

Addendum

Addendum dated January 14, 2011 to the Scheme Information Documents / Key Information Memoranda of the schemes of IDFC Mutual Fund

1. RESTRICTION ON ACCEPTANCE OF THIRD PARTY PAYMENTS FOR SUBSCRIPTION OF UNITS OF SCHEMES OF IDFC MUTUAL FUND

With reference to the addendum dated November 12, 2010 on the captioned subject, the Board of IDFC AMC Trustee Co. Ltd, the Trustee to IDFC Mutual Fund has decided to further clarify the operational guideline with regards to acceptance of Demand Drafts (DD) for subscription of units.

(I) Payments towards subscription of Units - DD issued against debit to investor's bank account:

Where an investor subscribes for units vide a DD issued by way of debit to his / her bank account, the investor shall submit any one of the following additional documents along with the application form:

A proof of debit to the investor's bank account in the form of a bank manager's certificate with details of account holder's Name, bank account number and PAN as per bank records, if available.

A copy of the acknowledgement from the bank, wherein the instructions to debit carry the bank account details and name of the investor as an account holder are available.

A copy of the passbook/bank statement evidencing the debit for issuance of a DD

(ii) Source of funds – if paid by a pre-funded instrument issued by the Bank against Cash

The AMC/Mutual Fund/R&TA will not accept any purchase applications from investors if accompanied by a pre-funded instrument issued by a bank against cash for investments of Rs. 50,000 or more, unless investor has submitted a Certificate (in original) obtained from the bank giving name, address, Bank account number and PAN (if available) of the person who has requested for the payment instrument. The said Certificate should be duly certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number. The AMC/Mutual Fund/R&TA will check that the name mentioned in the Certificate matches with the first named investor.

In both the instance mentioned above, the examples as shown above, that such bank account number of the investor is the same as the / one of the registered bank account mandate(s) with the fund or the bank details mentioned in the application form.

In case the application for subscription does not comply with the above provisions, the AMC/Trustee retains the sole and absolute discretion to reject/not process such application and refund the subscription money and shall not be liable for any such rejection.

2. TERMINATION OF SIP TRANSACTIONS:

Incase of SIP transactions, the AMC shall terminate the transactions in the below mentioned cases

1. Three continuous failures on account of insufficient funds.
2. Account closed or transferred by the investor.
3. Investors account description does not tally with the description maintained by R&TA/ Mutual Fund.
4. Incase Payment stopped by the investor.
5. Three continuous rejections incase payment is stopped by the investor/court order.

3. REVISION IN KNOW YOUR CUSTOMER (KYC) COMPLIANCE REQUIREMENTS FOR INDIVIDUAL INVESTORS:

We refer to our addendum dated December 29, 2010, with respect to the captioned subject. IDFC AMC Trustee Company Limited, the Trustee of IDFC Mutual Fund hereby provides clarification on the applicability of MICRO SIP procedure for PAN holders.

In case of Micro schemes such as Micro SIP upto Rs. 50,000 per year per investor, the additional documents as mentioned in addendum dated December 29, 2010 is required to be submitted by the investor. However, please note that, an investor submitting PAN as identity proof shall undergo the detailed KYC procedure as mentioned in Statement of Additional Information (SAI).

In case the application for subscription does not comply with the above provisions, the AMC/Trustee retains the sole and absolute discretion to reject/not process such application and refund the subscription money and shall not be liable for any such rejection.

This Addendum forms an integral part of the Statement of Additional Information / Scheme Information Document(s)/ Key Information Memorandum cum Application Form(s) of the Schemes of IDFC Mutual Fund read with the addenda issued there under.

Addendum dated: January 14, 2011.