum period of 4 quarters.

**SWP:**

Minimum balance in the Scheme should be ₹ 25,000 at the time of enrollment for SWP. Minimum amount for each withdrawal should be ₹ 1,000 and in multiples of ₹ 1 thereafter for a minimum period of 6 months.

**STP:**

Available

**Portfolio as on 31/03/2011**

Security Name	Rating	% To Net Assets*	Security Name	Rating	% To Net Assets*
<b>CERTIFICATES OF DEPOSIT</b>			Bank of Maharashtra	P1+	12.35%
Allahabad Bank Ltd	A1+	2.48%	<b>COMMERCIAL PAPERS</b>		
Canara Bank	P1+	17.34%	Tata Motors Finance	A1+	3.24%
ING Vysya Bank Ltd.	P1+	1.42%	ICICI Securities Primary Dealership Ltd.	P1+	15.08%
Punjab National Bank	PR1+	5.73%	Cash "n" Call Assets & Receivables		3.30%
Syndicate Bank Ltd	P1+	12.36%	<b>TOTAL</b>		<b>100.00%</b>
Bank of India	P1+	26.70%			

\* Rounded off to the nearest two digits after the decimal point.

**YTM** : 9.75% **Average Maturity** : 57.57 days **Modified Duration** : 57.57 days

**Average AUM for the qtr. ended March 2011** : ₹ 826.98 Crs

**Scheme Performance as on 31/03/2011 (in %)**

Scheme Name	1 Week	2 Week	1 Month	3 Months	6 Months	Since Inception (3-Sept-2010)
IDBI Ultra Short Term Fund (G)	9.50	9.09	8.82	8.64	8.00	7.89
Crisil Liquid Fund Index	8.69	8.42	8.39	7.96	7.43	7.26

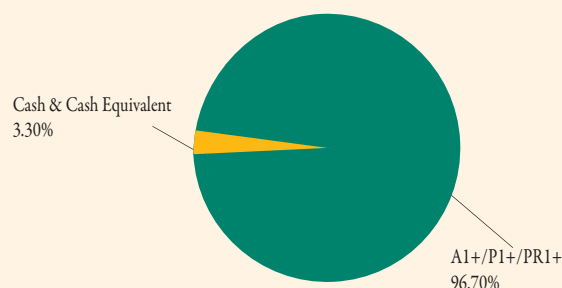
Source: Accord Fintech

Disclaimer: Returns are of growth plan. Past Performance may or may not be sustained in the future.

**Dividend History**

Date	Individual Dividend (in ₹)	Institutional Dividend (in ₹)	Cum Dividend NAV* (in ₹)	Ex Dividend NAV (in ₹)
<b>IDBI Ultra Short Term Fund - Weekly Dividend</b>				
29th March 2011	0.0148	0.0138	10.0169	10.0032
22nd March 2011	0.0148	0.0138	10.0168	10.0024
15th March 2011	0.0146	0.0136	10.0166	10.0024
8th March 2011	0.0140	0.0130	10.0159	10.0023
1st March 2011	0.0143	0.0133	10.0163	10.0023
22nd Feb 2011	0.0141	0.0132	10.0161	10.0023
15th Feb 2011	0.0141	0.0132	10.0161	10.0023
8th Feb 2011	0.0141	0.0132	10.0161	10.0023
1st Feb 2011	0.0141	0.0132	10.0161	10.0023
<b>IDBI Ultra Short Term Fund - Monthly Dividend</b>				
28th March 2011	0.0581	0.0541	10.0661	10.0074
28th Feb 2011	0.0628	0.0585	10.0715	10.0071

Past performance may or may not be sustained in the future. After the payment of dividend, the per unit NAV falls to the extent of the dividend payout and distribution taxes, if any. \* NAV of the previous business day.

**Asset Profile**


\* For rating disclaimers, please refer to page 11



# IDBI Monthly Income Plan

(An open ended Income Scheme. Monthly Income is not assured and is subject to availability of distributable surplus)

## Scheme Features

### Investment objective:

The investment objective of the scheme would be to provide regular income along with opportunities for capital appreciation through investments in a diversified basket of debt instruments, equity and money market instruments.

### Benchmark:

CRISIL MIP Blended Index

### Fund Manager:

Mr. Gautam Kaul & Mr. Syed Sagheer

### Inception Date:

7th March 2011

### NAV (as on 31st March 2011):

Growth	₹ 10.0855
Monthly Dividend	₹ 10.0855
Quarterly Dividend	₹ 10.0855

### Plans:

- Growth Option
- Dividend Option
  - Monthly Dividend
  - Quarterly Dividend

### Asset Allocation Pattern:

Instrument	Indicative allocation (% of total assets)		Risk Profile
	Min.	Max.	
Debt instruments (including floating rate debt instruments and securitized debt*) and money market instruments	80%	100%	Low to Medium
Equity and equity related instruments^	0%	20%	Medium to High

\*Investment in Securitized Debt will be only in investment grade rated papers and will not to exceed 25% of the net assets of the Scheme.

^The Scheme will invest in the equity and equity related instruments of only such companies which are the constituents of either the S&P CNX Nifty Index (Nifty 50) or the CNX Nifty Junior Indices (Nifty Junior) comprising a combined universe of 100 stocks. These two indices are collectively referred to as the CNX 100 Index. The equity portfolio will be well-diversified and actively managed to ensure the scheme's investment objectives are realized.

### Application Amount:

New Purchase – ₹ 5000/- and in multiples of ₹ 1/- thereafter

### Min. Addl. Investment:

₹ 1000/- and in multiples of ₹ 1/- thereafter

### Load Structure:

Entry Load: Nil

Exit Load:

1% for exit up to 12 months from the date of allotment.

For SIP

1% for exit up to 12 months from the date of allotment of each installment.

### SIP:

#### Monthly Option:

₹ 500 per month for a minimum period of 12 months or

₹ 1,000 per month for a minimum period of 6 months

#### Quarterly Option:

₹ 1,500 per quarter for a minimum period of 4 quarters.

### SWP:

Minimum balance in the scheme should be Rs. 25,000/- at the time of enrollment for SWP. Minimum amount for each withdrawal should be Rs. 1000/- and in multiples of Re. 1/- thereafter for a minimum period of 6 months.

### STP:

Available

## Portfolio as on 31/03/2011

Security Name	Rating	% To Net Assets*	Security Name	Rating	% To Net Assets*
CERTIFICATES OF DEPOSIT			EQUITY/EQUITY RELATED		
Bank of India	P1+	22.68%	Bharat Heavy Electricals Ltd.		0.32%
UCO Bank	PR1+	14.87%	Tata Motors Ltd.		0.19%
Axis Bank Ltd	P1+	14.79%	Infosys Technologies Ltd.		0.10%
Punjab & Sind Bank Ltd	P1+	14.19%	Oil & Natural Gas Corp Ltd.		0.04%
Canara Bank	A1+	14.18%	Cash "n" Call Assets & Receivables		4.46%
Central Bank of India	PR1+	14.17%	TOTAL		100.00%

\* Rounded off to the nearest two digits after the decimal point.

YTM (Debt Component): 9.46% Average Maturity : 218.76 days Modified Duration : 218.76 days

Average AUM for the qtr. ended March 2011 : ₹ 16.73 Crs

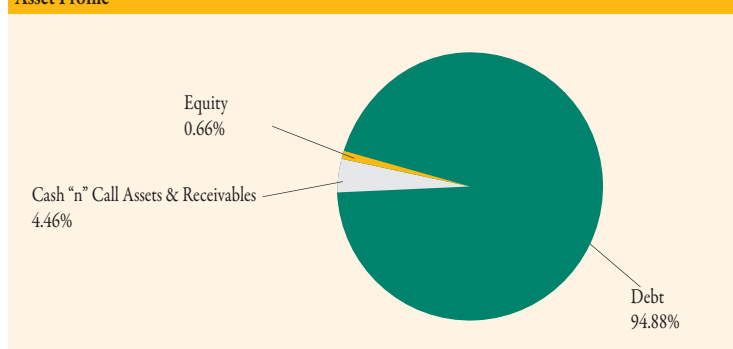
## Scheme Performance as on 31/03/2011 (in %)

Scheme Name	1 Day	3 Day	1 Week	2 Weeks	Since Inception (7-Mar-11)
IDBI Monthly Income Plan (G)	0.16	0.28	0.52	0.56	0.86
Crisil MIP Blended Index	0.13	0.41	0.98	1.29	1.53

Source: Accord Fintech

Disclaimer: Returns are of growth plan. Past Performance may or may not be sustained in the future.

## Asset Profile



# IDBI Short Term Bond Fund

(An open-ended Debt Scheme)

## Scheme Features

### Investment objective:

The objective of the Scheme will be to provide investors with regular income for their investment. The Scheme will endeavour to achieve this objective through an allocation of the investment corpus in a diversified portfolio of debt and money market instruments.

### Benchmark:

CRISIL Short Term Bond Fund Index

### Fund Manager:

Mr. Gautam Kaul

### Inception Date:

23rd March, 2011

### NAV (as on 31st March 2011):

Growth	₹ 10.0290
Weekly Dividend	₹ 10.0218
Monthly Dividend	₹ 10.0290

### Plans:

- Growth Option
- Dividend Option
  - Weekly Dividend
  - Monthly Dividend

### Asset Allocation Pattern:

Instrument	Indicative allocation (% of total assets)		Risk Profile
	Min.	Max.	
Money market instruments/debt instruments (including floating rate debt instruments and securitized debt)* with maturity/residual maturity up to and including 2 years	65%	100%	Low
Debt instruments (including floating rate debt instruments and securitized debt)* with duration/maturity/residual maturity above 2 years and not exceeding 3 years	0%	35%	Low to Medium

It is the intent of the Scheme to maintain the duration of the portfolio below 2 years under normal market conditions depending on the fund manager's assessment of various parameters including interest rate environment, liquidity and macro-economic factors. However, the maturity profile of the scheme can undergo a change in case the market conditions warrant and at the discretion of the fund manager. Under no circumstances the average maturity/duration of the portfolio will exceed 3 years.

\* Investment in Securitised Debt not to exceed 25% of the net assets of the Scheme. Investment in Derivatives will be up to 50% of the net assets of the Scheme. Investment in derivatives shall be for hedging, portfolio balancing and such other purposes as may be permitted from time to time. The gross investment in securities under the scheme, which includes money market instruments, debt instruments including floating rate debt instruments and securitized debt, and gross exposure to derivatives will not exceed 100% of the net assets of the scheme.

### Application Amount:

New Purchase - ₹ 5000/- and in multiples of ₹ 1/- thereafter

### Min. Addl. Investment:

₹ 1000/- and in multiples of ₹ 1/- thereafter

### Load Structure:

Entry Load: Not Applicable

Exit Load:

0.5% for exit within 1 month from the date of allotment.

For SIP

0.5% for exit within 1 month from the date of allotment of each installment.

### SIP:

Monthly Option:

₹ 500 per month for a minimum period of 12 months or

₹ 1,000 per month for a minimum period of 6 months

Quarterly Option:

₹ 1,500 per quarter for a minimum period of 4 quarters.

### SWP:

Minimum balance in the Scheme should be Rs. 25,000/- at the time of enrollment for SWP. Minimum amount for each withdrawal should be Rs. 1,000/- and in multiples of Re.1/- thereafter for a minimum period of 6 months

### STP:

Available

## Portfolio as on 31/03/2011

Security Name	Rating	% To Net Assets*	Security Name	Rating	% To Net Assets*
CERTIFICATES OF DEPOSIT			Punjab National Bank	PR1+	16.49%
Allahabad Bank Ltd	A1+	8.21%	COMMERCIAL PAPERS		
Bank of India	P1+	16.31%	Tata Motors Finance	A1+	16.51%
Central Bank of India	PR1+	15.24%	Cash "n" Call Assets & Receivables		11.41%
ICICI Bank Limited	A1+	7.62%	TOTAL		100.00%
ING Vysya Bank Ltd.	P1+	8.21%			

\* Rounded off to the nearest two digits after the decimal point.

YTM : 9.49% Average Maturity : 117.75 days Modified Duration : 117.75 days

Average AUM for the qtr. ended March 2011 : ₹ 1.05 Crs

## Scheme Performance as on 31/03/2011 (in %)

Scheme Name	1 Day	3 Day	1 Week	Since Inception (23-Mar-11)
IDBI Short Term Bond Fund(G)	28.41	26.14	13.81	13.23
Crisil Short Term Bond Fund	15.51	16.41	13.54	12.86

Source: Accord Fintech

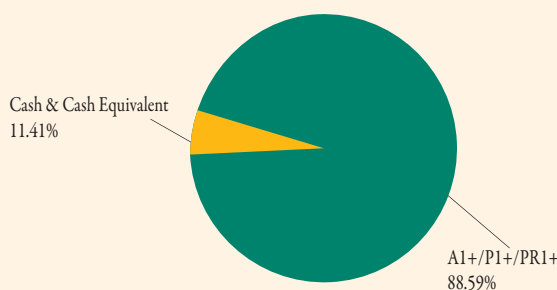
Disclaimer: Returns are of growth plan. Past Performance may or may not be sustained in the future.

## Dividend History

Date	Individual Dividend (in ₹)	Institutional Dividend (in ₹)	Cum Dividend NAV* (in ₹)	Ex Dividend NAV (in ₹)
IDBI Short Term Bond Fund - Weekly Dividend				
29th March 2011	0.0076	0.007	10.0086	10.0054

Past performance may or may not be sustained in the future. After the payment of dividend, the per unit NAV falls to the extent of the dividend payout and distribution taxes, if any. \* NAV of the previous business day.

## Asset Profile









## Contact us

### Corporate Office

#### IDBI Asset Management Limited

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 SMS: IDBIMF on 09220092200  Tollfree: 1800-22-4324 (between 9 a.m. – 6 p.m. from Monday to Friday)

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\*CARE's fund credit quality rating is not a recommendation to purchase, sell, or hold a security / fund. It neither comments on the current market price, suitability for a particular investor nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings do not address the fund's ability to meet the payment obligations to the investors. The ratings are based on current information furnished to CARE by the issuer or obtained by CARE from sources it considers reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE does not perform an audit in connection with any rating and may, on occasion, rely on unaudited information. The ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. Funds rated by CARE have paid a rating fee. CRISIL: The assigned rating AA+ is valid for "IDBI Liquid Fund" and "IDBI Ultra Short Term Fund". The rating of CRISIL is not an opinion of the Asset Management Company's willingness or ability to make timely payments to the investor. The rating is also not an opinion on the stability of the NAV of the Fund, which could vary with market developments.





## Presenting IDBI Monthly Income Plan

### Aiming at Regular Returns & Growth

IDBI Monthly Income Plan aims at giving an opportunity to investors for boosting their income and growing savings.

While the Plan invests its corpus primarily in debt instruments that provide relative safety and stability, the balance equity component strives at augmenting the overall returns. Further, only equities that form part of the Nifty Index and the Nifty Junior Index are invested in, providing diversification, liquidity and potential for high growth.

**IDBI MIP Highlights:** • An open ended Income Scheme monthly income is not assured and is subject to availability of distributable surplus • 2 Plans available: (a) Growth option (b) Dividend option (monthly / quarterly dividend) • Minimum investment: Rs. 5000 and in multiples of Re. 1 thereafter • Systematic Investment Plan (SIP): Monthly option - Rs. 500 per month for minimum of 12 months or Rs. 1000 per month for minimum of 6 months. Quarterly option - Rs. 1,500 per quarter for minimum of 4 quarters • No Entry Load. Exit Load of 1% for exit up to 12 months from date of allotment.



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Statutory Details: IDBI Mutual Fund has been set up as a trust sponsored by IDBI Bank Ltd. (liability restricted to Rs.10 lakhs) with IDBI MF Trustee Company Ltd. as the Trustee (Trustee under the Indian Trusts Act, 1882) and with IDBI Asset Management Ltd. as the Investment Manager. Risk Factors: All mutual funds and securities investments are subject to market risks and there can be no assurance that the objective of the Scheme will be achieved. The NAV of the units issued under Scheme may go up or down depending upon the factors and forces affecting the securities markets. Please read the Scheme Information Documents (SID) and Statement of Additional Information (SAI) carefully before investing. IDBI Nifty Index Fund, IDBI Nifty Junior Index Fund, IDBI Liquid Fund, IDBI Ultra Short Term Fund, IDBI Monthly Income Plan and IDBI Short Term Bond Fund are only the names of the schemes and do not in any manner indicate either the quality of the schemes or their future prospects and returns. Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme. The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 10 lakhs made by it towards setting up the Fund. IDBI Mutual fund has not launched any guaranteed or assured return scheme. The performance of the sponsor has no bearing on the expected performance of the scheme. NAV of the Schemes will be computed on all business days and published in two daily newspapers on all business days. Units of the schemes are available for Repurchase/Switch out/Sale/Switch in at NAV related prices on all business dates. For further information please contact: IDBI Asset Management Ltd., IDBI Building, 2nd Floor, Plot No. 39-41, Sector-11, CBD Belapur, Navi Mumbai - 400 614.