



# IDBI Asset Management Limited

IDBI Building, 2<sup>nd</sup> Floor, Plot No. 39-41, Sector - 11,  
CBD Belapur, Navi Mumbai - 400 614.  
Tel: (022) 66096100. Fax: 66096110. website: www.idbimutual.co.in

## ADDENDUM No. 6/2011

This addendum is being published in view of the following:

- I. AMFI Circular dated February 9, 2011 and March 31, 2011
  - II. Updation of Scheme Information Document of IDBI Short term Bond Fund
  - III. Revision in point no.II of Addendum No.6/2010 dated November 12, 2010 (Non Acceptance of Third Party Instrument)
  - IV. Introduction of Daily Systematic Investment Plan (SIP) facility in IDBI Ultra Short Term Fund (UST)
- I. Investors are requested to take note that in accordance with best practice guidelines issued by AMFI vide circular dated February 9, 2011 and subsequent amendments made to the same vide circular dated March 31, 2011, the following practices are being abided by IDBI Asset Management Ltd. (AMC) and will be applicable for all schemes launched by IDBI Mutual Fund. The guidelines cover aspects such as (1) Accounts opened on behalf of Minor (2) Minor attaining Majority, (3) Change of Guardian, (4) Nomination Facility and (5) Transmission of Units.
- (1) **Accounts opened on behalf of Minor:**
- 1.1 The minor shall be the first and the sole holder in an account. There shall not be any joint accounts with minor as the first or joint holder.
  - 1.2 Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
    - 1.2.1. Information on the relationship/status of the guardian as father, mother or legal guardian in the application form is to be mentioned.
    - 1.2.2. In case of natural guardian, a document evidencing the relationship if the same is not available as part of the documents submitted as per 1.3 below.
    - 1.2.3. In case of court appointed legal guardian, supporting documentary evidence shall be obtained.
  - 1.3 Date of birth of the minor along with photocopy of supporting documents as enumerated below shall be mandatory while opening the account on behalf of minor:
    - 1.3.1. Birth certificate of the minor, or
    - 1.3.2. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
    - 1.3.3. Passport of the minor, or
    - 1.3.4. Any other suitable proof evidencing the date of birth of the minor.
- (2) **Change of status of Minor to Major:** When the units are held on behalf of the minor, the ownership of the units rests with the minor. A guardian shall operate the account until the minor attains the age of majority.
- 2.1 On the event of minor attaining majority, existing standing instructions on SIP/STP/SWP shall continue to be processed until the change of status is effected in the records of the mutual fund. Prior to minor attaining majority, an advance notice will be sent to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents (as per clause 2.4 below) to change the status of the account to "major". The existing standing instructions shall be terminated within 30 days of receipt of intimation from the minor for changing the status to major.
  - 2.2 The account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no transactions other than existing SIP, STP, SWP shall be permitted till the documents for changing the status as stated in clause 2.1 are received.
  - 2.3 Standing instructions like SIP, SWP, STP in a minor folio shall be registered only till the date of the minor attaining majority, though the instructions may be for a period beyond that date.
  - 2.4 List of standard documents to change account status from minor to major:
    - 2.4.1. Services Request form, duly filled and containing details like name of major, folio numbers, etc.
    - 2.4.2. New Bank mandate where account changed from minor to major,
    - 2.4.3. Signature attestation of the major by a manager of a scheduled bank / Bank Certificate / Letter,
    - 2.4.4. KYC acknowledgement of the major.
- (3) **Change of Guardian:** When there is a change in guardian either due to mutual consent or demise of existing guardian, the following documents are required to be submitted prior to registering the new guardian:
- 3.1 Request letter from the new guardian,
  - 3.2 No Objection Letter (NoC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
  - 3.3 Notarized copy or attested copy of the Death Certificate of the deceased guardian, where applicable. The attestation may also be done by a special executive magistrate, AMC authorised official or manager of a scheduled bank.
  - 3.4 All other conditions applicable to the guardian for opening accounts on behalf of minor shall be applicable for registering new guardian.
  - 3.5 Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.
  - 3.6 KYC of the new guardian.
- (4) **Nomination facility**
- 4.1 Nomination will be maintained at the folio or account level and will be applicable for investments in all schemes in the folio or account.
  - 4.2 Where a folio has joint holders, all joint holders should sign the request for nomination /cancellation of nomination, even if the mode of holding is not "joint". Nomination form cannot be signed by Power of attorney (PoA) holders.
  - 4.3 Every new nomination for a folio/account will overwrite the existing nomination.
  - 4.4 Nomination shall be mandatory for new folios/accounts opened by individual especially with sole holding and no new folios/accounts for individuals in single holding will be opened without nomination. Investors who do not wish to nominate **must sign** separately confirming their non-intention to nominate.
  - 4.5 Nomination is not allowed in a folio held on behalf of a minor.
- (5) **Transmission:** The documents required for transmission under various situations are as under:
- 5.1 Transmission to surviving unit holders in case of death of one or more unitholders:
    - 5.1.1. Letter from surviving unitholders to the Fund / AMC / RTA requesting for transmission of units,
    - 5.1.2. Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
    - 5.1.3. Bank Account details of the new first unit holder as per New Bank Mandate Form (Annexure 1 in AMC website. Path: Home / Downloads / Transaction / Service Related Forms) along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
    - 5.1.4. KYC of the surviving unit holders, if not already submitted.
  - 5.2 Transmission to registered nominee/s in case of death of Sole or all unit holders:
    - 5.2.1. Letter from claimant nominee/s to the Fund / AMC / RTA requesting for transmission of units,
    - 5.2.2. Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,
    - 5.2.3. Bank Account Details of the new first unit holder as per New Bank Mandate Form (Annexure 1 in AMC website. Path: Home / Downloads / Transaction / Service Related Forms) along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
    - 5.2.4. KYC of the claimant/s,
    - 5.2.5. If the transmission amount is Rs. One Lakh or more:
      - a. Indemnity duly signed and executed by the nominee/s – Nominee Form (Annexure II in AMC website. Path: Home / Downloads / Transaction / Service Related Forms).
  - 5.3 Transmission to claimant/s, where nominee is not registered, in case of death of Sole or all unit holders:
    - 5.3.1. Letter from claimant/s to the Fund / AMC / RTA requesting for transmission of units,
    - 5.3.2. Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,
    - 5.3.3. Bank Account Details of the new first unit holder as per New Bank Mandate Form (Annexure 1 in AMC website. Path: Home / Downloads / Transaction / Service Related Forms) along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
    - 5.3.4. KYC of the claimant/s,
    - 5.3.5. Indemnity Bond from legal heir/s – Legal Heirs Forms (Annexure III in AMC website. Path: Home / Downloads / Transaction / Service Related Forms).
    - 5.3.6. Individual affidavits from legal heir/s - Legal Heirs Forms (Annexure IV in AMC website. Path: Home / Downloads / Transaction / Service Related Forms).
    - 5.3.7. If the transmission amount is below Rs One Lakh: any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.
    - 5.3.8. If the transmission amount is Rs One Lakh or more: Any one of the documents mentioned below:
      - a. Notarised copy of Probated Will, or
      - b. Legal Heir Certificate or Succession Certificate or Claimant's Certificate issued by a competent court, or
      - c. Letter of Administration, in case of Intestate Succession.
  - 5.4 Transmission in case of HUF, due to death of Karta: HUF, being Hindu Undivided Family, the property of the family is managed by the Karta and HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will appoint the new Karta who needs to submit following documents for transmission:
    - 5.4.1. Letter Requesting for change of Karta,
    - 5.4.2. Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
    - 5.4.3. Duly certified Bank certificate stating that the signature and details of new Karta have been appended in the bank account of the HUF - New Bank Mandate Form (Annexure 1 in AMC website. Path: Home / Downloads / Transaction / Service Related Forms)
    - 5.4.4. KYC of the new Karta and KYC of HUF, if not already submitted.
    - 5.4.5. Indemnity bond signed by all the surviving coparceners and new Karta – Karta Form (Annexure V in AMC website. Path: Home / Downloads / Transaction / Service Related Forms).
    - 5.4.6. In case of no surviving co-parceners OR the transmission amount is Rs One Lakh or more OR where there is an objection from any surviving members of the HUF, transmission should be effected only on the basis of any of the following mandatory documents:
      - a. Notarized copy of Settlement Deed, or
      - b. Notarized copy of Deed of Partition, or
      - c. Notarized copy of Decree of the relevant competent Court

## 6 Clarifications

- 6.1. It is clarified that PAN card copy or another proof of identity of claimant/s is not required separately if KYC acknowledgement issued by CVL is made available.
- 6.2. Where the units are to be transmitted to a claimant who is a minor, various documents like KYC, PAN, Bank details, indemnity should be of the guardian of the nominee.
- 6.3. With a view to implement common standard documentation, suggested common formats for various documents is attached as annexures for easy reference.
- 6.4. A ready reckoner matrix of various documents required under different situations is provided for convenience as Transmission Documents Matrix (Annexure VI in AMC website. Path: Home / Downloads / Transaction / Service Related Forms).

## II. Record date for the IDBI Short Term Bond Fund Dividend Option

The record date for the weekly and monthly sub options of IDBI Short Term Bond Fund Dividend option will be as follows:

Sub Option	Record Date
Weekly	Monday
Monthly	25th of every calendar month

If the record date indicated above falls on a holiday, the subsequent business date will be treated as the record date.

## III. Revision of point no.II of our addendum No.6/2010 dated November 12, 2010 (Non Acceptance of Third Party Instrument)

The point no.II of the addendum No.6/2010 published by IDBI Mutual Fund on November 12, 2010 is revised as below in view of the Circular

Third-Party payments will not be accepted except in the following situations:

- a) Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase or per SIP instalment). However this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.
- b) Payment by Employer on behalf of employee under Systematic Investment Plans or lump sum / one-time subscription, through Payroll deductions.
- c) Custodian on behalf of an FII or a client.

## IV. Introduction of Daily Systematic Investment Plan (SIP) facility in IDBI Ultra Short Term Fund (UST)

In addition to the current practice of offering SIP facility to investors in monthly and Quarterly intervals, IDBI MF introduces Daily SIP facility in UST with effect from June 6, 2011. For daily SIP, the minimum investment per day is Rs.500 for a minimum of 30 installments continuously for all business days. All other terms and conditions covering monthly and quarterly interval facilities of SIP will be extended to daily SIP also.

For IDBI Asset Management Ltd.  
(Investment Manager for IDBI Mutual Fund)

Place : Mumbai  
Date : June 01, 2011

Sd/-  
Compliance Officer

**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 Ultra Short Term Fund and IDBI Short Term Bond Fund, open ended debt schemes, 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. The performance of the sponsor has no bearing on the expected performance of the scheme. IDBI Mutual fund has not launched any guaranteed or assured return scheme. IDBI Short Term Bond Fund: 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. Load Structure: Entry load: Nil. Exit Load: 0.5% for exit within 1 month from the date of allotment. IDBI Ultra Short term Fund: 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. Load Structure: Entry load: Nil. Exit Load: Nil. Being open-ended schemes, the Schemes offer Units for Purchase/ Redemption/switch in/switch out/sale at NAV based prices on all Business Days on an ongoing basis. NAV Disclosure: NAV of the Schemes will be computed on all business days & published in two daily newspapers on all business days.