

ADDENDUM No. 13/2012
Introduction of Direct Plan in all schemes and addition/revision to features of certain schemes of IDBI Mutual Fund

Investors are requested to take note of the following additions/revisions in scheme features of IDBI Mutual Fund.

A. Introduction of Direct Plan for investing directly with IDBI Mutual Fund (Applications Not routed through distributors)

Pursuant to SEBI circular Ref no: CIR/IMD/DF/21/2012 dated September 13, 2012 all existing open ended schemes of IDBI Mutual Fund (except IDBI Gold ETF scheme) will provide a separate plan for direct investments, i.e., investments not routed through a distributor, with effect from January 1, 2013. Such separate plan shall have a lower expense ratio excluding distribution expenses, commission, etc., and no commission shall be paid from such plans. The plan shall also have a separate NAV. The Total Expense Ratio (TER) charged in such direct plan will be lesser than the TER charged in other plans of the schemes except in the case of plans where no distribution expenses, commission, etc are collected. All Plans / Options / Sub-Options offered under the schemes ('Existing Plan alias Regular Plan') will also be available for subscription under the Direct Plan.

Investors desirous of making their investment under this plan shall tick the "Direct" option given in the application form. Investors may alternatively write the name of the scheme –Direct in the application form for indicating their choice. Investors may note that the ARN code of the distributor shall not be mentioned in application forms submitted under "Direct" option. In case the ARN code is mentioned in the application form submitted under "Direct" plan, the ARN code will be ignored and the application will be processed as "Direct" application. If an application does not indicate "Direct" or otherwise but also does not carry an ARN, the default option will be Direct.

I. Applicable NAV and allotment of units for application received under direct plan:

- Liquid Scheme(s):** Units shall be allotted for valid applications received before cut-off time (subject to provisions on realization of funds) on January 1, 2013 under Direct Plan(s) at the Net Asset Value (NAV) of December 31, 2012 of corresponding option(s) under Existing Plan(s). Thereafter, separate NAVs will be calculated and published for Direct Plan w.e.f. January 1, 2013.
- Non-Liquid Scheme(s):** Units shall be allotted for valid applications received before cut-off time (subject to provisions on realization of funds, where applicable) on January 1, 2013 under Direct Plan(s) at the Net Asset Value (NAV) of January 1, 2013 of corresponding option(s) under Existing Plan(s). Thereafter, separate NAVs will be calculated and published for option(s) under Direct Plan(s) w.e.f. January 2, 2013.
- Where application is received without any Distributor Code in the Existing Plan before **cut-off time** on December 31, 2012, but the Applicable NAV based on realization of funds is on or after the effective date e.g. January 2, 2013, the Units will be allotted under Existing Plan and not under Direct Plan.
- Where application is received without any Distributor Code in the Existing Plan after **cut-off time** on December 31, 2012, the same shall be deemed to have been received on the next Business Day and hence the Units will automatically be allotted under the Direct Plan at Applicable NAV.
- The publication of NAV is subject to availability of unit balance in each of the corresponding options provided under the direct plan in the respective scheme. In case the outstanding unit balance is nil on any specific day in any of the options under direct plan, the process explained in paragraph(a) & (b) above will apply in the same manner (with proper modification in the date indicated above) for processing new applications under the direct plan.

II. Existing Investments:

- Investors wishing to transfer their accumulated unit balance held under Existing Plan (through lump sum / systematic investments made with or without Distributor code) to Direct Plan will have to switch /redeem their investments and apply under Direct Plan.
- No exit load will be applicable for switch of investments from Existing Plan (whether the investments were made before or after the Effective Date) to Direct Plan if the existing investment was made without Distributor code. Similarly, no exit load shall be levied in case of switches from Direct Plan to Existing Plan/ Regular Plan. Switch of investments from Existing Plan (whether the investments were made before or after the Effective Date) to Direct Plan shall be subject to applicable exit load, if any, if the existing investment was made with a Distributor code.
- Investors who have invested without Distributor code and have opted for Dividend Reinvestment facility under Existing Plan may note that the dividend will continue to be reinvested in the Existing Plan only unless they switch to the Direct Plan.

III. Investments through systematic routes:

- In case of Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP)/ Dividend Transfer Plans, etc registered prior to the effective date **without any distributor code** under the Existing Plan, installments falling on or after the effective date will automatically be processed under the Direct Plan.
- Investors who had registered for Systematic Investment Plan facility prior to the effective date **with distributor code** and wish to invest their future installments into the Direct Plan, shall make a written request to the Fund in this behalf. The Fund will take at least 15 days to process such requests. Intervening installments will continue in the Existing Plan.

In case of (a) and (b) above, the terms and conditions of the existing registered enrolment shall continue to apply.

In case of the following facilities which were registered under the Existing Plan prior to the Effective Date the future installments shall continue under the Existing Plan:

- All trigger facilities (registered with or without Distributor Code) and
- Systematic Transfer Facilities (registered with Distributor Code)
- Dividend Transfer Plans (registered from a folio where investments were made both **with** Distributor code)
- Systematic withdrawal facility (registered with Distributor Code)

In case such investors wish to invest under the Direct Plan through these facilities, they would have to cancel their existing enrolments and **register afresh** for such facilities.

IV. Redemption requests: Where Units under a Scheme are held under both Existing and Direct Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Existing Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.

V. Tax consequences: Switch / redemption may entail tax consequences. Investors should consult their professional tax advisor before initiating such requests.

B. Revision in Exit Load for IDBI Short Term Bond Fund:

Investors are requested to take note that the exit load of IDBI Short Term Bond Fund has been revised as follows:

Current Exit Load	Revised Exit Load (with effect from January 1, 2013)
0.65% for exit within 6 months from the date of allotment.	0.50% for exit within 2 months from the date of allotment.

C. Introduction of 1 year tenor in Fixed Tenor Trigger (FTT) Plan of IDBI Gilt Fund, with effect from January 1, 2013:

IDBI Gilt Fund offers Fixed Tenor Trigger Plan (FTT) among special facilities under the scheme. Currently, investors can opt to invest in the scheme for predetermined tenors of 3 years, 5 years, 7 years and 10 years. In addition to the existing tenors, with effect from January 1, 2013, new tenor of 1 year will also be available under the FTT plan.

This Addendum shall form an integral part of the Scheme Information Document / Key Information Memorandum of all existing open ended schemes of IDBI Mutual Fund (except IDBI Gold ETF) as amended from time to time. All other features of aforesaid schemes shall remain the same.

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

Sd/-

Place : Mumbai
Date : 28/12/2012

Compliance Officer

Statutory Details: IDBI Mutual Fund has been set up as a trust sponsored by IDBI Bank Ltd. 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: Mutual fund investments are subject to market risks, read all scheme related documents carefully. AMC/MF/Trustee/Sponsor is/are not liable or responsible for any loss or shortfall resulting from the operations of the scheme.