

IDBI-PRINCIPAL Future Goals Series

Issue of units of Rs. 10/- per unit for cash at NAV-based price.

IDBI-PRINCIPAL GROWTH FUND

Open-ended Equity Scheme

IDBI-PRINCIPAL BALANCED FUND

Open-ended Balanced Scheme

IDBI-PRINCIPAL INDEX FUND

Open-ended Index Scheme

IDBI-PRINCIPAL INCOME FUND

Open-ended Income Scheme

IDBI-PRINCIPAL GOVERNMENT SECURITIES FUND

Open-ended Dedicated Gilt Scheme investing in Government Securities

IDBI-PRINCIPAL CASH MANAGEMENT FUND

Open-ended Liquid Scheme

INVESTMENT MANAGER: IDBI-PRINCIPAL Asset Management Company Limited. IDBI MUTUAL FUND

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SPONSORS: Industrial Development Bank of India & Principal Financial Services Inc. TRUSTEES: Board of Trustees with IDBI as the Principal Trustee.

The memorandum sets forth concisely the information about the Scheme(s) that a prospective unit holder should know before investing. The memorandum should be retained for future reference. For further details, investor should refer to the full Offer Document of the respective Scheme(s). The Scheme(s) particulars have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended till date and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the Offer Document. In this memorandum, all references to "dollars" or "\$" refers to United States dollars and "Rs" refers to Indian rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand". IDBI PRINCIPAL Asset Management Co. Ltd. has exercised due diligence while preparing the Offer Document and has submitted a Due Diligence Certificate to SEBI in the prescribed format and the same has been reproduced in the full Offer Document of the respective Scheme(s).

IDBI
Principal®

Key Features

Scheme	IDBI-PRINCIPAL Growth Fund	IDBI-PRINCIPAL Balanced Fund	IDBI-PRINCIPAL Index Fund
Type	Open-ended Equity Scheme	Open-ended Balanced Scheme	Open-ended Index Scheme
Investment Objective	To achieve long term capital appreciation.	To provide periodic returns and capital appreciation/accretion from a judicious mix of equity and debt instruments, aiming to simultaneously minimize capital erosion.	To invest principally in securities that comprise the S&P CNX Nifty (NSE) in the same proportion so as to attain results commensurate with the Nifty.
Investment Strategy	Investments will be in equity and equity related instruments. The focus would be to identify stocks which can provide capital appreciation in the long term. A diversified portfolio would be built using "Fundamental Analysis" approach of research, valuation and stock selection.	Investments will be in equity and equity related instruments as well as fixed income bearing instruments rated investment grade or higher or otherwise comparable. The scheme shall not take high risks in managing the equity portion of the portfolio. For the equity portion of the portfolio, companies would be selected based on quality of management, competitive advantage and financial analysis.	To invest principally in securities of companies whose securities are included in the Nifty and subject to tracking errors endeavour to attain results commensurate with the Nifty.
Investment Pattern	Equity and equity related instruments: Upto 100%. Debt (including securitised debt) and money market instruments: Upto 10%	Equity and equity related instruments: 51% - 70%. Debt (including securitised debt) and money market instruments: 30% - 49%.	Nifty securities: 0 - 100%. Money market instruments: 0 - 10%.
Investment Option	Dividend & Growth	Dividend & Growth	Growth
Investor Profile	The Scheme is a suitable investment for an investor seeking long-term capital appreciation. The investor must be willing to accept the risks of investing in equities.	The Scheme is a suitable investment for an investor seeking long-term growth and/or regular dividends through controlled exposure in equities and fixed-income securities (for investors uncomfortable accepting the risks of investing entirely in equities). The Scheme is also a suitable investment for any investor who has sought voluntary retirement from his service and who is seeking long-term growth without excessive risks of investing in equities.	The scheme is a suitable investment for an investor seeking capital appreciation commensurate with that of the market (NSE).
NAV Calculation	All Business Days	All Business Days	All Business Days
NAV Declaration	All Business Days	All Business Days	All Business Days
Minimum Application Amount	Rs. 5,000 and in multiples of Re. 1 with subsequent investment of Rs. 500 and in multiples of Re. 1 thereafter under each investment plan but allocated between options.		
Business Day	A day other than : (i) Saturday and Sunday, (ii) a day on which the Banks in Mumbai and/or RBI are closed for business/clearing, (iii) a day on which the Bombay Stock Exchange and/or National Stock Exchange are closed, (iv) a day which is a public and/or bank holiday at a collection centre where the application is received, (v) a day on which sale and repurchase of units is suspended by the AMC, (vi) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all collection centres		
Business Hour	Presently 10.30 a.m. to 3.30 p.m. on any Business Day or such other time as may be decided by the AMC from time to time		10.30 am to 2.30 p.m. on any business day or such other time as may be decided by the AMC from time to time.
Liquidity	Sale and Repurchase on all Business Days	Sale and Repurchase on all Business Days	Sale and Repurchase on all Business Days
Applicable NAV for Sale & Repurchase	Is the Net Asset Value (NAV) per unit at the close of business day on which the application for sale/repurchase of units is received (subject to it being complete in all respects). The date of receipt of application will be the actual business day of either the mail receipt at a Registrar's/AMC's 'Service Centre/collection centre or of actual receipt of an in-person/mail application during business hours on such business day. Any in-person/mail application received after business hours on such Business Day will be deemed to be received on the next Business Day.		
Entry Load	1.9%	1.9%	0.5% for subscription of Rs. 10 lacs or less. 0% for subscription of above Rs. 10 lacs.
Exit Load	Nil	Nil	Nil
Sale Price	At applicable NAV plus entry load, if any	At applicable NAV plus entry load, if any	At applicable NAV plus entry load, if any
Repurchase/Redemption price	At applicable NAV less exit load, if any	At applicable NAV less exit load, if any	At applicable NAV less exit load, if any
Minimum Repurchase/Redemption amount	Rs. 500 and in multiples of Re. 1 or 50 units and in multiples of 1 Unit		

IDBI-PRINCIPAL Income Fund	IDBI-PRINCIPAL Government Securities Fund		IDBI-PRINCIPAL Cash Management Fund	
	Savings	Investment	Money at Call	Liquid
Open-ended Income Scheme	Open-ended Dedicated Gilt Scheme Investing in Government Securities		Open-ended Liquid Scheme	
To generate regular income and capital appreciation through investment in debt instruments and debt-related securities besides preservation of capital.	To generate risk-free return through investment in sovereign securities. The scheme is designed provide medium to long term capital gains and income distribution to its Unitholders, while at all times emphasising the importance of capital preservation.		To provide investors with a high level of income from short-term investments. The scheme will focus on preserving the investors' capital and will provide high liquidity. Investment will be made in money market and in investment grade debt instruments.	
The scheme will aim to invest its assets in a portfolio of debt instruments and related securities of government, quasi-government, corporate issuers and money market instruments with varying risks (rated investment grade or higher or otherwise comparable).	Assets under the Scheme will be invested solely in government securities. To meet temporary liquidity needs, the Scheme may invest in overnight call money/notice money/bank deposits and/or repos. The Scheme may also invest a part of its assets in financial derivatives. The proportion of investment would be decided by the AMC as per SEBI/RBI guidelines. Under Savings plan, the Plan will be managed by a portfolio of Government Securities with an average residual maturity not exceeding four years. Under Investment Plan, the Plan will be managed by a portfolio of Government Securities with an average residual maturity not exceeding ten years.		The scheme will invest its assets in a portfolio of money market instruments. The investments will be in securities, which the Investment Manager believes present minimal liquidity and/or credit risks.	
Debt instruments: Upto 100% Money market instruments: Upto 100%. Securitized Debt: Upto 50%	Upto 100% in Government Securities (Yield 6% - 8.5%). The Trustees may from time to time pending investment in Government Securities for a short term period on defensive consideration invest upto 100% of the funds available in overnight inter-bank call/notice money and/or repos, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so also to earn reasonable returns on liquid funds maintained for redemption/repurchase of units.		Call/Term Money/ Repos/Reverse Repos/Bank Deposits: upto 100%. Bill Re-discounting: Upto 50%. Like Liquid Money Market Instruments: Upto 100%	Call/Repos/Reverse Repos/Term Money/Bank Deposits: upto 100%. Bill Rediscounting: Upto 50%. Like Liquid Money Mkt instruments: Upto 100%. Debt (including Securitized Debt) instruments other than those above: upto 50%
Dividend & Growth	Dividend & Growth	Dividend & Growth	Dividend & Growth	Dividend & Growth
The Scheme is a suitable investment for an investor seeking regular income and/or achieving modest growth objectives without accepting the risks of investing in equities. The Scheme is also a suitable investment for an investor who has sought voluntary retirement from his service and who is seeking modest growth and/or dividends without accepting the risks of investing in equities.	The Scheme is a suitable investment for an investor seeking regular income and/or growth on their investment with certain degree of interest risk but without any credit risk. The Scheme is also eligible for investments by Provident/Pension/Gratuity Superannuation and such other retirement, employee benefit and similar funds		The Scheme is a suitable investment for an investor seeking very high liquidity and negligible principal risks while aiming for a good return.	
All Business Days	All Business Days	All Business Days	All Days (365)	All Days (365)
All Business Days	All Business Days	All Business Days	All Business Days	All Business Days
Rs. 5,000 and in multiples of Re. 1 with subsequent investment of Rs. 500 and in multiples of Re. 1 thereafter under each investment plan but allocated between options.			Initial minimum investment of Rs. 1,00,000 and in multiples of Re. 1 with subsequent investment of Rs. 1,00,000 and in multiples of Re.1 thereafter under each investment plan but allocated between options.	Initial minimum investment of Rs. 10,000 and in multiples of Re. 1 with subsequent investment of Rs.1,000 and in multiples of Re.1 thereafter under each investment plan but allocated between options.
A day other than : (i) Saturday and Sunday, (ii) a day on which the Banks in Mumbai and/or RBI are closed for business/clearing, (iii) a day on which the Bombay Stock Exchange and/or National Stock Exchange are closed, (iv) a day which is a public and/or bank holiday at a collection centre where the application is received, (v) a day on which sale and repurchase of units is suspended by the AMC, (vi) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all collection centres				
10.30 a.m. to 3.30 p.m. on any business day or such other time as may be decided by the AMC from time to time.			9.30 a.m. to 10.00 a.m. on any business day or such other time as may be decided by the AMC from time to time.	
Sale and Repurchase on all Business Days	Sale and Repurchase on all Business Days	Sale and Repurchase on all Business Days	Sale and Repurchase on all Business Days*	Sale and Repurchase on all Business Days
Is the Net Asset Value (NAV) per unit at the close of business day on which the application for sale/repurchase of units is received (subject to it being complete in all respects). The date of receipt of application will be the actual business day of either the mail receipt at a Registrar's/AMC's 'Service Centre/collection centre or of actual receipt of an in-person/mail application during business hours on such business day. Any in-person/mail application received after business hours on such Business Day will be deemed to be received on the next Business Day.			Is the Net Asset Value (NAV) per unit at the close of previous day for any business day on which the application for sale/repurchase of units is received (subject to it being complete in all respects) The date of receipt of application will be the actual business day of either the mail receipt at a Registrar's/AMC's Service Centre/collection centre or of actual receipt of an in-person/mail application before 10:00 a.m. on such business day. Any in-person/mail application received after 10:00 a.m. but before 3.30 p.m. on such Business Day will be deemed to be received on the next Business Day.	
Nil	Nil	Nil	Nil	Nil
Nil (0.5% if redeemed within 6 months)**	Nil	Nil	Nil	Nil
At applicable NAV plus entry load, if any	At applicable NAV plus entry load, if any		At applicable NAV	At applicable NAV
At applicable NAV less exit load, if any	At applicable NAV less exit load, if any		At applicable NAV	At applicable NAV
Rs. 500 and in multiples of Re. 1 or 50 units and in multiples of 1 Unit			Rs.1,00,000 and in multiples of Re.1 or 10,000 units and in multiples of 1 unit. (not applicable for units repurchased under Dividend payout option for effecting Dividend payout)	Rs. 1,000 and in multiples of Re.1 or 100 units and in multiples of 1 unit (not applicable for units repurchased under Dividend Payout option for effective Dividend Payout)

* The Fund will be accepting subscriptions on all non-business days provided that it is in a position to receive credit and deploy the subscription money or assets on that relevant non-business day.

** No exit load will be charged if the applicable redemption date (business day) is after 5 days from the date of receipt of redemption request, provided that the minimum subscribed amount is over Rs 10 lacs and the investor has stayed invested for atleast 30 days.

Key Features (contd.)

Scheme	IDBI-PRINCIPAL Growth Fund	IDBI-PRINCIPAL Balanced Fund	IDBI-PRINCIPAL Index Fund
Despatch of Repurchase/Redemption Proceeds	Within 3 Business days	Within 3 Business days	Within 3 Business days
Dividend Frequency (Dividend Plan)	Annual	Annual	N.A.
Dividend Reinvestment	Available	Available	N.A.
Dividend Sweep/Dividend Payout Facility	Available	Available	N.A.
Systematic Investment Plan/Systematic Withdrawal Plan/Switch Facility/Systematic Switch Facility	Available	Available	Available
Right of Accumulation	Available	Available	Available
Redistribution/Payment to alternate payee	Available	Available	Available
Trigger Facility	Available	Available	Available
Portfolio Disclosure	Quarterly	Quarterly	Half yearly
Pledge of Units	Available	Available	Available
Nomination	Available	Available	Available
Appointment of Beneficiary	Available	Available	Available
Joint Holding	Available	Available	Available
Tax Benefits	Tax-free dividends in the hands of investors, Indexation benefit, No gift tax, No wealth tax		
Investments by NRI's/FII's/OCB's	Investments by NRI(s)/FII(s)/OCB(s) are allowed on full repatriation basis, if invested through NRE/FCNR A/C		
Asset Allocation	Available	Available	Available

HIGHLIGHTS**Sponsors**

The Mutual Fund is sponsored by two leading names in the financial services industry - Industrial Development Bank of India (IDBI) and Principal Financial Services Inc. IDBI is a premier financial institution of India and one of the largest development banks in the world. Principal Financial Services Inc. is a member of the Principal Financial Group – a leading global provider of financial products and services, including Retirement and Investment Services, Mutual Funds, Life and Health Insurance, Annuities and Mortgage Banking, to businesses and individuals.

The Future Goals Series

- Choice of Schemes – Growth, Index, Income, Government Securities, Balanced and Cash Management Schemes. All schemes (except Index) offer a Growth Plan and a Dividend Plan.
- Choice of opting for an Asset Allocation Programme where the investment is allocated across different asset classes/scheme(s) to spread risk and reduce volatility.

Liquidity

- Open-ended Schemes with daily sale and repurchase at NAV based prices.
- Facility to move between Schemes and also to and from other select open ended Scheme(s) of the Fund.

Services for the Unitholder

- Facility of Dividend Reinvestment/Dividend Sweep.
- Systematic Investment Plan/Systematic Switching Plan/Systematic Withdrawal Plan.
- Updated Account Statement ordinarily mailed within 3 Business Days for new financial transactions.
- Investor Service Centres (ISCs) at major cities across the country.
- Investment by NRIs/OCBs/FIIs fully repatriable.
- Redistribution/payment to alternate payee available.
- Facility for nomination.

RISK FACTORS

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme(s) will be achieved.
- As with any investment in securities, the NAV of the units issued under the Schemes(s) can go up or down depending on the factors and forces affecting the capital markets.
- Past performance of the Sponsors/AMC/Mutual Fund does not indicate or guarantee the future performance of the schemes of the Mutual Fund and may not necessarily provide a basis for comparison with other investments.
- The names of the Schemes do not in any manner indicate either the quality of the Scheme(s), their future prospects or the returns. Investors therefore are urged to study the terms of the offer carefully and consult their Investment Advisor before they invest in the Scheme(s).
- The Sponsors are not responsible or liable for any loss resulting from the operations of the Mutual Fund beyond the contribution of an amount of Rs 25 crore towards setting up IDBI Mutual Fund.
- Investors in the Scheme(s) are not being offered a guaranteed or assured rate of

return and the actual returns of an investor will be based on the actual NAV, which may go up or down depending on the market conditions.

- The Fund proposes to invest in equity, fixed-income and money market securities. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of some of these investments. Different segments of the Indian financial markets have different settlement periods, and such periods may be extended significantly by unforeseen circumstances. The length of time for settlement may affect the Scheme(s) in the event they have to meet an inordinately large number of redemptions or during restructuring of the Scheme(s) investment portfolio.
- The AMC has the right to limit repurchases, under certain circumstances. Please read the Section titled "Right to Limit Repurchases" of the full Offer Document of the respective Scheme(s).
- Investments made by a Unitholder in foreign currency are subject to the risk of fluctuation in the value of the Rupee.
- A Unitholder may invest in the Scheme(s) and acquire a substantial portion of the Scheme(s) units. The repurchase of units by Unitholder may have an adverse impact on the units of the Scheme(s), because the timing of such repurchase may impact the ability of other Unitholders to repurchase their units.
- In case of fixed-income investment, changes in the prevailing rates of interest may affect the value of the Scheme(s) holdings (and consequently the value of the Scheme(s) units). Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the value of the units. The value of securities held by a Scheme generally will vary inversely with changes in prevailing interest rates.
- The Scheme(s) may also invest in overseas financial assets as and when permitted by the concerned regulatory authorities in India. To the extent that the assets of the Scheme(s) will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of respective foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in applicable laws.
- The securities lending activity by the Scheme(s) may face the inherent risk of collateral value falling drastically in times of strong downward market trends or due to the possible presence of tainted/forged securities. This would result in inadequate value of collateral until such time as the diminution in value is replenished by additional security. It is also possible that the borrowing party and/or the approved intermediary may suddenly suffer a severe business setback and be unable to honor its commitments. This along with a simultaneous fall in value of collateral would render potential loss to the Scheme.
- In the event that investible Funds of more than 50% of the total proceeds of the Balanced Scheme are not invested in equity shares of domestic companies, tax exemption on income distribution under section 115R of the Income Tax, 1961, will not be available to the Fund.
- The Scheme(s) may invest in derivative instruments that carry a high risk-return ratio. In case of investments in derivative instruments like index futures, the risk/reward would be the same as investments in a portfolio of shares representing an index. However, there may be a cost attached to buying an index future. Besides, in case of IRS and FRA, there exist credit and market risks. Moreover, there could be an element of settlement risk, which could be different from the risk in settling physical shares. There is a risk attached since the Indian market for derivative instruments is untried and untested.

IDBI-PRINCIPAL Income Fund	IDBI-PRINCIPAL Government Securities Fund		IDBI-PRINCIPAL Cash Management Fund	
	Savings Plan	Investment Plan	Money at Call	Liquid
Within 3 Business days	Within 3 Business days	Within 3 Business days	Within 1 Business day	Within 1 Business day
Quarterly/Semi annual	Quarterly	Quarterly/Semi annual	Daily	Weekly
Available	Available	Available	Available	Available
Available	Available	Available	Available (On Monthly Basis)	Available (On Monthly Basis)
Available	Available	Available	Available	Available
Available	Available	Available	Not Available	Not Available
Available	Available	Available	Available	Available
Available	Available	Available	Available	Available
Quarterly	Half Yearly	Half Yearly	Quarterly	Quarterly
Available	Available	Available	Available	Available
Available	Available	Available	Available	Available
Available	Available	Available	Available	Available
Available	Available	Available	Available	Available
Tax-free dividends in the hands of investors, Indexation benefit, No gift tax, No wealth tax				
Investments by NRI(s)/FII(s)/OCB(s) are allowed on full repatriation basis, if invested through NRE/FCNR A/C				
Available	Available	Available	Not Available	Available

- Investors/Unitholders are also urged to read the detailed clause(s) titled "Special Considerations" in the full Offer Document of the respective Scheme(s).
- Tracking errors are inherent in any index fund and such errors may cause the scheme to generate returns that are not in line with the performance of the Nifty or one or more securities covered by/included in the Nifty.

BRIEF INTRODUCTION TO THE FUTURE GOALS SERIES

Introduction

The Future Goals Series is a carefully structured suite of Scheme(s) designed to meet a wide range of investment needs. Not only do Unitholders have a comprehensive choice of Scheme(s) and plans within these Scheme(s), but it is also easier for Unitholders to move between Scheme(s) as their needs change.

Unitholders can currently choose from the following Scheme(s):

- IDBI-PRINCIPAL Growth Fund
- IDBI-PRINCIPAL Balanced Fund
- IDBI-PRINCIPAL Index Fund
- IDBI-PRINCIPAL Income Fund
- IDBI-PRINCIPAL Government Securities Fund
- IDBI-PRINCIPAL Cash Management Fund

Asset Allocation – The Concept Explained

The Asset Allocation Programme allows the investor to allocate his investment across different asset classes at the time of investment. The allocation would differ for different investor classes at different stages of their life-cycle – for example, a young investor may typically invest a greater proportion in higher return/higher risk assets like equities. Each investment type has a different level of risk and potential return associated with it. One way of reducing risk over short periods of time is to spread/allocate the investment between different asset classes or different scheme(s).

Asset classes tend to experience good performance at different times. By not having all the investment in one asset class, a Unitholder can offset the higher returns from one asset class against any poor performance that may occur from another asset class.

A diversified programme such as The Future Goals - Asset Allocation Programme attempts to overcome the inherent volatility of any particular investment type and will typically enable the Unitholder to invest across *equity, fixed income and short-term money market/cash products*.

The Asset Allocation Programme works on the following principles:

- *Allocation of investment* to different asset classes by the Unitholder at the time of investment.
- *Rebalancing the portfolio* at periodic intervals by the AMC to maintain the proportion in the same applicable ratio as stated by the Unitholder at the time of original investment (unless changed).

The rebalancing mechanism at periodic intervals would ensure that if there are changes in the market value of assets (under a certain class) causing the proportion of investment in that asset class to increase/decrease on the rebalancing date from the originally stated allocation, the AMC would reduce/add assets in that class on that particular date. Therefore, on all rebalancing dates, the asset proportion ratio would match those indicated by the Unitholder at the time of original investment.

Example:

The concept of Asset Allocation is further clarified through an illustrative example.

Investor A invests Rs 1,00,000 in the following proportion on January 1, 2002. The re-allocation date is on a half yearly basis:

January 1, 2002

	Proportion	NAV per Unit	No. of Units	Amount (Rs)
Growth	50%	10	5,000	50,000
Balanced	30%	10	3,000	30,000
Income	10%	10	1,000	10,000
Cash Management	10%	10	1,000	10,000
TOTAL	100%		10,000	100,000

In the period between the date on which the investment is made and the date of re-balancing i.e. June 30, 2002 the investments of Investor A are valued as follows:

Re-allocation date (before re-allocation)

	Proportion	NAV per Unit	No. of Units	Amount (Rs)
Growth	57%	15	5,000	75,000
Balanced	27%	12	3,000	36,000
Income	8%	11	1,000	11,000
Cash Management	8%	11	1,000	11,000
TOTAL	100%		10,000	133,000

The Unitholder's assets will then be rebalanced i.e. assets in some Scheme(s) will be bought by the sales proceeds of other Scheme(s) by way of interscheme switch, to bring the total investment of the Unitholder back to the originally stated proportion:

Re-allocation date (after re-allocation)

	Proportion	NAV per Unit	No. of Units*	Amount (Rs)
Growth	50%	15	4,434	66,502
Balanced	30%	12	3,325	39,900
Income	10%	11	1,209	13,299
Cash Management	10%	11	1,209	13,299
TOTAL	100%		10,177	133,000

* Units rounded off to whole numbers

THE OFFER

The offer is an invitation to investors to subscribe for units of Scheme(s) under the IDBI-PRINCIPAL Future Goals Series at NAV based prices.

FLEXIBLE PLANS TO SUIT YOUR INVESTMENT NEEDS

All Schemes under the Future Goals Series (except the Index Fund) offer two Plans:

Dividend Plan

Under this Plan, the income and profits realized will be distributed by way of dividend. The undistributed portion of the income will remain in the Plan and be reflected in the NAV on an ongoing basis. This plan has three options:

Dividend Payout Option: Unitholders will have the option to receive payout of their dividend under the Plan by way of dividend warrant or by way of direct credit into their account or by any other means that can be encashed.

Dividend Reinvestment Option: Unitholders will have the option to automatically reinvest their dividend in the Plan at applicable NAV related prices.

Dividend Sweep Option: Unitholders can choose to reinvest their dividend in any other open-ended Schemes of the Fund at applicable NAV related prices.

Growth Plan

Ordinarily, no dividend will be declared under this Plan. All income earned and realized will continue to remain invested until repurchase and shall be deemed to have remained invested in the Plan itself, which will be reflected in the NAV.

Applicants should indicate the Scheme(s) as well as the Plan(s) and Option(s) for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the Application Form. Applicants can invest in all the Schemes or all the Plans and Options within the Scheme(s) subject to minimum investment amount per investment Plan/Option of the Scheme. Applicants can further allocate their total investment in an investment plan amongst one or all the options available within that Plan under a Scheme. In case of valid applications received without indicating any choice of Plan, it will be considered as a Growth Plan and processed accordingly. In case of valid applications received indicating the choice of Plan as Dividend Plan but without indicating the choice of dividend option, it will be considered as a Dividend Plan with Reinvestment Option (Half Yearly Dividend Option for the Income Fund) and processed accordingly. In case of Cash Management Fund, in the absence of any indication of investment option, it would be considered as a Liquid Option and processed accordingly.

COMMON FEATURES

Investment by NRIs/FIIs/OCBs

Investments by NRIs/FIIs/OCBs are allowed on full repatriation basis, if invested through the NRE/FCNR account.

Switching Option

Investors can opt to switch units between Dividend Plan and Growth Plan and also between Payout, Reinvestment and Sweep Option under the Dividend Plan at NAV related prices. Switching will also be allowed at NAV related prices into/from other select open-ended Scheme(s) managed under the Fund, either currently in existence or Scheme(s) that may be launched in the future.

Liquidity

Liquidity will be available through sale and repurchase of units on an ongoing basis on all business days at NAV related prices. The Fund will endeavor to despatch the repurchase proceeds of all Scheme(s) (except Cash Management Fund) within 3 business days from the date of acceptance of a valid repurchase request. In case of Cash Management Fund, the Fund will endeavor to dispatch the repurchase proceeds within 1 business day from the date of acceptance of a valid repurchase request.

Transparency

The NAV of the Scheme(s) (except Cash Management Fund) will normally be determined on all business days. The NAV of the Cash Management Fund will be determined everyday. The Fund shall also make available to AMFI (for publishing) the Scheme(s) NAV and the sale/repurchase price will also be published in two/one national daily on all business days. In addition the ISC and/or collection centre would also display the NAVs and the NAV related prices. The Scheme performance and also a full portfolio would be mailed to the Unitholders. The Fund would publish the half yearly and annual results as per SEBI Regulations.

Systematic Investment Plan

Systematic Investment Plan (SIP) is available for planned and regular investments. Under this Plan, Unitholders can benefit by investing specified rupee amounts periodically for a continuous period. This concept is called Rupee Cost Averaging. The program allows Unitholders to save a fixed amount of rupees every month/quarter by purchasing additional units of the Scheme(s).

Rupee Cost Averaging does not guarantee a profit or protect against a loss. Rupee Cost Averaging can smoothen out the market's ups and downs and reduce the risk of investing in volatile markets.

The Unitholder can select the day of sale from a predetermined set of dates (either 5th, 15th or 25th day of the month). If no date is selected, the sale will be made on the 15th of the month. If the selected date is not a business day, the sale will take place on the next business day.

The investor has to give a minimum of 4 or more post-dated cheques for a minimum application amount or more. For existing investors enrolling for SIP, the minimum amount will be the same as minimum additional investment amount. New investors can enroll for the SIP facility on opening an account with an initial minimum amount of Rs 1000/-. However, for the Cash Management Fund - Liquid Option, the initial minimum amount for SIP facility is Rs 10,000/- and for the Cash Management Fund - Money at Call Option, the initial minimum amount for SIP facility is Rs 1,00,000/-.

Systematic Withdrawal Plan

The Unitholder can opt for a Systematic Withdrawal Plan (SWP) on a monthly, quarterly, semi-annual or annual basis to:

- Redeem a fixed number of units.
- Redeem enough units to provide a fixed amount of money.

Once the Unitholder enrolls for an SWP, the plan would continue until:

- The Unitholder instructs the Fund to stop periodic withdrawal in writing; *or*
- The Unitholders account balance is zero.

The Unitholder can select the repurchase date from a predetermined set of dates (either 1st, 11th or 21st day of the month). If no date is selected, the repurchase will be made

on the 11th of the month. If the selected date is not a business day, the repurchase will take place on the next business day.

Systematic Switching Plan

The Unitholder can opt for a Systematic Switching Plan on a monthly, quarterly, semi-annual or annual basis to switch a fixed number of units and/or amount in one Scheme to another Scheme within the Fund Family or from one plan/option to another.

Once the Unitholder sets up a Systematic Switch Plan, it would continue until:

- The Unitholder instructs the Fund (in writing) to stop the periodic switch; *or*
- The Unitholders account balance is zero.

The Unitholder can select a day the switch is to be made from a predetermined set of dates (either 1st, 11th or 21st day of the month). If no date is selected, the exchange will be made on the 11th of the month. If the selected date is not a business day, the switch will take place on the next business day.

A switch instruction received from any joint owner in case the mode of holding is "anyone or survivor" is binding on all joint owners. All switches are subject to the minimum investment and eligibility requirements of the Scheme. If a certificate has been issued, it must be returned to the Fund before the switch can take place.

Triggers

A trigger is a financial planning tool that allows the Unitholder to exit or switch from an investment with the happening of an event. It allows the Unitholder to specify an exit target (linked to value or time) at the time of investing or at a subsequent date. The trigger gets activated the instant the target is achieved. For instance, a Unitholder invested in the Index Fund can specify a trigger to switch from this scheme to the Income Fund as soon as the Index touches 4,000. As soon as the Index reaches 4,000, the Unitholder's profits will be booked and investments will be transferred into the Income Fund.

Similarly, the Unitholder can also set a trigger to enter an investment opportunity on the happening of an event. For instance, the Unitholder can again specify a trigger to switch back the funds from the Income Fund to the Index Fund as soon as the Index goes below the 3,000 mark. This way, the Unitholder would have the opportunity to enter an investment opportunity without actually tracking the market closely.

Triggers are of three types – time-based, value-based and event-based.

Account Statements

Unitholders will receive an Account Statement and/or transaction advice after each transaction. The Statement will provide the number and value of the units owned by the Unitholder, applicable load, transactions during the period, dividends declared or paid and other information. The Fund reserves the right to alter the frequency and the detail(s) of Account Statements and/or transaction advice.

Special Facilities/Plans

The Fund reserves the right to amend or terminate the special facilities in the Offer Document. These include Systematic Investment Plan, Systematic Withdrawal Plan, Switch Facility, Systematic Switching Plan, Dividend Reinvestment Plan, Dividend Sweep Plan, Asset Allocation Programme, Triggers and any such facility/plan that may be introduced in the future.

ADDITIONAL FEATURES FOR UNITHOLDERS UNDER THE FUTURE GOALS - ASSET ALLOCATION PROGRAMME

A diversified programme such as The Future Goals - Asset Allocation Programme attempts to overcome the inherent volatility of any particular investment type and will typically enable the Unitholder to invest *across equity, fixed-income and short-term money market/cash products*.

There are several features being offered as part of the Future Goals - Asset Allocation Programme that are explained below:

Minimum number of schemes in which the Unitholder must invest

Under the Asset Allocation Programme, a Unitholder must invest in and remain invested in *at least two Schemes (excluding Money at call option under Cash Management Fund)*. At the discretion of the AMC, it may introduce more Schemes into the Future Goals - Asset Allocation Programme at a later date or may increase the minimum number of Scheme(s) that the Unitholder should invest in.

Investment Direction

Every Unitholder must at the time of investment indicate the investment direction that he/she wishes to opt for. This would mean that the Unitholder must allocate the proportion of the total investment that he/she would like to invest in each of the Scheme(s).

At any time during the investment period (upto 4 times in a Calendar year) as stated in the "switching clause", the Unitholder can change/alter the investment direction keeping the total at 100%. The Unitholder can switch or simply instruct the AMC to change to the new scheme-wise percentage.

The Investment Manager would also be designing model portfolios representing different Scheme(s) of the Fund, containing debt and equity, and therefore the models would vary in their degree of return potential. The Unitholder can select a model that matches his risk tolerance with his expected rate of return.

The Unitholder must send any change in investment direction duly signed in writing to the Fund. It will be the endeavor of the AMC to process the change in investment direction as soon as possible. The AMC may take a maximum time of 3 Business Days (under normal circumstances) to change the investment direction of the Unitholder.

Minimum Investment Amount

The minimum investment amount for participating in the Future Goals - Asset Allocation Programme is Rs 10,000 and in multiples of Re 1 with subsequent investment of Rs 1,000 and in multiples of Re 1 thereafter. The minimum initial investment requirement for each Scheme would be waived. The AMC reserves the right to reduce or increase this amount at any time or for any group of investors.

Switching and Load

The Unitholder is allowed **four switches** (or as may be decided by the AMC) per calendar year between the various Schemes under the Future Goals - Asset Allocation Programme or between various plans within the same Schemes of the Programme so as to enable him/her to change the investment direction, i.e., the asset proportion ratio. Once a Unitholder has paid an entry load on a Scheme (say Scheme A) and if he/she wishes to shift to another Scheme (say Scheme B) with either the same entry load or a lower entry load, then such load chargeable on entry to Scheme B would be waived. Also the exit load payable on switch/leaving Scheme A will be waived unless the Unitholder chooses to withdraw his investment from a minimum of two or more Schemes or otherwise under/from the Programme of the Fund. If the entry load on Scheme B is higher than the entry load on Scheme A, then the Unitholder will be charged a load equivalent to the difference in loads between Scheme B and Scheme A. Any switch would thus have the effect of changing the investment direction.

Sales and Load

The Unitholder (both new and existing) can subscribe to the units of the Scheme(s) *anytime* under the programme. If the subscription is subsequent to the initial investment, then the Unitholder has to specify the investment direction (between two or more Schemes or for a particular Scheme). The subscription would be at applicable NAV related price (with applicable loads). If no investment direction is stated, then the original asset proportion would be used. Any subscription would thus have the effect of changing the investment direction till the time Automatic Rebalancing is done to retain the original asset proportion.

Repurchase and Load

The Unitholder can seek repurchase/redemption of units *anytime* under the programme either in full or in part for a particular Scheme or Scheme(s). The Unitholder can also seek repurchase/redemption so as to maintain the same investment direction. The redemption would be at applicable NAV related price (with applicable loads). Any repurchase can have the effect of changing the investment direction till Automatic Rebalancing is done to retain the original asset proportion.

Systematic withdrawals can be set up on a monthly, quarterly, semi annual or annual basis. Withdrawals are drawn from the portfolio in percentages, which equate to the percentage of each Scheme held in the portfolio, unless requested otherwise.

Automatic Rebalancing

Based on the conditions and performance of different schemes in which the Unitholder has invested and also based on any fresh subscription and/or redemption, the proportion/percentage of a Unitholder's investment in different Scheme(s) would change on the Automatic Rebalancing date.

The AMC automatically rebalances the investments of the Unitholder in the proportion stated by the Unitholder at the time of original investment, unless changed (maximum upto 4 times in a calendar year) by the Unitholder in writing. Automatic rebalancing would take place at the end of each calendar half year, i.e., on June 30 and December 31 (immediate next business day in case these days are holidays) of each year or any other date as may be deemed fit and necessary by the AMC for the benefit of Unitholders taking into account the market conditions. Alternatively, at the choice of the Unitholder, rebalancing can be done at prefixed intervals, i.e., quarterly, semi annually, annually or by request or any such period as the AMC may permit on specific request of the Unitholder. Besides the Unitholder also has the option to select the date on which the rebalancing is desired. If no date is selected, the regular rebalancing would then be done at a date which would fall after the interval selected from the date of allotment of units. For example, if the period selected by the Unitholder is quarterly and his date of allotment is, say, February 1, 2002, then re-balancing would be done (if no date is selected) after 90 days (or the 91st day from February 1, 2001), i.e., May 2, 2002. If the period and date are not provided, automatic rebalancing will be completed on the 30th day of June and 31st day of December (or the following business day if these days are holidays). The Unitholder can also request no rebalancing of his investments. The rebalancing would involve switch between Schemes that may have tax consequences. Automatic Re-balancing ensures that the risk/return mix is within the Unitholder's comfort zone.

CONSTITUTION OF THE MUTUAL FUND

The Fund

IDBI Mutual Fund has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). The Mutual Fund is registered with SEBI under registration no. MF/019/94/0 dated December 13, 1994.

The Fund was set up by Industrial Development Bank of India (IDBI) in 1994 by execution of a Trust Deed dated November 25, 1994, under which IDBI was the sole Sponsor, Settler and Principal Trustee. IDBI, as Sponsor to the Fund, has irrevocably settled a sum of Rs 25 crore as the Trust Corpus, which is held and managed as per the provisions of the Trust Deed. The Board of Trustees with IDBI as Principal Trustee discharges the Trusteeship functions of IDBI Mutual Fund. The Trustees had appointed IDBI Investment Management Company Limited (IIMCO) as the Investment Manager to IDBI Mutual Fund, since inception. IIMCO was a wholly owned subsidiary of IDBI and is registered under the Companies Act, 1956.

Since March 31, 2000, the Principal Financial Services Inc. has acquired 50% stake in the paid up equity capital of IIMCO through its subsidiary, Principal Financial Group (Mauritius) Limited. With this move, the name has been changed to IDBI-PRINCIPAL Asset Management Company Limited (IDBI-PRINCIPAL) to reflect the change in ownership.

The Sponsors

Industrial Development Bank of India

Industrial Development Bank of India (IDBI) was established in 1964 by the Government of India under the IDBI Act. It is the premier development financial

institution in the country and one of the largest development banks in the world with an asset base of over Rs 72,000 crore (US\$ 16 billion) and network of over Rs 9,000 crore (US\$ 2 billion). It currently has an investor base of 3.3 million. It has played a major role in institution-building by setting up various specialized institutions to cater to the changing needs of Indian industry and capital market.

Principal Financial Services Inc.

Principal Financial Services Inc. holds 50% of paid-up equity capital of IDBI-PRINCIPAL Asset Management Company Limited through its subsidiary Principal Financial Group (Mauritius) Limited. Principal Financial Services Inc. is a member of the Principal Financial Group. Established in 1879, the Principal Financial Group has more than US\$ 117 billion in assets under management and serves more than 11 million customers worldwide through operations in the United States, Asia, Australia, Europe and Latin America. The Principal Financial Group, a US authority in 401K and Retirement Plans, is a leading global provider of a wide range of financial products and services, including Retirement and Investment Services, Mutual Funds, Life and Health Insurance and Mortgage Banking, to businesses and individuals.

TRUSTEES OF IDBI MUTUAL FUND (BOARD OF TRUSTEES)

Members of the Board of Trustees are:

Name	Other Directorships
Mr. B. G. DESHMUKH Chairman <i>Board of Trustees</i> <i>Former Cabinet Secretary,</i> Government of India 41, Buena Vista Apartments, General J Bhosle Marg, Opposite Chavan Prathistan, Colaba, Mumbai 400 021	- IDBI-PRINCIPAL Trustee Co. Ltd. - Tata Housing Development Co. Ltd. - Siporex India Ltd. - Venkateshwara Hatcheries Ltd. - Finollex Cables Ltd. - Tata Sons Ltd. - Nhava Sheva Tank Terminal Ltd. - Venky's (India) Ltd.
INDUSTRIAL DEVELOPMENT BANK OF INDIA Principal Trustee Represented By Mr J N GODBOLE* <i>Executive Director</i> Industrial Development Bank of India IDBI Tower, Cuffe Parade, Mumbai 400 005	- IDBI-PRINCIPAL Trustee Company Ltd.
Mr J COELHO <i>Indian Administrative Service (Retd.)</i> 65 IV Cross, HIG Colony RMV Ext., 2nd Stage Bangalore 560 004	- Asian Peroxide Ltd. - Essar Power Ltd.
Mr PHILIP THOMAS <i>Former Executive Director</i> Industrial Development Bank of India <i>Former Chairman</i> Stockholding Corporation of India Limited Abhilasha Sadan, 43, Nargis Dutt Road, Pali Hill, Bandra, Mumbai 400 052	- IDBI-PRINCIPAL Trustee Company Ltd. - Muthoot Capital Services Ltd. - Association of Leasing and Financial Services Co. - Centrum Finance Company Ltd. - Devon Plastics Ltd. - Devon Innovations (P) Ltd. - SICOM Trustee Co. Ltd. - Muthoot- APT Ceramics Ltd. - Indus Venture Management Ltd.

* Associated with the sponsor.

The Trustee discharges the supervisory role through a number of checks and balances besides getting continuous feedback from the AMC on matters of importance and a review of the Mutual Fund operations at the Trustee meetings.

Obligations of Trustees

As per the Trust Deed, the Trustee shall have the following obligations:

1. The Trustees shall take reasonable care to ensure that the Schemes floated under the Fund and managed by the AMC are in accordance with the Trust Deed and SEBI Regulations.
2. The Trustees shall neither acquire nor allow the AMC to acquire any assets out of the Trust Fund and/or unit capital, which involves the assumption of unlimited liability or results in the encumbrances of Trust Fund, and/or unit capital in any way.
3. The Trustees shall maintain arms length relationship with companies, institutions, financial intermediaries or body corporates with which the Trustees may be associated in any capacity in carrying out their responsibilities as the Trustees of the Mutual Fund.
4. The Trustees shall not participate in any decision-making process/resolution of its Board for any investment in which they may be interested.
5. All the Trustees shall furnish to SEBI the interest which they may have in any other company, or institution or financial intermediary or any corporate by virtue of his/her position as Director, partner or with which he/she may be associated in any other capacity.

No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and Unitholder's approval would be obtained where it affects the interests of the Unitholder.

MANAGEMENT OF THE FUND**IDBI-PRINCIPAL Asset Management Company Limited**

In terms of the Investment Management Agreement dated November 25, 1994, the Trustees appointed IDBI Investment Management Company Limited (now known as IDBI-PRINCIPAL Asset Management Company Limited) as the AMC to manage the Mutual Fund. The AMC shall operate and manage the Funds of IDBI Mutual Fund from day to day in accordance with the Scheme's Objectives, the Trust Deed, the Investment Management Agreement Provisions and SEBI Regulations and shall submit a quarterly report on the functioning of the Trust Fund to the Trustees.

Name of Directors	
Mr T M Nagarajan* <i>Chairman, Executive Director</i> Industrial Development Bank of India IDBI Towers, Cuffe Parade, Mumbai 400 005.	Mr P C Parmar <i>Chartered Accountant</i> P.C. Parmar and Co. Parmar House, 2413, Gen. Thimayya Road, East street, Pune 411 001.
Mr Christopher J Reddy* <i>Chief Operating Officer</i> Principal International (Asia) Ltd. Unit 1001-3, Central Plaza, 18 Harbour Road, Wanchai, HONG KONG.	Mr Arpan N Thanawala Thanawala Consultancy Services 101, Swagatam, S. V. Road, Opp. Khar Police Station, Khar (W), Mumbai 400 052.
Mr Jitender Balakrishnan* <i>Chief General Manager</i> Industrial Development Bank of India IDBI Towers, Cuffe Parade, Mumbai 400 005.	Mr Sanjay Sachdev* <i>Chief Executive Officer</i> 2 nd Floor, Bajaj Bhavan, Nariman Point, Mumbai 400 021.
Dr Amit Mitra <i>Secretary General</i> Federation of Indian Chambers of commerce and Industry (FICCI) Federation House, Tansen Marg, New Delhi-110 001.	Mr Rustam J Gagrat <i>Advocate</i> Alli Chambers, N. Master Road, Fort, Mumbai – 400 001.

* Associated with the Sponsor.

Key Personnel

Sr. No.	Name, Qualification, Designation, Age	Past Experience
1.	Mr Sanjay Sachdev LLB, F.L.M.I. (USA), MIM (USA) <i>Chief Executive Officer</i> 39 years	Mr. Sachdev has a rich International experience of over 15 years, eight of which have been spent working with the Pension & Mutual Fund operations at the Principal Financial Group. Prior to that he served as Regional Finance Manager with a large multinational company, Pioneer Hybrid.
2.	Mr V Narayana Murthy B.Com, MA, MFM <i>Chief Financial Officer</i> 38 years	Over 12 years experience in development banking. In his previous assignment with Industrial Development Bank of India, he has handled various managerial positions (including Executive Assistant to the CMD). He also has experience in Project Appraisal and Research & Planning.
3.	Mr Rajat Jain B.E. PGDM <i>Chief Investment Officer</i> 39 years	Over 12 years experience in Investment Management. In his previous assignments with SBI Funds Management Ltd, he has handled investment functions in various capacities including Chief Investment Officer, Fund Manager, Head of Research and Equities Dealer.
4.	Mr J A Patel B.Com, LLB, FCA <i>Chief Administrative Officer</i> 34 years	Over 12 years of experience and knowledge in Operations, Financial & Compliance functions. In his previous assignments, he has worked with SUN F&C Asset Management (I) Pvt Ltd as Head (Operations), Tata Asset Management Ltd as Manager (Finance) and various public limited companies in different capacities in finance & accounting areas.
5.	Mr Prakash Diwan B.E., MBA, FMS <i>Head - Sales & Distribution</i> 32 years	Over 9 years experience in Sales, Distribution & Marketing. In his previous assignments, he worked with Prudential ICICI AMC Ltd as Zonal Manager (Sales & Distribution), Kary Consultants Ltd as Branch Manager, and Consortium Finance Ltd as Manager (Operations).
6.	Mr Binay Chandgothia B.Com, PGDBM <i>Head - Fixed Income</i> 32 years	Over 7 years experience in investment and treasury management. In his previous assignments he worked with SBI Funds Management Ltd as Fund Manager (Fixed Income) and with State Bank of India as Dealer (Fixed Income Securities).
7.	Mr Tridib Pathak B.Com, ACA <i>Fund Manager</i> 35 years	Over 10 years experience in equity research and Fund management. In his previous managerial assignments he worked with ASK RAYMOND JAMES as Senior Research Analyst, UBS Securities as Associate Director (Equity Research) and CARE as Senior Rating analyst.

(All key personnel based at Mumbai)

Fund Manager

Mr. Rajat Jain is the Chief Investment Officer and the Fund Manager for the Balanced Fund. Mr. Binay Chandgothia is Fund Manager for the Fixed-Income Schemes and Mr. Tridib Pathak is Fund Manager for the Growth Fund. The research team comprising the following members will support the Fund Managers.

Sr. No.	Name, Qualification & Designation	Experience
1	Ms Vaneeta Bhojwani B.Com, MMS (Finance) Investment Analyst	Over 9 years experience in Equity Research & Financial Service
2	Mr Huzaifa Husain B.Tech. PGDM Investment Analyst	Over 4 years experience in Equity Research
3	Ms Pallavi Deshpande B.Com, MMS (Finance) Investment Analyst	Over 4 years experience in Equity Research
4	Mr Nilang Mehta M.Com., Chartered Accountant Investment Analyst	1 year experience in Treasury

Custodian**Stock Holding Corporation of India Limited**

Mittal Court, 2nd Floor, Nariman Point, Mumbai 400 021.

SEBI Registration No. IN/CUS/011

Registrar and Transfer Agent**Kary Consultants Limited**

21, Avenue 4, Banjara Hills, Street No. 1, Hyderabad 500 034.

SEBI Registration No. INR000000221

Statutory Auditors**M/s. N.M.Raiji and Co.**

Chartered Accountants

206, T. V. Industrial Estate, 248/A, S.K. Ahire Marg, Worli, Mumbai 400 025.

Investor Relations Manager

At present, Ms. Kalwachwala is the Investor Relations Manager and can be contacted at the office of the AMC, the present address being as follows:

IDBI Mutual Fund, Bajaj Bhavan, 2nd Floor, Nariman Point, Mumbai 400 021.

Phone: +91 22 202 1111. Fax: +91 22 204 4466.

E-mail: customer@idbiprincipal.com

INVESTMENT POLICIES AND STRATEGY**Investment Policies**

IDBI-PRINCIPAL Future Goal Series is a family of Schemes, each managed by a separate investment objective and a separate investment portfolio. All investments will be made in accordance with SEBI Regulations.

Any change in the investment composition of the Scheme(s) and amounting to a change in the fundamental attributes of the Scheme(s) will be in accordance with Sub-Regulation 15A of Regulation 18 of SEBI Regulations. However, from time to time (for a short term), the AMC may alter the asset composition on defensive consideration and may also invest upto 100% of the assets in overnight bank call, the primary motive being to protect the NAV of the Scheme(s) and protect Unitholders interest, and also to earn reasonable returns on liquid assets maintained for redemption of units.

It is envisaged that the portfolio of securities and other investments held under both the Plans viz. Dividend Plan and Growth Plan of the Scheme may be similar, although they would not exactly match each other. Further, the two Plans will have separate unit capital, separate NAV investments, and separate balance sheets and profit and loss account. Also, the units outstanding under both the Plans may be different due to varying subscriptions. While the investment strategy would be similar, there may be dissimilarities in the asset composition in terms of securities. Notwithstanding anything stated aforesaid, the Trustees/AMC reserves the right to have one common portfolio with similar asset allocation for each plan with a common corpus, balance sheet etc., should the reasons of expediency, cost, interest of Unitholders and other circumstances make it necessary for the Fund to do so.

Change in Investment Pattern

The overall portfolio structuring would aim at moderate to low levels of risk while there is no assurance that the objective of the Scheme(s) may be achieved. The Trustees may, from time to time, modify the investment composition, provided such modification is in accordance with the Scheme(s) Objectives and Regulations and as amended from time to time by way of Circulars, Press Releases and Notifications issued by SEBI or the Government of India to regulate the activities and growth of Mutual Funds. The intent being to protect the NAV of the Scheme(s) and Unitholders' interest.

The asset allocation pattern for the Balanced Fund (under normal circumstances) would be maintained at 60% equity and 40% debt. Sudden and sharp movements in equity markets may cause these limits to be violated. If the equity component falls below 51% or goes beyond 70%, it would be brought back within the prescribed limits.

Investment Decision-Making Process**Equities**

The equity team comprises the fund manager, analysts and dealers. The fund manager is in charge of the schemes under his management and is responsible for their performance. The analysts have to provide the fund manager with well-researched information on the companies and the sectors they track. The dealer executes the trading mandates that are passed onto him with a view to getting the best execution in terms of price and quantity. The analysts/fund managers meet companies, if possible, through one-on-one meetings or at analyst/fund manager meets. The equity group meets once a week to discuss the following:

1. Presentations on all the companies met during the past week;
2. Review of the portfolio and action to be taken
3. Review of the sectors by the analysts.

The analysts/fund manager/CIO prepares a research report in specified format on the companies they have covered every week. If the fund manager wishes to execute some trades in any of the schemes, he submits a proposal to the equity group. The group reviews the proposal and, if approved, the mandate is given to the dealer to execute. The mandate, once approved, is valid for a week and will lapse automatically if not executed. The minutes are kept to record the decision taken at the group meeting.

IDBI-PRINCIPAL Index Fund is a passively managed index fund and therefore the above process is not largely applicable. The objective of the Index Fund is to invest in companies whose securities are included in the S&P CNX Nifty and (subject to tracking errors) to endeavor to achieve the returns of the above index as closely as possible. The entire corpus of the Scheme will be invested in stocks comprising the Nifty Index in approximately the same weightage that they represent in the Nifty. Investment/Disinvestment decisions by the Fund Manager will be based on the cash flow requirement of the Scheme. Whenever there is an inflow (mainly on account of subscription and dividend), investment will be made in Nifty stocks to the extent of available funds. Similarly, whenever there is an outflow (mainly on account of redemption and to meet expenses), disinvestment will be made to the extent of outflow.

Debt

In the debt market (typical yields of 6-8.5%), short-term surpluses can be deployed in the inter-bank call money market, repurchase obligations (repos) or short term corporate papers. The inter-bank call money market sees daily volumes of more than Rs 10,000 crore. In longer-term assets, sovereign bonds (government securities and treasury bills) which are the most liquid instruments dominate the market. Banks, Institutions, Primary Dealers and Mutual Funds are the dominant participants in this market. Some corporations also deal actively to manage their treasury positions. As of date, daily volumes in this segment range between Rs 400-1000 crore on an average. Other instruments available for investment are commercial papers, certificates of deposits, promissory notes, non-convertible debentures, securitised instruments etc. Most of these instruments are listed on NSE by the issuers. Deals in corporate papers have gone up in the last one year with increased issuance and trading. With dematerialisation of corporate debt now possible it is expected that the segment would be even more liquid in the future.

The debt team comprises the fund manager, analysts and dealer. The fund manager is in charge of the schemes under his management and is responsible for their performance. The role of credit analysts is to continuously analyze and monitor the credit quality of all companies in which the fund has invested (or plans to invest). The dealer executes the trading mandates that are passed onto him with a view to getting the best execution in terms of price and quantity.

A Credit Committee (CC) comprising the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and the Debt Fund Manager has been constituted to approve investment in securities having credit risks. The decision-making in the committee is by majority vote and the quorum is two members. The investment proposals are put up before the committee for their approval. The fund manager can invest only in those securities that have been approved by the committee. The minutes are kept to record the decision taken at the credit committee meeting. Unrated papers, if any, are circulated to the AMC Board and the Board of Trustees for their approval before making an investment. No specific approval is required for investment in Government Securities and TBills.

Review by Board of AMC and Trustees

A detailed review of the schemes of the fund is placed before the Board of Directors of the AMC and to the Board of Trustees on a quarterly basis. The review talks about the portfolio of the fund and the composition of the portfolio and the directors and the trustees are in a position to monitor the same.

The performance of the Growth Fund and the Index Fund would be compared to the Nifty Index. For the Balanced Fund, the comparison would be with a weighted average index of the Nifty and the I-BEX. The Income Fund would be benchmarked to the I-BEX. The Government Securities Fund will be compared against a suitable benchmark representing the Government Securities and/or other similar schemes in the industry. For the Cash Management Fund, the benchmark would be the average of the MIBID and MIBOR rates.

Investment Strategy

IDBI-PRINCIPAL Future Goals Series is a family of Schemes, each having a distinct investment strategy. Unitholders are requested to refer to the various clauses under "Special Considerations" in the full Offer Document of the respective Scheme(s) before taking any decision to invest in the Scheme(s). The Scheme-specific strategy is stated below.

IDBI-PRINCIPAL Growth Fund

The Scheme seeks to achieve its objective by investing in equities and other equity related securities. In selecting securities for investment, the Investment Manager would look at securities, it believes, will have sustained above average growth prospects with the objective of long-term capital appreciation. The Investment Manager follows the "Fundamental Analysis" approach to investment selection.

IDBI-PRINCIPAL Balanced Fund

The Scheme would invest in a balanced mix of debt and equity. In selecting equities, the Investment Manager looks for companies believed to have good growth prospects with the objective of long-term capital appreciation. In response to changes in industrial and economic conditions, the Investment Manager may change the composition of the portfolio by actively buying and selling the securities in the portfolio.

Moreover, the Scheme shall generate interest income by investing in fixed-income securities. These are also purchased for capital appreciation on the belief that declining

interest rates may increase the market value of the fixed-income securities (and thereby the NAV of the fund). Deep Discount debt securities may also be purchased to generate capital appreciation/income.

IDBI-PRINCIPAL Index Fund

The scheme principally invests in securities of companies whose securities are included in the NSE Nifty. It is designed to attain results commensurate with the NSE Nifty. The fund will endeavor to maintain as low a tracking error as possible.

Important Note:

Standard & Poor's® and **"S&P®"** are trademarks of the McGraw-Hill Companies, Inc. and have been licensed for use by India Index Services & Products Limited (ISIL), which has sublicensed such marks to the AMC. The S&P CNX Nifty is not compiled, calculated or distributed by Standard & Poor's, a division of the McGraw-Hill Companies Inc., and Standard & Poor's makes no representation regarding the advisability of investing in products that utilise any such Index as a component or such similar language as may be approved in advance by S&P, it being understood that such notice need only refer to the specific S&P Marks referred to in the Information Material.

IDBI-PRINCIPAL Index Fund is neither sponsored, endorsed, sold or promoted by IISL nor by Standard & Poor's, (S&P). Neither IISL nor S&P makes any representation or warranty, express or implied, to the Unitholders of IDBI-PRINCIPAL Index Fund or any member of the public regarding the advisability of investing in securities generally or in IDBI-PRINCIPAL Index Fund particularly or the ability of the S&P CNX Nifty to track general stock market performance in India. The relationship of S&P and IISL to the AMC is in respect of the licensing of certain trademarks and trade names of their S&P CNX Nifty Index, which is determined, composed and calculated by IISL without regard to IDBI Mutual Fund or IDBI-PRINCIPAL Index Fund. Neither IISL nor S&P has any obligation to take into consideration the needs of the AMC or the Unitholders of IDBI-PRINCIPAL Index Fund in determining, composing or calculating the S&P CNX Nifty. Neither IISL nor S&P is responsible for or has participated in the determination of the timing of, prices at, or quantities of IDBI-PRINCIPAL Index Fund to be issued or in determination or calculation of the equation by which IDBI-PRINCIPAL Index Fund is to be converted into cash. Neither S&P nor IISL has any obligation or liability in connection with the administration, marketing or trading of IDBI-PRINCIPAL Index Fund. S&P and IISL do not guarantee the accuracy and/or the completeness of the S&P CNX Nifty or any data included therein and they shall have no liability for any errors, omissions or interruptions therein. Neither IISL nor S&P makes any warranty, express or implied, as to the results to be obtained by IDBI Mutual Fund, Unitholders of IDBI-PRINCIPAL Index Fund, or any other persons or entities from the use of the S&P CNX Nifty or any data included therein. IISL and S&P make no express or implied warranties and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event shall IISL or S&P have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

IDBI-PRINCIPAL Income Fund

The Scheme would invest in fixed-income securities, primarily on a long-term basis but may make short-term investments. Longer maturities typically provide better yields but expose the Scheme to a greater degree of volatility (than short maturities) as interest rates change. Generally, when interest rates fall, the price per unit rises, and when rates rise, the price per unit declines. Under normal circumstances, the Scheme would invest upto 100% of its assets in money market instruments and in debt instruments which are rated investment grade at the time of purchase or, if not rated, believed to be of comparable quality.

IDBI-PRINCIPAL Government Securities Fund

Assets under the Scheme will be invested solely in Government Securities (Yield 6%-8.5%). However to meet temporary liquidity needs, the Scheme may invest in overnight call money/notice money/bank deposits and/or repos.

The Savings Plan will comprise a portfolio of Government Securities with an average residual maturity not exceeding four years. The Investment Plan will comprise a portfolio of Government Securities with an average residual maturity not exceeding ten years.

Government Securities are issued by the Reserve Bank of India (RBI) on behalf of the Central/State Government, and the interest/redemption payment of these securities are made by RBI. These securities are perceived to carry no credit risk as they represent obligation of the Government. The Scheme will purchase securities in public offerings, secondary markets, auctions and any other mode allowed under the existing regulations. On occasions, if deemed appropriate, the Scheme may also participate in the auction of Government Securities. The money collected under this scheme shall be invested only in transferable Government Securities. The Fund may also trade in STRIPS as and when permitted by RBI.

Being a scheme dedicated exclusively to investments in Government Securities, the IDBI-PRINCIPAL Government Securities Fund will be eligible to avail of liquidity support anytime from the RBI. This will be to the extent of upto 20% (or such limits as may be permitted from time to time) of the outstanding value of its investments in Government Securities (as at the close of business on the previous working day), under its Guidelines issued vide letter IDMC. No. 2741/03.01.00/95-96, dated April 20, 1996.

IDBI-PRINCIPAL Cash Management Fund

The Scheme shall invest its assets in a portfolio of investment grade liquid debt and money market instruments - securities that the Investment Manager believes present minimal credit risks and high liquidity. Under the "Liquid Option", a weighted average

portfolio maturity of upto 60-90 days or less will be maintained, while under the "Money at Call Option", the assets would primarily be in interbank overnight call/repos/floaters. The Scheme intends to hold its investments until maturity. However, the Scheme may sell a security before it matures to take advantage of market variations or to generate cash to cover redemption of units or based on revised credit opinions of the security issuer/company.

INVESTMENT LIMITATIONS

Pursuant to SEBI Regulations the following investment limitations are applicable:

1. The Scheme(s) shall not invest more than 15% (20% with prior approval of AMC) of its NAV in debt instruments of any residual maturity (above or below 1 year) issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act.
2. The Scheme(s) shall not invest more than 10% of its NAV in unrated debt instruments of any residual maturity (above or below 1 year) issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the Scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of the AMC.
3. No Mutual Fund under all its Schemes taken together should own more than 10% of any company's paid-up capital carrying voting rights.
4. Every Mutual Fund shall buy and sell securities on the basis of deliveries. Mutual Funds shall enter into derivatives transactions in a recognized stock exchange for the purpose of hedging and portfolio balancing in accordance with the guidelines issued by SEBI.
5. Pending deployment of Funds in terms of investment objective of a Scheme, a Mutual Fund can invest the Funds of the Scheme in short-term deposits of scheduled commercial banks.
6. No Mutual Fund Scheme shall make any investment in:
 - Any unlisted security of an associate or group company of the sponsor; or
 - Any security issued by way of private placement by an associate or group company of the sponsor; or
 - The listed securities of group companies of the sponsor that is in excess of 25% of the net assets.
7. No Mutual Fund Scheme shall invest more than 10% of its NAV in the equity shares or equity related instruments of any company or units of venture capital funds. However, the limit of 10% shall not be applicable for investments in Index Scheme or sector or industry specific Scheme.
8. A Mutual Fund Scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments or units of venture capital funds in case of open-ended Scheme and 10% of its NAV in case of closed-ended Scheme.
9. Aggregate value of "Illiquid Securities" of the Scheme, which are defined as non-traded, thinly traded and unlisted equity share, shall not exceed 15% of the total assets of the Scheme.

These investment limitations/parameters (as expressed/linked to the net asset/NAV/capital) shall in the ordinary course apply as of the date of the most recent transaction or commitment to invest.

Underwriting

The Scheme may also undertake underwriting and sub-underwriting activities in order to augment its income, after complying with the approval and compliance process specified in the SEBI (Underwriters) Rules and Regulations, 1993 and/or the norms as laid down by SEBI Circular dated June 30, 1994 and/or by the Reserve Bank of India and as amended from time to time.

Policy and Special Consideration on Investment in Derivative and Hedging Products

As part of the Fund management exercise, Trustees may permit the use of any hedging techniques, including trading in derivative products, futures and options, warrants, swaps, etc. which are permissible or may become permissible in the future under SEBI/ RBI Regulations. The Fund shall adhere to the following guidelines of the SEBI Regulations, etc., for trading in derivatives:

- Trading in derivatives by the Mutual Fund shall be restricted to hedging and portfolio balancing purposes.
- The Mutual Fund shall be required to fully cover its positions in the derivatives market by holding underlying securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honor the obligations contracted in the derivatives market.
- Separate records shall be maintained for holding the cash and cash equivalents/securities for this purpose.
- The securities held shall be marked to market by the AMC to ensure full coverage of investments made in derivative products at all times.
- The Scheme(s) may also use various derivatives and hedging products from time to time, as would be commensurate with the Scheme objectives, in an attempt to protect the value of the portfolio and enhance Unitholders interest. Derivative and hedging strategies may be used:
 - (a) For the purpose of hedging against a decline in value of the Scheme(s) NAV, and/or,
 - (b) To seek to enhance the returns.
- Presently, futures and options in Government Securities are not permitted and such products would be taken up only as and when introduced by RBI and specifically permitted for Mutual Funds.

Investment by AMC

The AMC and investment companies managed by the Sponsor(s), their affiliates, associate companies and subsidiaries may invest either directly or indirectly in the Scheme(s). The money managed by these affiliates, associates, the Sponsor, subsidiaries of the Sponsor and/or the AMC may acquire a substantial portion of the Scheme(s) units and collectively constitute a major investment in the Scheme. Accordingly, repurchase of units held by such affiliates/associates and Sponsor may have an adverse impact on the units of the Scheme, because the timing of such repurchase may impact the ability of other Unitholders to repurchase their units. The AMC shall not at any given time invest more than 40% of the Scheme(s) net assets in the units of the Schemes. The AMC shall not charge any fees on investment by the AMC in the units of the Scheme(s) in accordance with Sub-Regulation 3 of Regulation 24 of SEBI Regulations and shall charge fees on such amounts in future only if the SEBI Regulations so permit.

Investment by the Fund (not applicable for the Government Securities Fund)

The Scheme may invest in another Scheme under the management of the AMC or any other AMC. The aggregate inter-Scheme investment by the Fund under all its schemes [including the present Scheme(s)] taken together or in another Scheme managed by the AMC or in any other Scheme of any other Mutual Fund, shall not be more than 5% of the NAV of the Fund. The AMC shall not charge any fees on the investment by the Scheme in another Scheme under its management or under the management of any other AMC.

Portfolio Turnover Rate

"Portfolio Turnover" is the term used by any Mutual Fund for measuring the amount of trading that occurs in a Scheme's portfolio during the year. Each Scheme under the Future Goals Series is an open-ended Scheme. It is expected that there would be a number of subscriptions and repurchase on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. However, a high turnover would not significantly affect the brokerage and transaction costs.

Inter Scheme Transfers

Transfers of investments from one Scheme to another Scheme in the same Mutual Fund shall be allowed only if:

- Such transfers are done at the prevailing market price for quoted instruments on "spot basis", which has the same meaning as specified by the stock exchange for spot transactions.
- The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

Borrowing by the Mutual Fund

Under the prevailing regulations, the Scheme(s) shall have the power to borrow upto 20% of its net assets outstanding (as on borrowing date) for a period of up to six months or as may be permitted by the prevailing regulations. This borrowing shall be used only for the purpose of paying repurchase proceeds or payment of interest or dividend to the Unitholders. The Mutual Fund may tie up with various banks/institutions for this facility for which it may have to give a guarantee or the delivery of the shares/other securities held by it as collateral. Borrowing by the Fund on account of the Scheme will tend to increase the impact of investment gains and losses on the NAV of the Scheme.

Stock Lending by the Mutual Fund (not applicable for Government Securities Fund)

To augment revenue generation, a Scheme may lend the securities (held by it) to eligible brokers, dealers and financial institutions through approved intermediaries, in amounts upto 75% of its total net assets at the time of lending, in accordance with the terms of the Securities Lending Scheme announced by SEBI. A Scheme would limit its exposure to securities lending for a single intermediary to the extent of 25% of the total net assets of the Scheme at the time of lending. However, for National Securities Clearing Corporation Ltd. (NSCCL), such exposure limit would be up to 75% of the total net assets of the Scheme. Collateral must be obtained by the approved intermediary for the lending transactions. It should be noted that any default/delay by the parties to return the securities lent to them might have an adverse impact on the net assets (and consequently the performance) of the Scheme.

Investment in Overseas Financial Assets (not applicable for Government Securities Fund)

In accordance with RBI Policy announced in October 1997 and the guidelines of SEBI announced on September 30, 1999 on overseas investment (including any subsequent instructions/guidelines that may be issued by SEBI and/or RBI in this regard), it is the AMC's belief that overseas markets offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. The Scheme(s) shall (after obtaining approval from RBI) invest in ADRs, GDRs etc. and other overseas financial assets, including securities issued by Governments of the G-7 nations, etc., which in the judgement of the AMC is eligible for investment as part of the Scheme(s) portfolio and is consistent with the investment strategy. The investment in such overseas financial assets shall not exceed the limit as may be imposed by SEBI/RBI from time to time and shall be within the investment composition. As per guidelines of SEBI announced on September 30, 1999, investments in ADRs/GDRs by all the mutual funds are permitted initially within an overall limit of US \$500mn with a sub-ceiling for individual mutual funds not to exceed 10% of the net assets managed as on the date of the last audited balance sheet subject to a maximum of US \$50mn.

TRANSACTING IN THE UNITS OF FUTURE GOAL SERIES

Who can subscribe?

The following persons (subject wherever relevant to, purchase of Units being permitted under their respective Constitutions and relevant State Regulations) are eligible to apply for purchase of units under the Scheme(s):

- i) Indian Nationals who are:
 - Adult individuals as sole holder.
 - Adult individuals jointly (not exceeding three) or on an either/anyone or survivor basis.
 - Parents/Lawful guardians on behalf of Minors.
 - Partner(s) of partnership firms/Partnership Firms, in the name of the partners.
 - Hindu Undivided Families (HUF) by the Karta (acting or on behalf of the HUF).
 - Institutions/Companies/Bodies Corporate/Public Sector Undertakings.
 - Banks (including Co-operative Banks and Regional Rural Banks), Funds, Financial and Investment Institutions and Societies registered under the Societies Registration Act 1860, or Co-operative Societies subject to their bye-laws permitting them to invest in the units of the Fund.
 - Religious and Charitable Trusts, endowments of Private Trusts, under the provisions of Section 11(5) of Income Tax Act, 1961, read with Rule 17(c) of Income-Tax Rules, 1962, registered under the Societies Registration Act/ Indian Trusts Act, Trustees of Private Trusts authorized to invest in Mutual Fund schemes under their Trust Deeds
 - Scientific and Industrial Research Organizations.
 - Association of Persons/Body of Individuals, whether incorporated or not.
 - Army/Air Force/Navy and other paramilitary units and bodies.
 - Mutual Funds registered with SEBI.
- ii) Foreign Institutional Investors registered with SEBI
- iii) Multilateral Funding Agencies/Body Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India
- iv) Overseas Financial Organizations, which have entered into an arrangement for investment in India, inter-alia with a Mutual Fund registered with SEBI and which arrangement is approved by the Central Government.
- v) NRIs, OCBs, FIIs and persons of Indian origin residing abroad, on a full repatriation basis/non-repatriation basis.
- vi) Such other individuals/institutions/body corporates, etc. as may be decided by the Fund from time to time, so long as, wherever applicable, they are in conformity with SEBI Regulations.
- vii) Other Schemes of IDBI Mutual Fund subject to the conditions and limits prescribed by SEBI Regulations.
- viii) Trustees/Trust, AMC or Sponsor or their affiliates, associate companies and subsidiaries may also subscribe to the units of the Fund.
- ix) Provident/Pension/Gratuity/Superannuation and such other retirement and employee benefit and other similar Funds.

The Trustees may accept an application from an unincorporated body of persons/Trusts. The Trustees may add and review (from time to time) the persons eligible for purchase of units under the Scheme(s). If a person who was a resident of India at the time of subscription becomes a resident outside India subsequently, he/she shall have the option to either be paid the repurchase value of the units, or continue into the Scheme(s) if he/she so desires and is otherwise eligible.

How to Subscribe?

There is only one Application Form for Residents, Non-Resident Investors and NRIs/FIIs/OCBs on repatriable/non-repatriable basis. Applicants should clearly specify their status and indicate the Schemes, investment option(s) and plan(s) for which the subscription is made by marking the appropriate choice provided for such purpose in the Application Form. The application shall be treated under Resident category unless the applicant has ticked the appropriate NRI category. Unitholders may opt to invest in all the investment plans and options of the Scheme(s) or for all the Schemes subject to the minimum investment requirements (per Plan/Scheme).

KINDLY RETAIN THE ACKNOWLEDGEMENT SLIP OF THE APPLICATION FORM STAMPED BY THE COLLECTION CENTRE. THIS SHALL BE SUBJECT TO FINAL VERIFICATION AND SCRUTINY BY THE BANKERS/TRUSTEES/AMC THAT THE CHEQUE AND APPLICATION FORM ARE IN ORDER.

Subscription by Residents

- New Unitholders can subscribe to units by completing the application form. Existing Unitholders may use the relevant tear off section of the Transaction Slip that may be enclosed with the Account Statement for additional subscriptions or a new application form. Unitholders under any of the existing Scheme(s) can also switch from other Scheme(s) to these Scheme(s) either during the initial offer or subsequently.
- Applications must be completed in Block Letters in English.
- Signatures should be in English or in any Indian Language. A Magistrate/Notary Public must attest Thumb impressions with his/her official seal.
- Payment should be made in cheque or bank draft on any bank located at the place where the Application is submitted. Outstation cheques will not be accepted and applications accompanied by such cheques may be liable to be rejected. **No money orders and postal orders will be accepted. Cash if accepted would be as per section 269SS of the Income Tax Act 1961.**
- All cheques, bank drafts and payorders must be drawn in favour of **"IDBI Mutual Fund" or "IDBI-PRINCIPAL + Scheme Name"** and crossed **"Account Payee only"**. A separate cheque or bank draft must accompany each application.
- Applicants located in a place where there is no designated collection centre may send their application, accompanied with a separate bank draft crossed "Account Payee only" in favour of "IDBI Mutual Fund" to the Registrar or the office of the

AMC. All demand drafts are to be made payable at Hyderabad/Mumbai respectively or such centers as declared by the AMC from time to time. The bank charges/commission as per IBA guidelines for the demand draft may be deducted from the amount of investment. Such bank charges/commission will be treated as eligible expenses debited to the Scheme(s) within the expense limits laid out under SEBI Regulations.

- Please state the Application Form number and name on the reverse of the cheque/bank draft/payorder.

Subscription by NRIs and OCBs

Reserve Bank of India vide its Notification No. F.E.R.A. 195/99- RB dated March 30, 1999 has granted general permission to domestic Mutual Funds (as referred to in clause (23 D) of Section 10 of the Income Tax Act, 1961) to issue units under the Schemes floated by them to NRIs/PIOs/OCBs on non-repatriation/repatriation basis. Accordingly NRIs/PIOs/OCBs may invest in Scheme(s) floated by IDBI-PRINCIPAL subject to the following conditions.

- a. **Issue of units on repatriation basis** –The investment should be made by the eligible non-resident investors out of Funds remitted from abroad in free foreign exchange through normal banking channels or out of balances held in their NRE/FCNR accounts maintained with authorized dealers in India. Payment may be made by means of Indian Rupee Drafts purchased abroad or by a Cheque drawn on Non-Resident (External) Accounts/FCNR Accounts payable (at par) at Mumbai. Payments can also be made by means of drafts payable at Mumbai and purchased out of funds held in Non-Residents (External) Accounts/FCNR Accounts maintained with the banks authorized to deal in Foreign Exchange in India.

The above may be sent together with the complete Application Form directly by Registered Post to the Registrar or the office of the AMC.

- b. **Issue of units on Non-Repatriation basis** – The funds for investment should be provided by eligible non-resident investors by way of inward remittance or by debit to their NRE/FCNR/NRO/NRSR accounts maintained with an authorized dealer in India. The payment procedure is as per (a) stated above.

In cases where investment is made out of Inward Remittance or from funds held in NRE/FCNR/NRO/NRSR accounts of the investor, the maturity proceeds/repurchase price of units and/or dividend or income earned may be credited to NRO/NRSR account (details of which should be furnished in the space provided for this purpose in the Application Form) of the Non-Resident Investor maintained with an authorized dealer in India.

Refunds, interest and other distribution (if any) and maturity proceeds/repurchase price and/or income earned (if any) will be payable in Indian Rupees only. The maturity proceeds/repurchase value of units issued on repatriation basis and income earned thereon (net of taxes) may be credited to the NRE/FCNR account (details of which should be furnished in the Application Form) or remitted to the Non-Resident Investor. Such payments in Indian Rupees will be converted into US dollars or into any other currency, as may be permitted by the RBI, at the rate of exchange prevailing at the time of remittance and will be dispatched through Registered Post at the Unitholder's risk. The Fund will not be liable for any loss on account of exchange fluctuations, while converting the rupee amount into US dollar or any other currency. Credit of such proceeds to NRE/FCNR account or remittance thereof may be permitted by authorized dealer, only on production of a certificate from the Fund that the investment was made out of Inward Remittance or from the funds held in NRE/FCNR account of the investor maintained with an authorized dealer in India. However, there is no objection to credit such proceeds to NRO/NRSR account of the investor if he so desires.

FIIs and International Multilateral Agencies shall pay their subscription by direct remittance from abroad or out of their special Non-Resident Rupee account maintained with a designated bank in India.

In terms of the Notification No. FERA/212/99-RB dated October, 18 1999, the RBI has granted a general permission to Mutual Funds (as referred to in clause (23D) of Section 10 of the Income Tax Act, 1961) to issue and repurchase units of the Schemes which are approved by SEBI to FIIs, subject to conditions set out in aforesaid notification. Further general permission is also granted to send such units/instruments out of India to their global custodians. FII's applications on a repatriation basis will be accepted if the amount representing the investment is received by debit to the Special Non-Resident Rupee Account of the FII maintained with an approved designated bank.

Subscription by Multilateral Funding Agencies, on full repatriation basis, is subject to approval by the Foreign Investment Promotion Board.

Unitholder's Bank Account Details

As a matter of precaution against possible fraudulent encashment of redemption cheques due to loss/misplacement, Unitholders are requested to give the full particulars of their Bank Account i.e. nature and number of account, name, branch address of the bank at the appropriate space in the Application Form. It shall be mandatory for the Unitholders to mention their bank account numbers in their applications/requests for redemption. Redemption Cheques and/or any other instruments will then be made out in favour of the Bank for crediting the respective Unitholders account so specified.

The normal processing time may not be applicable in situations where such details are not provided by Unitholders. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and delay/loss in transit.

Documents to be submitted

In case of applications under Power of Attorney.

The original Power of Attorney or a certified copy duly notarized should be submitted with the application or the transmission request (as the case may be) unless the Power of Attorney has already been registered with the Fund/Registrar.

In the case of applications by a Limited Company, a Corporate Body, an Eligible Institution, a Registered Society, a Trust, a Fund, a FII or an OCB, etc.

A certified copy of the Board resolution of the Managing Body authorizing investments in Units including authority granted in favour of the officials signing the application of units and their specimen signature etc. along with a certified copy of the Memorandum and Articles of Association and/or Bylaws and/or Trust Deed and/or Partnership Deed and Certificate of Registration should be submitted. The officials should sign the application under the official designation. In the case of a Trust/Fund, it shall produce a resolution from the Trustee(s) for authorizing purchases.

The above mentioned documents or duly certified copy thereof must be lodged separately at the office of the AMC, quoting the serial number of the application and also with the collection centre where the Application Form has been submitted simultaneously.

In addition to the above, in the case of applications by Overseas Corporate Bodies, Firms and Societies, which are held directly or indirectly, but ultimately to the extent of at least 60% by non-resident individuals of Indian Nationality/Origin (and Trust in which at least 60% of the beneficial interest is similarly held irrevocably by such persons), details such as name, address, percentage of ownership by non-resident individuals of Indian Nationality/Origin, and Certificate (in Original) from overseas auditors on form OAC/OAC-1 (as per RBI proforma) must be lodged separately at the office of the AMC, quoting the serial number of the application, and also with the collection centre where the application form has been submitted.

All NRI applications by mail should be sent to the address(es) of the Registrar and/or AMC along with the relevant Foreign Inward Remittance Certificates to indicate the status of the Account debited and the relevant approvals, if required.

In case of non-submission of the above-mentioned documents, the Trustees are entitled, in its sole and absolute discretion, to reject or accept any application. It is expressly understood that the investor/Unitholder has the express authority from the relevant constitution to invest in the units of the Fund, and the AMC/Trustees/Fund would not be responsible if the investment is ultravires the relevant constitution such as the Memorandum and Articles of Association and/or bylaws and/or Trust Deed and/or Partnership Deed and certificate of registration. The investor should not make any investments contrary to the relevant constitution.

SALE OF UNITS ON AN ONGOING BASIS

Units of the Scheme(s) would be available at NAV based prices, subject to the applicable sales load, on any Business Day from any of the designated collection centre(s). Subscriptions will be made only by specifying the amount to be invested and not the number of units to be subscribed. The total number of units allotted will be determined with reference to the applicable sale price and fractional units may be created. A new account/transaction statement will be dispatched reflecting the updated holding of the Unitholder after every transaction. However, a lien on the units so allotted on the day of transaction will be created and such units shall not be available for redemption until the payment proceeds are realized by the Scheme. In case the cheque/draft is dishonored by the Bank, the transaction shall be reversed and the units allotted earlier shall be cancelled and the Unitholder informed accordingly.

Ongoing Sale Price

For on-going sales, units will be offered to investors at NAV based prices. An entry load of up to a maximum of 7% (or as stipulated by SEBI) will be charged to all new investments under any Scheme in any of the Options/Plans. The entry load may be different for Dividend and Growth and any other Plans/Options. The entry load will be calculated as a percentage of the applicable NAV. Further, the difference between the sale price and repurchase price of units shall not exceed 7% calculated on the sale price.

Allotment and Account Statement

Allotment

Allotment of units in the Scheme(s) would be at the discretion of the Trustees. Allotment is assured to all applicants provided the applications are received during business hours and the cheque accompanying the application form is realised and in order. The allotment date under normal circumstances is deemed to be the same date as the applicable NAV or the trade date. Units will be allotted up to three decimals to all valid applications. An offer to purchase units is not binding on, and may be rejected by AMC, until it has been confirmed through an Account/Transaction Statement and payment has been received.

Account Number

Each Unitholder will have an Account Number. The number of units allotted to a Unitholder or repurchased by a Unitholder will be reflected in his or her account and a statement/advice to this effect will be issued to the Unitholder.

Common Account Number

As a Unitholder-friendly measure (unless otherwise requested), a unique Common Account Number will be assigned for each entity investing in different schemes of the Fund. In such a case, one consolidated account statement will be provided. The AMC reserves the right to assign the existing Common Account Number against multiple applications and/or subsequent purchases under a new Application Form by an existing Unitholder, with identical mode of holding and address. The Fund is also in the process of assigning a Master Account Number for a "Qualified Purchaser" to monitor the "Right of Accumulation" of the said purchaser, besides facilitating issuance of one consolidated account statement (unless otherwise requested by the Unitholder) for all the members of a Family investing in different schemes of the Fund.

Account Statement

An Account or Transaction Statement reflecting the unit balance of the Unitholder and the applicable load structure will be mailed to the Unitholder by ordinary post after every financial transaction is effected. The Account Statement shall not be construed as a proof of title and is only a computer-printed statement indicating the details of transactions under the Scheme and is a non-transferable document. During the initial offer period the Account Statement shall be despatched within six weeks of

the closure of the initial offer period. For ongoing subscription, the Account Statement shall normally be despatched within three business days or after clearance of cheque, whichever is later.

Unit Certificates

Normally no unit certificates will be issued under these Scheme(s). However, if the Unitholder so desires, the AMC shall issue a unit certificate to the Unitholder within 6 weeks of the receipt of request for the certificate. The cost of stamp duty paid for issuing the unit certificate will form part of the annual ongoing expenses and/or may be recovered from the Unitholder.

Systematic Investment Plan (SIP) for corporate employees

The SIP for corporate employees seeks to provide convenience and value of investment to salaried individuals. The application amount would be forwarded by the employer on specific request from the employee who desires to invest in the Scheme(s). The concerned employee has to authorize the employer to deduct the application amount from his salary and remit the same to the Fund. The employer would then deduct the requested application amount at regular intervals (monthly or otherwise) and forward the same to the Fund.

Switch Facility

In the case of NRIs, OCBs, FIIs, etc. the switch facility (from one Scheme/Plan/Option to another) will be subject to necessary approval (if any) from the Reserve Bank of India and any other approval as applicable. Tax Deduction at Source, if any, will be effected at the appropriate rate in case of a switch and the balance amount would be utilized to exchange units to the other Scheme(s).

Unitholders should note that each switch option represents the simultaneous repurchase of units from one Scheme/Plan/Option (which may result in a capital gain or loss) and the subscription of units into another Scheme/Plan. The Switch/Option request will be subject to the minimum application amount and other terms and conditions of the Scheme in which the Switch request has been made.

Gift Facility

The Unitholders can write to the AMC/Registrar requesting for a Gift Form to gift the units (by way of transfer of units to the donee), to the extent provided in the Regulations. The Fund may, subject to compliance with such requirement as it deems necessary, arrange to transfer the units on account of a gift made by the Unitholder out of his unit balance as per the provisions of applicable law. A gift in favour of Non-Residents will also be subject to permission, general or specific, under Foreign Exchange Management Act.

All Settlements to Follow Settlement Cycle in Mumbai

Where an applicant submits a form for sale, repurchase or switch option at any collection centre outside Mumbai on a day which is not a business day for the AMC office at Mumbai, then the applicable NAV for such sale, repurchase or switch option transactions will be the NAV prevalent on the immediately succeeding Business Day at Mumbai.

Mode of Holding

The mode of holding may be "Single", "Joint" or "either/anyone or survivor".

When units are held "singly", all correspondence, distributions, redemptions, etc would be sent to the single holder. When units are "jointly" held, the person named first in the Application Form (first holder) will receive all the correspondence as well as any distributions through dividends, redemptions or otherwise. The first holder shall hold the voting right, if any, associated with the units. However, all documentation/purchase applications/redemption requests/enrollment forms shall necessarily be signed by all the holders. All payments and settlements, etc., made to the first holder shall be a valid discharge by the Fund and the liability of the Mutual Fund in this regard shall be only to the first holder.

When units are held as "either/anyone or survivor", the first holder will receive all correspondence as well as any distributions through dividends, redemptions or otherwise. Any one of the joint holders (in case of either/anyone or survivor) shall hold the voting right, if any, associated with the units and all documentation/purchase applications/redemption requests/enrolment forms may be signed by any one of the joint holders and the Mutual Fund will act on the instructions of any one of the joint account holders. Moreover, in all the cases ("joint" or "either/anyone or survivor"), the Fund shall recognize the first holder as the unit holder and all payments and settlements, etc. made to the first holder shall be a valid discharge by the Fund and the Fund shall not be liable to any other joint applicants in this regard.

However, in case the mode of holding is "joint" or "either/anyone or survivor", the joint holders can specify the percentage of investment that can be allotted to each of the three joint holder(s) along with their addresses. The redemption/distribution cheques would then be issued separately to each of the joint holders (upto three), equal to the percentage of allocation of the original investment (unless requested otherwise). All other correspondence would continue to be addressed to the first holder. All voting rights shall remain the same as is stated aforesaid. All payments/settlements, etc. made to such joint-holders, individually and separately, shall be a valid discharge by the Fund and the liability of the Mutual Fund in this regard shall be to all the joint holders.

In the absence of any percentage allocation of investment amongst joint-holders, the redemption/distribution cheques would be issued in favour of the first holder. The Unitholder(s) would be liable for the loss resulting from a fraudulent encashment, based on the Unitholder(s) (single holder or joint holders or first holder or any holder, with or without percentage allocation of investment) instructions that the Fund reasonably believed as genuine. The subsequent clauses on "Nomination" and "Appointment of Beneficiary" further clarify the position in the event of the death of one of the joint holders or the first holder.

Nomination facility

If an application is made in the name of a single individual holder or jointly not

exceeding three individuals (under any mode of holding) the Unitholders can request a Nomination Form to nominate beneficiary(s)/successor(s) (upto three) to receive the units upon his/her/their death, to the extent provided in the Regulations. Unitholders can nominate individuals not exceeding three (jointly) as beneficiary(s)/successor(s) to receive the units either on first holder basis or in a particular percentage allocation upon his/her/their death. However, the nomination will cease to be valid on units repurchased/transferred by the original Unitholder in full. All payments and settlements made to such nominee(s) and a receipt thereof shall be a valid discharge by the Fund. Unitholders being either parent or lawful guardian on behalf of a minor and Power of Attorney holder of an Eligible Institution, Societies, Funds, Body Corporate, Partnership Firms and HUF shall have no right to make any nomination. Nomination in favour of non-residents will be governed by the rules formulated by Reserve Bank of India from time to time.

Nomination can also be made for units that are pledged and offered as security in favour of any entity/body (for any purpose) but only after "approval/no objection" clearance from such entity/body. Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such pledge unit of the Scheme, where a nomination made in the prescribed manner purports to confer on any person(s) the right to vest the pledged units of the Scheme, the nominee(s) shall, on the death of the Unitholder(s) (single holder or all the joint holders), become entitled to all the rights in the pledged units of the Scheme (as Agent & Trustee) to the exclusion of all other persons except the entity/body in whose favour the units are pledged by way of lien, unless the nomination is cancelled or varied.

Unitholders are also requested to refer to the clause on "Appointment of Beneficiary". The provisions for nomination with regard to Mutual Funds would be as per Section 56 and Section 69 (regarding the right of the beneficiary to transfer possession) of the Indian Trust Act, 1882 since the Mutual Fund is formed as a Trust under the Act. However, acceptance of such nomination/appointment of beneficiary would be at the entire discretion of the Fund taking into consideration the provisions of the Indian Trust Act and the Mutual Fund assumes no responsibility thereof, and the Unitholder(s) would be liable for the loss resulting from a fraudulent nomination/appointment of beneficiary based on the Unitholder's (single holder or joint-holders) instructions that the Fund reasonably believed as genuine.

The AMC has provided this nomination facility as an additional feature. By provision of this facility, the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee. A nomination in respect of the units does not create an interest in the property after the death of the Unitholder. The nominee shall receive the units only as an agent and trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominees under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination and the transmission of units would normally be governed as per succession certificate/probate of the will.

Appointment of Beneficiary

Every Unitholder(s) can appoint up to three person(s) (viz. spouse, child or dependent) as primary and contingent beneficiary(s) under the Scheme to receive the benefits (as allocated) under the Scheme in the event of the death of the individual Unitholder(s), to the extent provided in the foregoing clauses(s) on nomination. When units are held jointly then in the event of death of the first or any other holder, the person next in the order as stated in the Application Form (unless changed) shall be the only person(s) recognized by the Fund as having any title or interest in the benefits under the Scheme, to the extent provided in the foregoing clause(s) on "Mode of Holding". Only on simultaneous death of all the joint holders, the beneficiary(s) nominated can receive the benefits under the Scheme, to the extent provided in the foregoing clause(s) on nomination. The Primary Beneficiary(s) shall have first right of vesting of units on the death of the Unitholder(s). Contingent Beneficiary(s) shall have secondary right of vesting of units on the death of the Unitholder(s) and also the primary beneficiary(s). If the Unitholders spouse is not appointed as a beneficiary, the Fund may seek consent from the spouse to appoint another person as beneficiary.

A beneficiary who becomes entitled to hold the units in consequence of the death of a sole holder or all holders or the person next in the order as stated in the prescribed form (in case of joint holders), or insolvency, or winding up, or by operation of law, pledge, etc., shall have the option (upon producing evidence to the satisfaction of the Fund, and/or after complying with all the formalities in connection with the claim), either to be paid repurchase value of units, or to continue in the Scheme if he/she so desires and is otherwise eligible, by issuance of account statement in his/her name. All payments and settlements made to such beneficiary and a receipt thereof shall be a valid discharge by the Fund.

Every appointment of a beneficiary(s) to be made under the Scheme shall be subject to such conditions and in writing signed by the Unitholder(s) and shall remain in full force and effect until the death of the beneficiary/Unitholder(s) or until the same is revoked in writing by the Unitholder(s) (by whom the same was made) and a fresh appointment is made in the manner aforesaid. Unitholder(s) may, from time to time, revoke or change the beneficiary(s) (including percentage allocation) by filling an appropriate form made available. The new appointment of the beneficiary(s) shall take effect on the date the appropriate form for appointment of the beneficiary(s) is submitted to the collection centre whether or not the Unitholder(s) is/are alive on the date of acknowledgement of the change in beneficiary(s) without prejudice to the Fund or AMC or Trustees on account of any payment or transmission of Units having been made before the acknowledgement of the change or on account of any delay in payment or transmission of units having been made due to non production of evidence to the satisfaction of the Fund and/or non compliance with all the formalities in connection with the claim.

The Trustees/AMC may alter these above stated provisions/norms for appointment of beneficiary(s) from time to time to the extent deemed necessary, and also in conformity with the guidelines and Notifications issued by SEBI/Government of India/any other regulatory body from time to time and/or any statutory modifications or re-enactment

thereof, so as to permit the Scheme(s) to provide maximum benefits to the Unitholders and the beneficiary(s). The provisions for appointment of beneficiary(s) with regard to Mutual Funds would be as per Section 56 and Section 69 (regarding the right of the beneficiary to transfer possession) of the Indian Trusts Act, 1882 since the Mutual Fund is formed as a Trust under the Act. However, acceptance of such nomination/appointment of beneficiary would be at the entire discretion of the Fund taking into consideration the provisions of the Indian Trust Act and the Mutual Fund assumes no responsibility therefore, and the Unitholder(s) would be liable for the loss resulting from a fraudulent nomination/appointment of beneficiary based on the Unitholder(s) (single holder or joint-holders) instructions that the Fund reasonably believed as genuine.

Pledge of Units

In conformity with the guidelines and notification issued by SEBI/Government of India/any other regulatory body from time to time and/or any Statutory modification or re-enactment thereof, the units under the Scheme(s) may be offered as security by way of a pledge/charge in favor of Scheduled Banks, Financial Institutions, NBFC, or any other body.

Listing

Being open-ended Scheme(s) under which Sale and Repurchase is made on a continuous basis by the Fund itself, the units of the Scheme(s) are not proposed to be listed on any stock exchange.

Transfer

As the Fund will be repurchasing and issuing the units on an ongoing basis, no transfer facility is required. However, if units are gifted or in case of change of joint holding or otherwise when unit certificates are held, or if a Unitholder wants to sell the units in the market, by operation of law or otherwise upon enforcement of a pledge/charge, then the Trustees/AMC shall effect the transfer, so long as the intended transferee is otherwise eligible to hold the units. The instrument of transfer used for transfer of the units (in case of unit certificates) shall be the same transfer instruments (Form 7B) used for company shares.

It is expressly understood that the investor/Unitholder is aware of the relevant statutes, tax related provisions pertaining to transfer and he/she undertakes to abide by the same and shall pay all relevant applicable duties, tax, cess, etc. The investor/Unitholder should not make any transfer contrary to the relevant statutes or tax related provisions.

Units with Depository

Units of the Scheme may, if decided by the AMC, be held with a depository. Under such circumstances, units will be transferable in accordance with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as may be amended from time to time.

REPURCHASE OF UNITS

Repurchase Procedure

The units of the Scheme(s) can be repurchased (sold back to the Fund) on any business day. The repurchase request can be made on a repurchase form or by using the relevant tear off section of the Transaction Slip that may be enclosed with the Account Statement, which should be submitted at the office of the AMC or can be sent by mail to the Registrar.

In case the units are standing in the names of more than one Unitholder, where mode of holding is specified as "jointly", repurchase requests will have to be signed by all the joint holders. However, in cases of holding specified as 'either/anyone or survivor', any one of the joint holders will have the power to make the repurchase request. However, in all cases, the repurchase proceeds will be paid to the first holder only, unless percentage allocation of investment has been stated where the repurchase proceeds will be paid separately to each of the joint holders.

The repurchase would be permitted to the extent of credit balance in the Unitholders account. The repurchase request can be made by specifying the rupee amount or by specifying the number of units to be repurchased. If a repurchase request is for both (a specified rupee amount and a specified number of units), the specified rupee amount will be considered the definitive request. If only the repurchase amount is specified by the Unitholder, the AMC will divide the repurchase amount so specified by the applicable NAV based price to arrive at the number of units. The request for repurchase of units could also be in fractions, up to three decimal places.

Repurchase Price

An exit load of up to a maximum of 7% or as stipulated by SEBI will be charged on repurchase of units by Unitholders under any Scheme in any of the Options/Plans. The exit load may be different for Dividend and Growth and any other Plans/Options. The exit load will be calculated as a percentage of the applicable NAV. Further, the difference between the sale price and repurchase price of units shall not exceed 7% calculated on the sale price.

Repurchase by NRIs/OCBs/FIIs

Credit balances in the account of an NRI/OCB/FII will be subject to any procedures laid down by the RBI. Such repurchase proceeds will be paid by means of a rupee cheque payable to the designated NRE/NRO account of the Unitholder or by a US dollar (or any other currency) draft drawn at the exchange rates prevailing at that time and subject to RBI procedures and approvals and subject to deduction of tax at source, as applicable. All bank charges in connection with such payment will have to be borne by the Unitholder and/or the Scheme by way of ongoing expenses. The Fund will not be liable for any delays or for any loss on account of exchange fluctuations, while converting the rupee amount in US Dollar or any other currency.

Payment of Repurchase Proceeds

The time limit set for despatch of repurchase proceeds will be from the Business Day when the request is accepted at the collection centres or the Registrar office. As per

the SEBI Regulations, the Fund shall mail the repurchase proceeds within 10 Business Days from the date of acceptance of valid request at any of the collection centres or the office of the Registrar, in case of a repurchase request being sent by post. The Fund will ordinarily dispatch the repurchase warrant within 3 business days (within 1 business day for Cash Management Fund) from the date of acceptance of a valid repurchase request.

In the event of failure to despatch the repurchase proceeds within the statutory period specified above as per the SEBI Regulations, the AMC shall be liable to pay interest to the Unitholders at such rate (currently 15% per annum) as may be specified by SEBI for the period of such delay.

Closure of Unitholder's Account

Unitholders may note that the AMC at its sole discretion may close a Unitholder's account after giving notice of 45 days, if at the time of any part repurchase and/or systematic withdrawal/switch plan, the value of units (represented by the units in the Unitholder's account if such repurchase were to take place, valued at the applicable NAV related price) falls below the minimum investment amount required for each Scheme (or such other amount as the AMC may decide from time to time) or where the units are held by a Unitholder in breach of any Regulation. Besides, if the entry load is to be waived or a lesser entry load has been charged because of right of accumulation and/or the investor falls under the category where the entry load is to be waived and the investor fails to invest the requisite amount or submit the requisite proof, then the Fund has the right at its sole discretion to redeem appropriate number of units so as to recover the differential/additional entry load or refuse to credit appropriate number of units to the account of the Unitholder for the differential/additional entry load.

Right To Limit Repurchases

The AMC may, in the general interest of the Unitholders in each Plan (and within Options) of the Scheme(s), keeping in view the unforeseen circumstances/unsure conditions, limit the total number of units which may be repurchased on any Business Day to 15% of the total number of units outstanding under each Plan/Option of the Scheme (or such higher percentage as the AMC may decide in any particular case).

Possible Deferral of Redemption/Repurchase Requests

Whilst every effort will be made to ensure that the Scheme(s) will have sufficient liquidity to enable the repurchase cheques to be collected/despached within the deadline stated in the foregoing clause, Unitholders should note that where the Scheme is obliged to arrange for the disposal of the underlying securities or borrow, in order to satisfy redemption/repurchase requests, Unitholders may experience some delays in receiving repurchase cheques, reflecting the time involved in settling the underlying sale of securities/borrowing. However, in any case, the Fund will ensure that the collection/despatch of repurchase cheques is not delayed beyond ten working days (when IDBI-PRINCIPAL is open for business) from the date of receipt of the repurchase request in accordance with Regulation 53 (b) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Suspension of Sale/Repurchase/Switch Options of the Units

The Fund at its sole discretion reserves the right to withdraw sale and/or repurchase and/or switch units under the Scheme (including any one of the Plan and/or Option of the Scheme) temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and/or suitable investment opportunities are not available for deployment of funds. The AMC reserves the right in its sole discretion to withdraw the facility of sale and switch option of units into and out of the Scheme(s) (including any one Plan/Option of the Scheme), temporarily or indefinitely, if AMC views that changing the size of the corpus further may prove detrimental to the existing Unitholders of the Fund.

Suspension or restriction of repurchase/redemption facility under the scheme shall be made applicable only after the approval from the Board of Directors of the Asset Management Company and the Trustees. The approval from the AMC Board and the Trustees giving details of circumstances and justification for the proposed action shall be informed to SEBI in advance.

Payment to Alternate Payee

The Fund may arrange (subject to compliance with such requirement as it deems fit and necessary) to issue redemption and/or any distribution cheques in favour of an alternate payee on Unitholder(s) request either at the time of investment and/or at the time of redemption or any distribution. Reasonable procedures need to be followed to ensure that instructions from Unitholders regarding payment to alternate payee are genuine. The Unitholder(s) would be liable for the loss resulting from a fraudulent encashment/payment to alternate payee (based on the Unitholders instructions) that the Fund reasonably believed as genuine. The Fund reserves the right to require an indemnity or verification countersigned by a Bank Manager, Notary Public, Magistrate or any party acceptable to it. All payments and settlements made to such alternate payee(s) and a receipt thereof shall be a valid discharge by the Fund and the Fund shall not be in any manner liable to the Unitholder.

Split in the Face Value of Units

The units under the Scheme(s)/Plan(s)/Options are presently being issued at the face value of Rs 10. The AMC may split the face value of the units to below Rs 10 in multiple of an appropriate integer, the intent being to protect the interest of the Unitholders. The units after split in the face value would be issued to all Unitholders whose names appear in the register of members as on the record date fixed for the purpose.

VALUATION POLICY AND DETERMINATION OF NET ASSET VALUE (NAV)

Valuation Policy

The assets of the Scheme(s) will be valued according to the provisions of the SEBI Regulations/Guidelines/Directives and amendment thereof from time to time.

Determination of NAV

The NAV of the Scheme(s) for each plan at any time shall be determined by dividing the net assets of the Scheme by the number of outstanding units on the valuation date. The NAV of the Scheme will be calculated on a daily basis as shown below:

$$\text{NAV per unit} = \frac{\text{(Market/Fair Value of Securities + Accrued Income + Receivables + Other Assets + Unamortised Issue Expenses - Accrued Expenses - Payables - Other Liabilities)}}{\text{No. of units outstanding of the Scheme/Plan}}$$

The NAV will be calculated up to four decimals. The NAVs will be declared at the close of every Business Day.

The computation of NAV and the computation of applicable NAV related price for fresh/ongoing Sale, Repurchase, Switch and their frequency of disclosure shall be based upon a formula in accordance with the Regulations and as amended from time to time including by way of Circulars, Press Releases, or Notifications issued by SEBI or the Government of India to regulate the activities and growth of Mutual Funds.

The dividend if paid on units under the Scheme of the Fund shall be deducted in computing the NAV of the units, each time a dividend is declared and till it is distributed. Consequently, once the dividend is distributed, the NAV of the units will always remain lower than the NAV had dividend not been declared and distributed.

Accounting Policies and Standards

The AMC will follow Accounting Policies and Standards as prescribed under Schedule Nine of the SEBI Regulations.

LOADS, EXPENSES AND FEES

LOADS

The units will be sold and repurchased on an on-going basis at applicable NAV based prices. For the information of investors/Unitholders, the maximum total transaction expenses of the Scheme that may be levied on the Investor/Unitholder and expressed as a percentage of the amount of the Scheme's NAV, are estimated to be as follows:

Type of Transaction	Levy Upto % of NAV
Maximum Sales Load imposed on Resale	7
Sales Load, if any, on issue of Units in lieu of Dividends	Nil
Contingent Deferred Redemption/ Sale Load Year 1, Year 2, Year 3, Year 4	Nil
Maximum Redemption/ Repurchase Load	7
Maximum Switchover/Exchange Fee	At applicable entry-exit loads for respective Scheme(s)

The repurchase price shall not be lower than 93% of the NAV and the sale price shall not be higher than 107% of the NAV and the difference between the repurchase price and sale price shall not exceed 7% on the sale price.

The AMC reserves the right to change or modify the entry/exit/switchover load (including zero load), depending upon the circumstances prevailing at any given time. A load structure when introduced by the AMC may comprise an entry load and/or exit load and/or switchover load as may be permissible under the SEBI Regulations. Any such change in the load structure shall be applicable on prospective investments only.

Entry and/or exit load may be waived and/or lowered at the discretion of the AMC for the following:

- Death of the Unitholder.
- Incapacity/disability of the Unitholder (as per Tax Act).
- Small balance amounts being redeemed.
- Through Systematic Investment/Withdrawal/Switch plan (including SIP for Corporate Employees) and also through Asset Allocation Programme (subject to limits).
- Reinvestment of the redemption proceeds of one Scheme of the Fund within 60 days after the redemption of units (an entry and/or exit load should have been paid for the original investment).

The Load, if levied, will be retained in the respective Scheme(s) and used by the Fund/AMC to cover

- The cost of redeeming/raising units on a continuous basis by way of providing redemption/distribution related services relating to the sale, promotion, advertising and marketing of the units of the Scheme(s), and
- The cost associated with liquidating the Fund's investment securities, including payments for postage and also payments to brokers for their services in connection with the redemption/distribution of the units.

Right of Accumulation

The entry load varies with the size of subscription. Reduced entry load apply on the total units of IDBI Mutual Fund Scheme(s) (excluding Cash Management Fund) subscribed at a given point of time by any "Qualified Purchaser". A qualified purchaser includes an individual and his/her spouse and their children under the age of 25 and parents or a Trust primarily for such persons or any other Unitholder or group of Unitholders as may be included by the AMC from time to time. If the total amount being invested in the Fund is a particular amount, the investor can take advantage of a lower or nil entry load. A qualified purchaser may obtain a reduced or nil entry load by agreeing (applicable form available) to subscribe a particular amount within a 90-day period. If the intended investment is not made, sufficient units would be redeemed to pay the differential/additional entry load or no units would be credited to the account of the Unitholder for the differential/additional entry load. Any existing

investment by the qualified purchaser prior to the period of 90 days from the date of agreement would also be added to the amount of new subscription to determine the applicable entry load.

EXPENSES

Initial Issue Expenses

There will be no ongoing initial issue expenses for schemes launched in past financial years. In the last financial year, the IDBI-PRINCIPAL Future Goals Series consisting of four schemes were launched. IDBI-PRINCIPAL Income Fund and IDBI-PRINCIPAL Cash Management Fund were launched with "No initial load" and the entire initial issue expenses for these two schemes were borne by the AMC/Trust. During the current financial year, IDBI-PRINCIPAL Government Securities Fund was launched with "No initial load" and the entire initial expense for this scheme was borne by the AMC/Trust. The amount available for investment in the IDBI-PRINCIPAL Index Fund, Income Fund, Government Securities Fund and Cash Management Fund was Rs 10. The details of expenses for IDBI-PRINCIPAL Growth Fund and Balanced Fund are given below:

IDBI-PRINCIPAL Growth Fund

Nature of Expenses	% of resource mobilised		Actual (Rs crore)
	As per Offer Document	As Per Actual	
Marketing and Advertisement	2.50 %	3.20%	0.8580
Bank Charges	0.50 %	0.01%	0.0032
Commission for Agents & Brokers	1.50 %	1.29%	0.3472
Printing & Mailing Expenses	0.75 %	1.21%	0.3241
Registrar's Charges	0.65 %	0.07%	0.0191
Miscellaneous Expenses	0.10 %	0.02%	0.0048
Total	6.00 %	5.80%	1.5564

The amount available for investment in the Growth Fund was Rs 9.42

IDBI-PRINCIPAL Balanced Fund

Nature of Expenses	% of resource mobilised		As Per Actual (Rs in crore)
	As per Offer Document	As Per Actual	
Marketing and Advertisement	2.50 %	1.54%	0.5647
Bank Charges	0.50 %	0.01%	0.0021
Commission for Agents & Brokers	1.25 %	0.92%	0.3373
Printing & Mailing Expenses	1.00 %	0.58%	0.2133
Registrar's Charges	0.65 %	0.03%	0.0126
Miscellaneous Expenses	0.10%	0.01%	0.0031
Total	6.00 %	3.09%	1.1331

The amount available for investment in the Balanced Fund was Rs 9.691

Annual Recurring Expenses

The Scheme(s) would commence incurring ongoing expenses from the first day, including during the initial offering period. It shall be the endeavour of the AMC to maintain a lower expense ratio than that allowed by SEBI as given in the tables below:

	IDBI-PRINCIPAL Growth/ Index Fund	IDBI-PRINCIPAL Income Fund/ Government Securities Fund	IDBI-PRINCIPAL Balanced Fund	IDBI-PRINCIPAL Cash Management Fund
Maximum Annual Recurring Expenses as a Percentage of Weekly Average Net assets	2.50%	2.25%	2.50%	2.25%

The above estimates are inclusive of investment management fees and are subject to change as per actual expenses incurred.

SEBI has prescribed the following limits for total annual recurring expenses, which can be charged to the Schemes/Plans of Scheme(s)

Average Weekly Net Assets	Growth/Index and Balanced Funds	Income/Government Securities/Cash Management Fund
On the first Rs 100 crore	2.50%	2.25%
On the next Rs 300 crore	2.25%	2.00%
On the next Rs 300 crore	2.00%	1.75%
On the balance of assets.	1.75%	1.50%

Any expenditure in excess of the limits specified in the SEBI Regulations shall be borne by the AMC and/or by the sponsors and/or Trust.

Investment Management Fees:

As per SEBI Regulations, the AMC may charge the Mutual Fund with investment and advisory fee as follows:

- 1.25% of the weekly average net assets outstanding in each accounting year (for the Scheme) as long as the net assets do not exceed Rs 100 crore, and
- 1% of the excess amount over Rs 100 crore, where net assets exceed Rs 100 crore.

The AMC however reserves the right to collect an additional Management Fee of up to 1% per annum of the Average Net Assets (within and upto the total annual recurring expenses limit as may be permitted by SEBI from time to time) till such time as the initial issue expenses incurred under the Income and Cash Management Scheme(s) are recovered or as may be permitted from time to time under the SEBI Regulations.

Under normal circumstances based on IDBI-PRINCIPAL Cash Management Fund's potential performance in the market environment existing as of the date of the Offer Document, the Fund will endeavor to restrict the total annual recurring expenses up to 1%.

UNITHOLDERS' RIGHTS AND SERVICES

A Unitholder of the Scheme(s) has a proportionate right in the beneficial ownership of assets of the Plan(s) and to the dividends declared by the Scheme(s) (in case of Dividend Plan). Unitholders are advised to refer to the relevant provisions of the Indian Trust Act, 1882, in this regard. Copies of certain relevant documents will be available for inspection at the office of the AMC at Mumbai.

Fundamental Attributes

The Type of Scheme, Investment Objective and Terms of Scheme constitute the fundamental attributes of the Scheme(s) vide clarification issued by SEBI on February 4, 1998.

As per the Regulation 18 (15A) of SEBI Regulations, the Trustees shall ensure that no change in the fundamental attributes of any Scheme or the Trust or Fees and Expenses payable (or any other change which would modify the Scheme and/or affect the interest of Unitholders) shall be carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is published in one English national daily as well as in a regional newspaper (published in the language where the Head Office of the Mutual Fund is situated); and
- The Unitholders are given an option to exit at the prevailing NAV without any exit load.

Rights of unitholders

The allottees of units under these Scheme(s) of the Fund are the beneficiaries. The following are the significant rights of the beneficiaries under the SEBI Regulations.

- Unitholders under the Scheme(s) have a proportionate right in the beneficial ownership of the assets under the Scheme(s).
- The Unitholders have a right to ask the Trustees about any information which may have an adverse bearing on their investments, and the Trustees shall be bound to disclose such information to the Unitholders as stated in the clauses "NAV Information" and "Disclosures".
- The Unitholders have a right to receive the audited annual report setting forth the financials of the Scheme(s) as on 31st March along with the entire portfolio in detail.
- The appointment of AMC for the Fund can be terminated through a resolution by the Trustees or by 75% of the Unitholders of the Scheme.
- The redemption/repurchase proceeds (under normal circumstances) shall be mailed within 10 working days from the date of redemption/repurchase, while income distribution warrants shall be dispatched within 30 days of the declaration of income.

Dividends and Distributions

The AMC may consider providing returns to the Unitholders by way of periodic declaration of dividend and/or bonus units under the Dividend Plan after providing for all necessary recurring and other expenses. Trustees may declare dividend and/or bonus units under Growth Plan, in the interest of the plan and Unitholders at an appropriate time.

Only those Unitholders whose names appear in the register of Unitholders as on the record date will be entitled for dividend and/or bonus units. The AMC/Trustees will fix this date appropriately. The dividend warrants and/or fresh Account Statement with the bonus units shall be dispatched/credited to the Unitholders within 30 days or such stipulated period of the declaration of dividend/bonus units. On Unitholders request the dividend warrants can be arranged to be issued in favour of an alternate payee, as per terms stated in the clause "Payment to alternate payee". In case of dividend reinvestment/sweep option, the appropriate number of units shall be credited to Unitholders account at the applicable NAV on the same date when the NAV is ex-dividend.

All benefits accruing/earned/received under the Scheme(s) in respect of income (not included in NAV), capital reserves and surpluses, if any, at the time of its/their declaration or otherwise under the Scheme(s) shall be available only to the Unitholders who hold the units at the time of its/their declaration.

Voting Rights of the Unitholders

Subject to the provisions of the SEBI Regulations, the consent of Unitholders shall be obtained, entirely at the option of the Trustees, either at a meeting through a postal ballot or any other mode of communication.

Disclosures

NAV Information

The NAV of the Scheme(s) (except Cash Management Fund) will be calculated by the Fund on each Business Day while NAV of Cash Management Fund will be calculated everyday. The Unitholders may obtain NAV information on any business day by calling the office of the AMC or any of the collection centres at various locations. The Fund shall publish the NAV in at least two daily newspaper/s on all business days either through an advertisement or by Press Release. Further, the Sale and Repurchase prices of units will also be published on all business days (or as may be prescribed by SEBI) in at least one daily newspaper.

The AMC shall update the NAVs on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 8.00 p.m. every business day. In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

If the NAV cannot be calculated and/or published due to, say, suspension of trading on the BSE/NSE/RBI or due to the existence of a state of emergency and/or a breakdown in communication, the AMC may suspend calculation and/or publication of NAV of the units.

Financial Results

The Fund will publish and mail to all Unitholders an abridged Scheme-wise annual report, not later than six months from 31st March, containing details as specified in the SEBI Regulations. The Fund will publish, before the expiry of one month from the close of each half-year, as on 31st March and 30th September, its unaudited financial results in one national English daily and in a regional daily published in the language where the Head Office of the Fund is situated. The Fund shall also display half-yearly results on its website www.idbiprincipal.com and the AMFI website www.amfiindia.com.

Portfolio Disclosure

The Fund will send to all Unitholders a complete statement of its Scheme's portfolio before the expiry of one month from the close of each half year (i.e. 31st March and 30th September) or the Fund may publish the statement in one national English daily and in a regional daily published in the language where the Head Office of the Fund is situated. In addition, the Scheme(s) entire portfolio/top holdings will also be disclosed on a quarterly basis. Moreover, the Fund shall also display half-yearly portfolio on its website www.idbiprincipal.com and the AMFI website www.amfiindia.com.

Scheme Amendments/Load Structure

The AMC may add to or otherwise amend either all or any of the terms of the Scheme, by duly complying with the guidelines and notifications issued by SEBI, GOI or any other regulatory body from time to time subject to the prior approval of SEBI, if required. The addendum detailing the changes will be attached to the offer document and abridged offer document. The addendum/amendment will be circulated along with the newsletter sent to Unitholders and to the distributors/brokers. Moreover, arrangements will be made to notify the changes in the offer document through appropriate channels in all the investor service centers/distributors/brokers offices. The applicable load will be disclosed in the account statement/transaction confirmation statement.

Unclaimed Distribution Amount

As per SEBI Guidelines Ref: MFD/CIR/9/120/2000 dated November 24, 2000, unclaimed redemption and dividend amounts shall be deployed by the Fund in call money market or money market instruments only and the investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. After a period of three years, this amount can be transferred to a pool account and the investors can claim the amount at the NAV prevailing at the end of the third year. The income earned on such amount can be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

Although the above guidelines are largely applicable to closed-ended schemes, the Fund will endeavor to apply the same to open-ended schemes to the extent practical and possible subject to relevant regulations.

Duration of the Scheme(s) and Winding Up

Being open-ended the Scheme(s) have a perpetual life. In terms of the SEBI Regulations, the Scheme(s) may be wound up:

- On the happening of any event which, in the opinion of the Trustees, requires the Scheme(s) to be wound up; or
- 75% of the Unitholders of the Scheme(s) pass a resolution that the Scheme(s) be wound up; or
- SEBI directs the Scheme(s) to be wound up in the interest of the Unitholders.

Services to Unitholders

Investor Services

It is the endeavour of the Fund to provide consistently high quality service to its Unitholders through its service centres. This would encompass all interactions by the Unitholders with the Fund. The Fund will strive to upgrade the quality of service through implementation of appropriate technology and ensuring quality consciousness amongst its service personnel and agencies associated with it. The Fund will endeavour to provide a high degree of convenience for the Unitholders dealing with it. The Fund will strive to constantly increase this level of convenience.

Facilitating Enquiries and Transactions

- It will be the endeavour of the Fund to extensively use technological tools in rendering Unitholder service. There will also be an endeavour to send the Account Statements by way of e-mail, which is speedier and economical. Other financial transactions (subscription of units) can also be conveyed to the Unitholders by way of e-mail, wherever requested, subject to such safeguards the Fund may deem necessary.
- Meeting in Person**
An Investor Relations personnel of the AMC will be available on every business day between normal official hours of the AMC for personal meeting with any

Unitholder. The purpose of this facility is to attend to any query related to investment needs of a Unitholder, to resolve any Unitholder service related queries through the Registrar and to provide such other services that the Unitholder desires.

c) Investor Relations Manager

At present, Mrs. Kalwachwala is the Investor Relations Manager and can be contacted at the office of the AMC, the present address being as follows:

IDBI Mutual Fund, Bajaj Bhavan, 2nd Floor, Nariman Point, Mumbai 400 021. Phone: +91 22 202 1111. Fax: +91 22 204 4466. E-mail: customer@idbiprincipal.com

d) Service Standards

The Fund shall endeavour to adhere to the following time schedules on an ongoing basis provided the Unitholder furnishes the Mutual Fund with all the required correct and complete supporting legal/other documents.

	From the date of receipt	
	MAXIMUM	STANDARD
Repurchase Cheque Mailing	Within 10 Business Days	Within 3 Business Days
Purchase intimation	Within 30 Days	Within 3 Business Days
Updated Account Statement on a/c of allotment of units in lieu of dividend	Within 30 Days	Within 5 Business Days*
Address Change	Within 10 Business Days	Within 5 Business Days
Ownership Transmission	Within 30 Days	Within 10 Business Days

* On request

The above-mentioned time schedule does not include postal transit time.

Telephone Transaction Services

The Fund intends to implement activation of sale and repurchase requests, besides rendering services through telephone at select centres. Reasonable procedures need to be followed to ensure that instructions from Unitholders are genuine. The Unitholder would be liable for the loss resulting from a fraudulent telephone instruction that the Fund reasonably believed as genuine. Besides the use of a unique telephone identification number, the procedures would include recording all telephone instructions, requesting personal identification information (name, phone number, I.T. permanent account number, birth date etc.) and sending written confirmation to the Unitholder's address. The Fund reserves the right to refuse telephone instructions to certain Unitholders.

The above is not an exhaustive list of services that the Fund endeavours to provide. As stated earlier, the Fund will constantly strive to add more services and upgrade them for the convenience of the Unitholders.

Signature Verification/Indemnity

Certain transactions may require that the Unitholder's signature be verified by a Bank Manager, or a Notary Public or a Magistrate or any party that is acceptable to the Fund for the following.

- Redemption of Rs 1,00,00,000/- or more from an individual/joint holder account
- If the redemption cheque is payable to anyone other than the Unitholder, the sponsor or its affiliates/associates.
- To make a Dividend sweep from a folio/account with joint holders to a folio/account with only one holder or different joint holders.
- To change ownership of a folio/account.
- To add telephone transaction services or other privileges that would be added from time to time.
- To change bank account information designated under an existing telephone withdrawal plan.
- To have a redemption cheque mailed to an address other than the addresses on the folio/account or to the address on the folio/account if it has been changed within the preceding month.
- To switch among folios with different ownership.
- To issue duplicate unit certificate.
- To change or introduce nomination/appointment of beneficiary and/or percentage allocation of investment, if the ownership of folio/account has been changed within the preceding month.

The above is an indication of transactions that may require signature verification that the AMC may insist upon.

Register of unitholders

A register of Unitholders shall be maintained electronically or in any other mode at the office of the Registrar and Transfer Agent and also at such other places as the AMC may decide and such a register will be conclusive evidence of ownership. The register may be closed for such time and for such period as the AMC may determine. In the event of closure of the register for a period (or periods), appropriate notice shall be given by way of publication in newspaper(s) or other media. Requests for fresh/ongoing sales, repurchase, switching will not be accepted during the period the register is closed and no NAV would be determined/declared.

CONDENSED FINANCIAL INFORMATION FOR LATEST FINANCIAL YEAR 2000-2001

	IDBI - PRINCIPAL Equity Fund		IDBI-PRINCIPAL Tax Savings Fund	IDBI-PRINCIPAL Money Market Fund	IDBI-PRINCIPAL Child Benefit Fund	
	Dividend Plan	Growth Plan			Career Builder	Future Guard Plan
Date of allotment	14 th June, 1995	14 th June, 1995	31 st March, 1996	15 th June, 1997	7 th January, 1998	7 th January, 1998
NAV at the beginning of the year (Rs per unit)	13.84	13.55	19.81	10.802	12.57	12.41
Dividends (Rs per unit)	0.00	0.00	0.00	0.6130	0.00	0.00
NAV at the end of the year (Rs per unit)	9.0827	8.7129	12.01	10.9870	13.76	13.60
Annualised return (%) ⁺	-1.07	-2.35	10.35	8.94*	10.31	9.99
Net Assets (Rs crore)	41.68	40.01	41.55	65.28	1.29	0.44
Benchmark return (%) ⁺	2.56 (Nifty)		3.11 (Nifty)	8.69 (NSE MIBID)**	13.25 (I-Bex)	

* After assuming reinvestment of dividend declared. + Since date of allotment. ** NSE MIBID data not available prior to 15/6/1998.

	IDBI-PRINCIPAL Deposit Fund				
	Plan C - Growth	Plan C - Dividend	Plan 54EA/EB	Bond Plan - Gr.	Bond Plan - Div.
Date of initial allotment	13 th Aug. 1997	29 th Mar. 2001	13 th Aug. 1997	31 st Jul. 2000	27 th Jul. 2000
NAV at the beginning of the year (Rs per unit)	13.45	10.0000	11.40	10.0000	10.0000
Dividends (Rs per unit)	0.00	0.00	0.00	0.00	0.00
NAV at the end of the year (Rs per unit)	10.4576	10.0041	12.6504	11.0750	10.9138
Annualised return (%) ⁺	4.58 ^s	0.04 ^s	13.77	10.75 ^s	9.14 ^s
Net Assets (Rs crore)	38.44	10.06	89.88	13.29	1.58
Benchmark return (%) ⁺	4.19 (JP Morgan T Bill Index) [^]	0.10 (JP Morgan T Bill Index) ^{^^}	13.15 (I-Bex)	11.83 (I-Bex)	11.75 (I-Bex)

\$ Total return; # From 6/11/2000 to 5/2/2001. + Since date of allotment. ^ From 6/11/2000 to 31/3/2001. ^^ From 29/3/2001 to 31/3/2001

	IDBI-PRINCIPAL Growth Fund		IDBI-PRINCIPAL Balanced Fund		IDBI-PRINCIPAL Income Fund	
	Growth	Dividend	Growth	Dividend	Growth	Dividend
Date of initial allotment	25 th Oct. 2000	25 th Oct. 2000	25 th Oct. 2000	25 th Oct. 2000	25 th Oct. 2000	25 th Oct. 2000
NAV at the beginning of the period (Rs per unit)	10.0000	10.0000	10.0000	10.0000	10.0000	QD 10.0000 HD 10.0000
Dividends (Rs per unit)	0.00	0.00	0.00	0.00	0.00	QD 0.25, HD 0.25
NAV at the end of the year (Rs per unit)	8.9443	8.9599	9.1414	9.1899	10.7404	QD 10.3707 HD 10.3707
Total return (%) ^{*+}	-10.56	-10.40	-8.59	-8.10	7.40	QD 6.22, HD 6.22
Net Assets (Rs crore)	21.90	2.88	3.17	31.25	151.54	QD 52.01, HD 102.83
Benchmark return (%) ⁺	-3.02 [^] (Nifty)		0.75 [^] (Wt. avg of I-Bex & Nifty)		9.54 (I-Bex)	

* after assuming reinvestment of dividend declared, if any. QD - Quarterly Dividend Option, HD - Half Yearly Dividend Option. + Since date of allotment.

[^] Absolute Return.

	IDBI-PRINCIPAL Cash Management Fund				IDBI-PRINCIPAL Index Fund
	Money At Call Option		Liquid Option		
	Growth	Dividend	Growth	Dividend	
Date of initial allotment	25 th Oct. 2000	25 th Oct. 2000	25 th Oct. 2000	25 th Oct. 2000	27 th July 1999
NAV at the beginning of the period (Rs per unit)	10.0000	10.0000	10.0000	10.0000	11.591**
Dividends (Rs per unit)	0.00	0.298537656	0.00	0.2645	0.00
NAV at the end of the year (Rs per unit)	10.3555	10.0000	10.3792	10.0490	8.7004
Total return (%) ^{*+}	8.26	6.87	8.82	7.38	-7.96 [^]
Net Assets end of period (Rs crore)	18.30	314.60	31.95	9.02	215.13
Benchmark return (%) ⁺	8.7139 (NSE MIBID)				-7.54 (Nifty) [^]

* after assuming reinvestment of dividend declared, if any. ** NAV as on 1/4/2000. + Since date of allotment. [^] Annualised Return.

LATEST NAV & ANNUALISED RETURNS - FROM 01/04/2001 TO 31/01/2002

	IDBI-PRINCIPAL Equity Fund		IDBI-PRINCIPAL Tax Savings Fund	IDBI-PRINCIPAL Money Market Fund	IDBI-PRINCIPAL Child Benefit Fund		IDBI-PRINCIPAL Index Fund
	Dividend Plan	Growth Plan			Career Builder	Future Guard Plan	
NAV at the beginning of the Period (Rs per unit)	9.0827	8.7129	12.01	10.9870	13.73	13.60	8.7004
Dividend Declared (Rs per unit)	0.00	0.00	0.00	0.1690	0.00	0.00	0.00
NAV at the end of the Period (Rs per unit)	8.6801	8.2355	11.3763	11.0442 [#]	15.2005	14.9980	8.2298
Annualised Yield (%) (From date of allotment to 31/01/2002)	-1.64	-2.88	6.25	8.60 ⁺ 7.92 ⁺⁺	10.72* 5.94**	10.41* 5.54**	-7.45
Benchmark return (%) (From date of allotment to 31/1/2002)	1.23 (Nifty)		1.51 (Nifty)	8.34 ⁺⁺ (NSE MIBID)	14.54* (I-Bex) 5.74** (Wt. avg. I-Bex & Nifty)		-7.53 (Nifty)

+ From date of allotment to 21/12/2001. ++ From 15/6/1998 to 21/1/2002.

* From date of allotment to 30/7/2001 annualised.

** From 31/7/2001 to 31/1/2002 absolute return.

As on 21/1/2002 when the scheme was fully redeemed.

LATEST NAV & ANNUALISED RETURNS - From 01/04/2001 to 31/01/2002

	IDBI-PRINCIPAL Deposit Fund					IDBI-PRINCIPAL Cash Management Fund			
	Plan C- Dividend	Plan C- Growth	Plan 54EA/EB	Bond Plan Dividend	Bond Plan Growth	Money At Call Option		Liquid Option	
						Dividend	Growth	Dividend	Growth
NAV at the beginning of the Period (Rs per unit)	10.0041	10.4576	12.6504	10.9138	11.0750	10.0000	10.3555	10.0490	10.3792
Dividend Declared (Rs per unit)	0.00	0.00	0.00	0.00	0.00	0.505373207	0.00	0.505	0.00
NAV at the end of the Period (Rs per unit)	10.8335	11.1242*	13.9522	11.4717**	12.0406**	10.0000	10.9444	10.1191	11.0551
Annualised return# (%) (From date of allotment to 31/01/02)	9.95	9.97	13.00	12.36+	17.03+	6.53	7.36	7.18	8.21
Benchmark annualised return (%) (From date of allotment to 31/1/2002)	8.65 (JP Morgan T Bill Index)	9.45	15.93	20.47+ (I-Bex)	20.50+	7.69 (NSE MIBID)			

* As on 20/12/2001 when the scheme was fully redeemed. ** As on 5/10/2001 when the scheme was fully redeemed. + From date of allotment to 5/10/2001.

after assuming reinvestment of dividend declared, if any.

	IDBI-PRINCIPAL Growth Fund		IDBI-PRINCIPAL Balanced Fund		IDBI-PRINCIPAL Income Fund		IDBI-PRINCIPAL Government Securities Fund**				
	Dividend	Growth	Dividend	Growth	Dividend	Growth	Investment Plan		Savings Plan		
							Dividend	Growth	Dividend	Growth	
NAV at the beginning of the Period (Rs per unit)	8.9443	8.9599	9.1899	9.1414	QD 10.3707 HD 10.3707	10.7404	QD 10.0000 HD 10.0000	10.0000	10.0000	10.0000	10.0000
Dividend Declared (Rs per unit)	0.00	0.00	0.00	0.00	QD 0.25 HD 0.00	0.00	QD 0.035 HD 0.00	0.00	0.025	0.00	0.00
NAV at the end of the Period (Rs per unit)	8.0926	8.1250	8.8163	8.6629	QD 10.7312 HD 11.0131	11.4109	QD 10.8891 HD 11.2861	11.2861	10.3666	10.6457	10.6457
Total Return# (%) (From date of allotment to 31/01/2002)	-19.07*	-18.75*	-11.84*	-13.37*	QD 12.53* HD 12.79*	14.11*	QD 12.49+ HD 12.86+	12.86+	6.20+	6.46+	6.46+
Benchmark return (%) (From date of allotment to 31/1/2002)	-7.30* (Nifty)		3.00* (Wt. avg of I-Bex & Nifty)		27.02* (I-Bex)		12.57+ (I-Bex)				

After assuming reinvestment of dividend declared, if any. * Annualised return. + Absolute return ** Earlier known as the IDBI-PRINCIPAL Gilt Fund.

INVESTOR COMPLAINTS AND REDRESSAL

The basic objective of the Fund is to set high standards with regard to servicing Unitholders as stated in the earlier clauses. To achieve this end, the Fund has attempted to handle Unitholder grievances efficiently and resolve any problems relating to its Unitholders. Unitholder grievances are normally received by IDBI Mutual Fund's office, at the Investor Service Centre, or directly by the Registrar. The grievances, received by the Fund's office currently are then forwarded to the Registrar through e-mail/courier and a complete follow-up is done with an endeavour to resolve them diligently and accurately.

The complaint/query history given as below:

Particulars	IDBI-PRINCIPAL Equity Fund	IDBI-PRINCIPAL Tax Savings Fund	IDBI-PRINCIPAL Money Market Fund	IDBI-PRINCIPAL Deposit Fund	IDBI-PRINCIPAL Child Benefit Fund	IDBI-PRINCIPAL Index Fund
01/04/98 to 31/03/99						
Received	1424	294	9	6	41	N.A.
Redressed	1420	288	9	6	41	N.A.
Pending as on 31/3/99	4	6	0	0	0	N.A.
01/04/99 to 31/03/2000						
Received	1093	832	0	0	28	34
Redressed	1076	817	0	0	28	34
Pending as on 31/3/2000	17	15	0	0	0	0
1/4/2000 to 31/3/2001						
Received	2703	1837	0	0	14	26
Redressed	2680	1833	0	0	14	26
Pending as on 31/3/2001	23	4	0	0	0	0
1/4/2001 to 31/1/2002						
Received	707	978	1	3	10	7
Redressed	707	978	1	3	10	7
Pending as on 31/1/2002	0	0	0	0	0	0
1/4/2000 to 31/3/2001 (forwarded by SEBI)						
Received	19	14	0	0	0	0
Redressed	19	14	0	0	0	0
Pending as on 31/3/2001	0	0	0	0	0	0
1/4/2001 to 31/1/2002						
Received	5	0	0	0	0	0
Redressed	5	0	0	0	0	0
Pending as on 31/1/2002	0	0	0	0	0	0

Particulars	IDBI-PRINCIPAL Growth Fund	IDBI-PRINCIPAL Balanced Fund	IDBI-PRINCIPAL Income Fund	IDBI-PRINCIPAL Cash Management Fund	IDBI-PRINCIPAL Government Securities Fund*
Direct					
25/10/2000 to 31/3/2001					
Received	2	2	10	1	-
Redressed	2	2	10	1	-
Pending as on 31/3/2001	0	0	0	0	-
1/4/2001 to 31/1/2002					
Received	0	3	35	5	1
Redressed	0	3	35	5	1
Pending as on 31/1/2002	0	0	0	0	0
Forwarded by SEBI					
25/10/2000 to 31/3/2001					
Received	0	0	0	0	-
Redressed	0	0	0	0	-
Pending as on 31/3/2001	0	0	0	0	-
1/4/2001 to 31/1/2002					
Received	0	0	0	0	0
Redressed	0	0	0	0	0
Pending as on 31/1/2002	0	0	0	0	0

* Earlier known as the IDBI-PRINCIPAL Gilt Fund.

ASSOCIATE TRANSACTIONS

Under the normal circumstances, the Fund may have dealing with and/or do transactions with or may utilise the services of following associates of sponsors / AMC

Name of the Associate	Nature of Associates Activity	Services utilised or to be utilised
IDBI Bank Ltd.	Banking	<ul style="list-style-type: none"> Collecting bankers to the scheme Services relating to marketing and distribution.
IDBI Capital Market Services Ltd.	Stock Broking	<ul style="list-style-type: none"> Intermediary/broker for transactions pertaining to purchase and sale of securities; and Services relating to marketing and distribution.

The brokerage/commission payable to the sponsor/its associates will be/are market related and disclosed in the published half-yearly and annual accounts of the scheme.

The details of brokerage paid to IDBI Capital Market Services Ltd. during the last three years and upto January 31, 2002 for current financial year is as below :

(All volume figures in Rs lacs and brokerage is a % of volume)

	IDBI-PRINCIPAL Equity Fund		DBI-PRINCIPAL Tax Savings Fund		IDBI-PRINCIPAL Deposit Fund		IDBI-PRINCIPAL Index Fund		IDBI-PRINCIPAL Money Market Fund	
	Volume	Brokerage (%)	Volume	Brokerage (%)	Volume	Brokerage (%)	Volume	Brokerage (%)	Volume	Brokerage (%)
1998-99	151.00	0.24	587.44	0.24	-	-	N.A.	N.A.	-	-
1999-2000	817.25	0.20	278.28	0.22	508.04	0.001	5161.66	0.25	1401.60	0.001
2000-2001	813.62	0.25	21.40	0.25	-	-	7656.91	0.35	-	-
1/4/2001 to 31/1/2002	-	-	-	-	-	-	2120.44	0.37	-	-

	IDBI-PRINCIPAL Growth Fund		IDBI-PRINCIPAL Balanced Fund	
	Volume	Brokerage (%)	Volume	Brokerage (%)
1/4/2000 to 31/3/2001	206.06	0.33	145.59	0.34
1/4/2001 to 31/1/2002	84.21	0.34	61.55	0.40

Fees paid/provided to IDBI as intermediary for distribution of units & as Principal Trustee.

Rs. in Lacs

PARTICULARS	1998-99	1999-2000	2000-2001	1/4/2001 to 31/1/2002
Brokerage on unit mobilization	3.93	27.40	-	-
Principal Trusteeship Fees	35.05	61.66	82.89	12.04

Fees paid to IDBI Bank Ltd. as collecting banker and as intermediary for distribution of units.

Rs. in Lacs

PARTICULARS	1998-99	1999-2000	2000-2001	1/4/2001 to 31/1/2002
Collecting Bank charges	0.57	3.34	4.49	8.27
Brokerage on unit mobilization	0.001	-	9.02	32.88

Fees paid to IDBI Capital Market Services Ltd. (ICMS) as intermediary for distribution of units.

Rs. in lacs

PARTICULARS	1998-99	1999-2000	2000-20001	1/4/2001 to 31/1/2002
Brokerage on unit mobilization	2.50	-	61.73	100.39

Investment in Group/Associate Company(s)

As on January 31, 2002 there was no investment in the securities of sponsors/group companies of the sponsors.

ISSUES SUBSCRIBED BY IDBI MUTUAL FUND IN WHICH SPONSOR/ ASSOCIATE IS THE ISSUE MANAGER

During last three fiscal years i.e 1998-99, 1999-2000 & 2000-2001 the Fund has not undertaken any underwriting obligations with respect to issues of associate companies and have not subscribed to the issues lead managed by associate companies.

Investments made by any Company in excess of 5% of net assets in any scheme of IDBI Mutual Fund and investment made by the fund in such companies as on January 31, 2002:

Name of the Company (Investor)	Name of the scheme in which investment is made	Aggregate investment by scheme in securities of the company during the specified period*		Aggregate Investment outstanding as on 31/1/2002 (At Book Value)		
		Nature of investment	Amount (Rupees in Lacs)	Investment in the company by scheme	Nature of investment	Amount (Rupees in Lacs)
Tata Power Co. Ltd.	IDBI-PRINCIPAL Cash Management Fund – Liquid Option	Equities Debt	238.95 1000.00	IDBI-PRINCIPAL Index Fund	Equities	86.16
State Bank of India	IDBI-PRINCIPAL Cash Management Fund – Money At Call Option Fund, Income Fund	Equities Debt	1926.08 4701.05	IDBI-PRINCIPAL Index Fund, Equity Fund, Balanced Fund, Income Fund	Equities Debt	694.47 2072.24
ICICI Ltd.	IDBI-PRINCIPAL Cash Management Fund – Liquid Option	Equities Debt	472.15 3842.27	IDBI-PRINCIPAL Growth Fund, Equity Fund, Tax Savings Fund, Income Fund, Cash Management Fund – Liquid Option	Equities Debt	1168.81 5231.13

* Specified period mean one year prior and one year after the date of investment by company in any scheme.

Most of the above securities were purchased from the open secondary/primary market at relevant market/offer prices over a period of time based on the approved investment strategy. All these securities pertain to highly rated/blue chip companies. In keeping with the investment objective of the schemes, these companies offer good investment potential.

As required under Regulations 25 (11) of SEBI Regulations, AMC has brought to the notice of the Trustees the investment made by any company in excess of 5% of NAV of a scheme and the investment made by that scheme or by any other scheme of the same Mutual Fund in that company or its subsidiaries. Further, AMC has also published the above information in half yearly and annual accounts.

BORROWING BY THE MUTUAL FUND

Name of the Fund and Category	Nature of the Instrument/Mode of Borrowings	Source	Purpose	Date of Borrowings	Date of Repayment	Rate of Borrowing (%)	Amount Borrowed (Rs)	Amount Borrowed As % of Net Assets
IDBI-PRINCIPAL Index Fund	Call Borrowings	Trust	Redemption	14/09/1999	23/09/1999	8.61 to 12.35	1,64,00,000	1.0356
IDBI-PRINCIPAL Index Fund	Call Borrowings	Trust	Redemption	21/09/1999	23/09/1999	8.61 to 9.62	54,00,000	0.346
IDBI-PRINCIPAL Cash Management Fund – Liquid Option (Open-ended Liquid Fund)	Temporary Overdraft	HDFC Bank	To meet Redemption*	6/9/2001	7/9/2001 (One day)	22.50 p.a.	43,376.22	0.0024
IDBI-PRINCIPAL Cash Management Fund – Money at Call Option (Open-ended Liquid Fund)	Temporary Overdraft	HDFC Bank	To meet Redemption*	6/9/2001	7/9/2001 (One day)	22.50 p.a.	8,00,000	0.031

* RBI Strike on 6/9/2001

TAX TREATMENT OF INVESTMENTS IN MUTUAL FUNDS

Certain tax benefits described below are available under present taxation laws to the Unitholders (on attaining majority or otherwise) of Mutual Funds including “The Fund” and applies only to persons holding Units as an investment, and does not constitute legal or tax advice. Such benefits will be available only to the sole Unitholder or the first named holder, in case the units are held in the names of more than one person, or to the respective joint holder (to the extent of allocation of investment) in case percentage is specified by joint holders. The information set forth below is included for general information purposes only and is based on advice received by the Trustees regarding the law and practice in force in India and investors/Unitholders should be aware that the relevant fiscal rules on their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time of an investment in the Fund will endure indefinitely. In view of the individual nature of tax consequences, each investor/Unitholder is advised to consult his/her State/Country of incorporation, establishment, citizenship, residence or domicile.

I. TO THE MUTUAL FUND

The entire income of the Fund will be exempt from income tax in accordance with the provisions of Section 10 (23D) of the Income-tax Act, 1961. The income received by the Fund is not liable for deduction of tax at source.

Under Section 115R, the Fund will be liable to pay additional income tax @ 10% plus surcharge, on the income distributed by the Fund on or after 1st June, 2001.

However, such tax will not be levied on distribution of income by the Fund upto 31st March 2002 in case the Fund qualifies to be an open-ended equity oriented fund. An open-ended equity oriented fund has been defined to mean the Unit Scheme, 1964, of the Unit Trust of India and in case of other funds, where more than 50% of their investible funds are invested in equity shares of domestic companies.

II. TO THE UNITHOLDERS

A. Income Tax

Under the provisions of Section 10 (33) of the Income-tax Act, 1961, income received by all categories of Unitholders will be exempt from income tax in their hands. In view of this position, no tax need be deducted at source from such distribution by the Fund.

The Finance Bill 2001 has inserted a provision to Section 10(33) with effect from April 1, 2000 (i.e. FY 1999-2000) whereby income arising from the transfer of units of the Unit Trust of India or a mutual fund shall not be exempt under this clause.

B. Capital Gains/Losses

The Finance Bill 2001 has inserted Sub-Section (7) in Section 94 with effect from April 1, 2002 (i.e. FY 2001-02). Accordingly, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of three months from such record date, then capital losses arising from such sale to the extent of dividend or income received or receivable on such units will be ignored for the purpose of computing his income chargeable to tax.

C. Long Term Capital Gains

i) For Individuals and HUFs

Long-term capital gains in respect of Units held for a period of more than 12 months will be chargeable under Section 112 of the Income-Tax Act, 1961, at a rate of 20% plus surcharge, as may be applicable. Capital gains would be computed after taking into account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. In a case where taxable income as reduced by long-term capital gains is below the exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be charged at the flat rate of 20% plus surcharge, as may be applicable.

It is further provided that an assessee will have an option to opt for a concessional rate of 10%, plus surcharge, provided the long-term capital gains are computed without substituting indexed cost in place of cost of acquisition.

ii) For Partnership Firms, Non-Residents (other than Non-Resident Indians) Indian Companies/Foreign Companies

Long-term capital gains in respect of units held for a period of more than 12 months will be chargeable under Section 112 of the Income-Tax Act, 1961, at a rate of 20% plus surcharge, as may be applicable. Capital gains would be computed after taking into account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer.

It is further provided that an assessee will have an option to opt for concessional rate of 10%, plus surcharge, as may be applicable, to long-term capital gains computed without adjusting indexation for cost of acquisition.

No surcharge is payable by a foreign company.

iii) For Non-resident Indians

Under Section 115E of the Income Tax Act, 1961 for non-resident Indians, income by way of short-term and long-term capital gains in respect of Units is chargeable at the rate of 20% (plus applicable surcharge) and 10% respectively. Such long-term capital gains would be calculated without indexation of cost of acquisition.

Non-resident Indians may opt for computation of long-term capital gains as per Section 112, if it is found to be more beneficial to them.

iv) For Overseas Financial Organisations, including Overseas Corporate Bodies and Foreign Institutional Investors fulfilling conditions laid down under Section 115AB (Offshore Fund)

Under Section 115AB of the Income-Tax Act, 1961, long term capital gains in respect of units held for a period of more than 12 months will be chargeable at the rate of 10%, plus surcharge, as may be applicable. Such gains would be calculated without indexation of cost of acquisition.

No surcharge is applicable for taxes under Section 115AB, in respect of corporate bodies.

D. Short Term Capital Gains

Short-term capital gains in respect of Units held for a period of not more than 12 months is added to the total income. Total income including short-term capital gains is chargeable to tax as per the relevant slab rates in case of individuals while, in other cases, the tax is applicable at flat rates. The tax rates applicable to different categories of assesses are as follows:

Resident individuals and HUF	(Maximum) 30% plus surcharge.
Partnership Firms	35% plus surcharge
Indian companies	35% plus surcharge
Non Resident Indians	30% plus surcharge
Foreign Companies	48% (no surcharge)

E. Tax Deduction at Source on Capital Gains

- i) No tax is required to be deducted at source on capital gains arising to any resident unit holder (under section 194K) vide Circular No. 715 dated August 8, 1995 issued by the Central Board for Direct Taxes (CBDT).
- ii) Under section 195 of the Income Tax Act, 1961, tax shall be deducted at source in respect of capital gains as under:
 - a. In case of non-resident (other than a company)
 - Long term capital gains 20% plus surcharge
 - Short term capital gains 30% plus surcharge
 - b. In case of foreign company
 - Long term capital gains 20%
 - Short term capital gains 48%

As per Circular No. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA, whichever is more beneficial to the recipients.

F. Exemption from Tax on Capital Gains arising on Transfer of Units held for more than 12 Months

As provided under Section 54EC of the Income Tax Act, 1961, where an assessee has made capital gains from the transfer of units held in the Fund for a period exceeding 12 months and the assessee has any time within a period of 6 months after the date of such transfer, invested the whole of the capital gains in the long-term specified assets i.e., in bonds redeemable after 3 years issued by the National Bank for Agriculture and Rural Development, or by the National Highways Authority of India or Rural Electrification Corporation Limited, such capital gains shall be exempted from tax on capital gains under section 54EC of the Income Tax Act 1961. However, if the assessee has invested only a part of the capital gains, he will be eligible for the proportionate exemption.

The Finance Act, 2001 has inserted a new Section 54ED, whereby the capital gains arising from the transfer of units on or after April 1, 2001, held in the Fund for a period exceeding 12 months will be exempt, if the Unitholder has, any time within a period of 6 months after the date of such transfer, invested the whole of the capital gains in acquiring equity shares forming part of an eligible issue of capital. However, if the Unitholder has invested only a part of the capital gains, he will be eligible for the proportionate exemption. An eligible issue of capital means an issue of equity shares offered for subscription to the public by a public company formed and registered in India.

G. Investments by Charitable and Religious Trusts

Units of the schemes are referred to in Clause 23D of Section 10 of the Income Tax Act, 1961, constitute an eligible avenue for investment by charitable or religious trusts as per rule 17C of the Income Tax Rules, 1962, read with Clause (xii) of Sub-Section (5) of Section 11 of the Income Tax Act, 1961.

H. Wealth Tax

Units held under the Scheme of the Fund are not treated as assets within the meaning of Section 2(EA) of the Wealth Tax Act, 1957 and are, therefore, not liable to Wealth-Tax.

I. Gift Tax

Units of the Fund may be given as a gift and no gift tax will be payable either by the donor or the donee, as the Gift Tax Act has been abolished.

GENERAL INFORMATION

Scheme Rights and additions/amendments to the Scheme

The AMC may add to or otherwise amend either all or any of the terms of the Scheme, by duly complying with the guidelines of and notifications issued by SEBI/GOI/any other regulatory body, that may be issued from time to time subject to the prior approval of SEBI, if required.

Power to Remove Difficulties

If any difficulty arises in giving effect to the provision of the Scheme, the Trustees may take such steps, which are not inconsistent with these provisions that appear to them to be necessary and expedient for the purpose of removing the difficulties.

Power to Make Rules

The AMC may from time to time prescribe such forms and make such rules for the purpose of giving effect to the provisions of the Scheme, and add to, alter or amend all or any of the forms and rules that may be framed from time to time.

Documents For Inspection

The following documents are available for inspection by prospective Unitholders, under the Scheme, between 11.00 a.m. and 1.00 p.m. on any Business Day at the office of AMC at 2nd Floor, Bajaj Bhavan, Nariman Point, Mumbai 400 021.

- a) Memorandum and Articles of IDBI-PRINCIPAL Asset Management Co. Ltd. along with Registration Certificate from SEBI
- b) Copy of Trust Deed and Investment Management Agreement
- c) Copy of Custodian Agreement
- d) Copy of Agreement with Registrars
- e) Copy of the Scheme Offer Document
- f) Copies of the Indian Trust Act, 1882, Indian Registration Act 1908, and the Securities (Contracts Regulations) Act, 1956
- g) Copy of SEBI (Mutual Funds) Regulations, 1996
- h) Consent of auditors, custodian banker, registrar

Penalties and Pending Litigations

1. There are no cases of penalties awarded by SEBI under the SEBI Act, or any of its regulations against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC, Trustees, or any of the Directors or key personnel of the AMC and the Trustees. There has also not been any penalties awarded by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors.
2. There has been no penalties awarded for any economic offence and violation of any securities laws.
3. There is no pending material litigation proceedings incidental to the business of the Mutual Fund to which the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC, Trustees or any of the Directors or key personnel is a party. There are no criminal cases pending against the Sponsor or any company associated with the Sponsor in any capacity including the AMC, Trustees or any Director or key personnel.
4. Neither SEBI nor any regulatory body has specifically advised to disclose in the Offer Document any deficiency in the systems and operations of the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC or the Trustees.
5. There is no enquiry/adjudication proceedings under the SEBI Act and the Regulations made thereunder that are in progress against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC, Trustees or any of the Directors or key personnel of the AMC.

The above information has been disclosed in good faith as per the information available to the AMC.

For and on behalf of the Board of Directors of
IDBI-PRINCIPAL Asset Management Company Ltd.

Place : Mumbai
Date : February 25, 2002

SANJAY SACHDEV
Chief Executive Officer

Profile 1

Does this sound like you ?

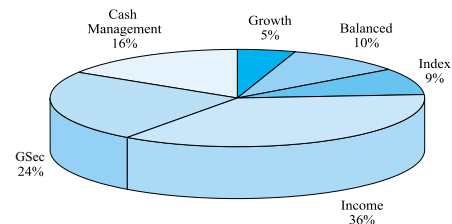
If I received my account statement and noticed a decline of 10-15% in the value of my investments I would feel very uncomfortable.

I'd rather accept a lower return on my investments than lose sleep worrying about how my investments are performing.

Most of my money is lying in my bank savings account or in fixed deposits.

Stocks ? I've never invested in stocks.

This combination of assets is best for you if you are really risk averse or if you're close to retirement. Conservative investments can provide the income you need, with some money in dynamic and aggressive investments to help keep you ahead of inflation.



Profile 2

Does this sound like you ?

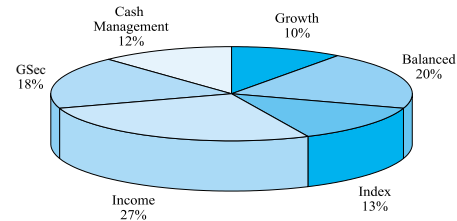
If I received my account statement and noticed a decline of 10-15% in the value of my investments I would feel somewhat uncomfortable.

I prefer an investment mix with a limited downside.

I have invested small amounts in stocks and mutual funds.

If the stock market dropped more than 10% in a month, I would sell.

You prefer stable and conservative investments with some moderate investment options as compared to aggressive and dynamic investments. You like the potential for some growth, but are more concerned with keeping what you have. Some money in aggressive and dynamic investments may help you keep ahead of inflation.



Profile 3

Does this sound like you ?

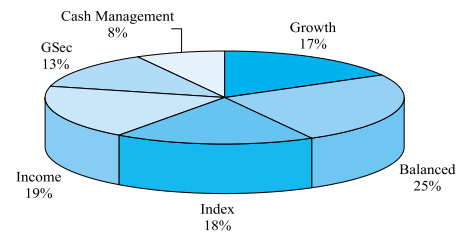
If I received my account statement and noticed a decline of 10-15% in the value of my investments, I wouldn't feel uncomfortable.

I prefer a balanced mix of investments, some with low risk and others with higher risk.

I've invested a small amount of money in stocks or stock mutual funds.

I know the market will go up and down, and I'd watch investment performance for at least a year before making changes.

This middle-of-the-road strategy can work well whether retirement is around the corner or beyond the horizon. This mix may have the potential to provide good long-term returns without large ups and downs in the short-term.



Profile 4

Does this sound like you ?

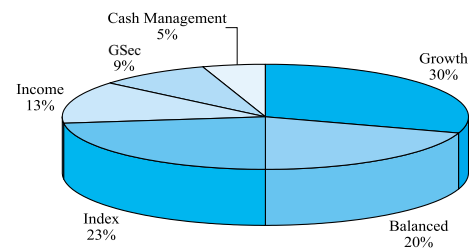
If I received my account statement and noticed a decline of 10-15% in the value of my investments, I wouldn't feel uncomfortable.

I prefer a more aggressive mix of investments. A higher degree of risk offers potentially greater earnings.

I've invested money in stocks or mutual funds and I'm comfortable with my investment.

I am in it for the long-term, and I'll stick with my investments even though the market may drop 10-15% in any given year.

You're willing to assume more risk for potentially greater earnings on your investments. This mix may have the potential to provide good long-term returns, but there may also be the potential for large ups and downs in the short-term. To succeed, you'll probably need a longer time frame to ride out any short-term setbacks.



Profile 5

Does this sound like you ?

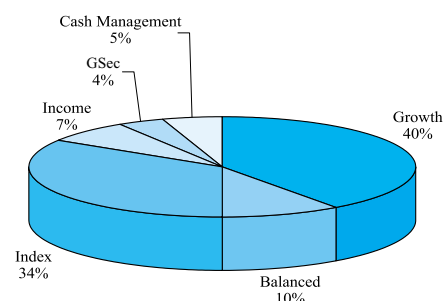
If I received my account statement and noticed a decline of 10-15% in the value of my investments, I wouldn't feel uncomfortable.

I'm willing to assume more risk in my investments for potentially greater earnings.

I have invested in at least one of the sector specific funds and liked it.

I'm in it for the long-term, and I'll stick with my investments even though the market may drop 15-20% for any given year.

You're willing to take a higher level of risk with your investments for potentially greater earnings.



Disclaimer Statement for Investor Questionnaire

The purpose of this questionnaire is to guide investors to plan their investments depending upon their risk perception. Please keep in mind, this information is just a guideline it isn't intended to tell you how to invest. It is based entirely on inputs given by the investor. IDBI-PRINCIPAL Asset Management Company Limited is not providing its views or comments on where the investor should invest his money. This is not an invitation/offer to investors to subscribe to the units of IDBI-PRINCIPAL Growth Fund/IDBI-PRINCIPAL Balanced Fund/IDBI-PRINCIPAL Index Fund/IDBI-PRINCIPAL Income Fund/IDBI-PRINCIPAL Government Securities Fund/IDBI-PRINCIPAL Cash Management Fund. Investors are advised to read the offer document(s) and/or consult their investment advisor before making any investment.

Plan Ahead. Get Ahead.™

IDBI
Principal®**IDBI-PRINCIPAL Asset Management Company Limited**Investment Managers for **IDBI Mutual Fund**

Bajaj Bhavan, 2nd Floor, Nariman Point, Mumbai 400 021 Tel: 91-22-204 4988 Fax: 91-22-284 6442

Website: www.idbiprincipal.com e-mail: customer@idbiprincipal.com

An Associate Company of Industrial Development Bank of India and a Member Company of Principal Financial Group

Instructions for Completing the Application Form

This application form is for Resident Investors/NRIs/OCBs, etc., and should be completed in English in BLOCK LETTERS & BLACK INK only. Please tick (✓) in the appropriate box provided.

Please read the terms of the Offer Document(s) of the Scheme(s) carefully before filling in the application form. All applicants are deemed to have accepted the terms subject to which this offer is being made and bind themselves to the terms upon signing the Application Form and tendering the payment. Application should be for a minimum amount specified for each Scheme/Plan/Option. There is no maximum limit.

(A) HOW TO APPLY

Applicants can invest in one or more of the Schemes by filling the investment amount against each Scheme and providing the details of the individual investments under the respective Schemes. Applicants should submit a single cheque under one Application Form for all investments.

Applications will be accepted at offices of the Asset Management Company.

Payment Procedure**Resident Investor**

Resident Investors may submit payment for units by cheque/demand draft, payable locally and drawn on any bank which is a member of the Bankers Clearing House located at the place where the application form is submitted. All cheques/demand drafts should be drawn in favour of **"IDBI Mutual Fund" or "IDBI-PRINCIPAL + Scheme Name."**

Payment Procedures for NRIs & OCBs**Repatriation Basis**

Payments may be made through Indian Currency Cheques/Demand Drafts/Telegraphic Transfers. NRI applications can also be made by submitting payments through demand drafts purchased from FCNR bank accounts or cheques drawn on NRE accounts. All cheques/drafts should be payable in Mumbai. All applications must be accompanied with a FIRC.

Non-Repatriation Basis

In case of NRIs/OCBs seeking to apply for units on a non-repatriation basis, payments shall be made by cheques/demand drafts drawn out of NRO (Non-Resident Ordinary) accounts.

Payment Procedure - FIIs

FIIs may pay their subscription amounts by direct remittance from abroad or out of their special Non-Resident Rupee Accounts maintained with a designated bank branch in India or as may be permitted under Law. All cheques/drafts should be payable in Mumbai. Applications by FIIs should be submitted only to the office of the Asset Management Company.

All cheques and bank drafts must be drawn in favor of the **"IDBI Mutual Fund" or "IDBI-PRINCIPAL + Scheme Name."**

Payment Procedure - General

- The Asset Management Company will not accept cash for subscriptions. Cash if accepted would be as per Section 269SS of the Income Tax Act, 1961.
- Stockinvests and outstation cheques will not be accepted.
- Bank charges for outstation demand drafts will be borne by the Asset Management Company and debited to the Scheme and will be limited to those stipulated by the Indian Banks Association. (An outstation demand draft would mean a demand draft issued by a bank in the city where there is no collection center provided for the investor). The Mutual Fund will not entertain any request for refund of demand draft charges.
- In case an applicant is located in a place where there is no designated collection centre, the completed application with a Bank Draft/Pay Order for the investment amount (net of Demand Draft charges) may be forwarded to IDBI-PRINCIPAL Asset Management Company Limited, Bajaj Bhavan, 2nd Floor, Nariman Point, Mumbai-400 021, India.

(B) APPLICATION DETAILS

- Please write application serial number and name on the reverse of the cheque/demand draft.
- The applicant's name and address including PIN Code number must be given in full (post box number alone is not sufficient).
- In case the investor is a NRI/PIO/FII/OCB, an overseas address should also be provided, along with the local address. However, all correspondence shall be at the local address.
- **Under the Asset Allocation Programme, a Unitholder must invest in at least**

two Schemes (excluding Money at Call Option under Cash Management Fund).

- If the account has more than one (upto three) Unitholder, the account will be registered either as "joint" or "either/anyone or survivor" basis, as specified. Please refer to the clause "Mode of Holdings".
- The minimum amounts for investments apply for each investment plan if an applicant decides to invest in the Growth Plan and the Dividend Plan of, say, Income Fund. In other words, he has to invest Rs 5,000 under the Growth Plan and another Rs 5,000 under the Dividend Plan. However, under the Dividend Plan, the investor can split his investment (of Rs 5,000) between Dividend Payout and Dividend Reinvestment.

In case of valid applications received without indicating any choice of plan, it will be considered as option for "Growth Plan" and processed accordingly. In case of valid applications received indicating the choice of plan as "Dividend Plan" but without indicating the choice of dividend option, it will be considered as option for "Dividend Plan with Reinvestment Option" (and under half-yearly dividend option for the Income Fund/Government Securities Fund-Investment Plan) and processed accordingly. In case of Government Securities Fund, in the absence of any indication of plan, it will be considered as application for Investment Plan and processed accordingly. In case of Cash Management Fund, in the absence of any indication of investment option, the same would be considered for Liquid Option and processed accordingly.

- It is expressly understood that the investor/Unitholder has the express authority from the relevant constitution to invest in units of the Fund and the AMC/Trustee/Fund would not be responsible if the investment is ultravires the relevant constitution.
- PAN/GIR number and IT Circle / Ward / District (if available) should be mentioned if the amount invested is for Rs. 50000/- or more.
- All communications and payments will be made to the first applicant or to the Karta in case of HUF.
- Signatures should be in English or in any Indian language as specified in the Eighth Schedule of the Constitution of India. Thumb impressions must be attested by a Magistrate/Notary Public under his/her official seal. In case of HUF, the Karta should sign on behalf of the HUF. In case of Partnership firms, the Partner will sign on behalf of the firm. Similarly, for the Association of Persons (AOP), the application must be signed by the Authorised Signatory.
- For a Gift/Investment on behalf of a minor, please mention the name of the donor and the guardian in the appropriate space provided in the Application Form.
- Applications on behalf of minors should be signed by their guardian.
- In case of an application under a Power of Attorney or by a limited company, OCBs, body corporate, registered society, Trust or partnership, the relevant power of attorney or the relevant resolution of authority to make the application or the Trust Deed or Partnership Deed as the case may be, or duly certified copy thereof, alongwith a certified copy of the Memorandum and Articles of Association and/or bye-laws must be lodged at the AMC's office so as to reach within seven days from the date of lodging of the Application Form alongwith with the details of application made.
- OCBs and other corporate bodies predominantly owned by NRIs should submit an auditors certificate in original Form OAC/OAC-1 to reach the AMC's Office in Mumbai within seven days from the date of subscription.
- **SIP/SWP/SSP**
New Investors who wish to enrol for SIP/SWP/SSP need to complete and submit both the relevant Common Application Form and the relevant SIP/SWP/SSP Enrolment Form (please ask for the Form from AMC). Investors opting for monthly/quarterly SIP must issue post-dated cheques dated either the 5th, 15th or 25th of every month. Please refer section on SIP under Sale of Units.

(C) BANK DETAILS

In order to protect the interest of the investors for fraudulent encashment of redemption/refund/dividend cheques, investors are advised in their interest to provide the name of the Bank, branch address, account type, account number for remittance of redemption/refund/dividend amount. **This requirement is mandatory now and applications without complete bank details are liable to be rejected.** The Mutual Fund/Asset Management Company will not be responsible for any loss arising out of fraudulent encashment of cheques and delay/loss in transit.

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Website: www.idbiprincipal.com e-mail: customer@idbiprincipal.com

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APPLICATION FORMNo. **1 BROKER INFORMATION & APPLICATION RECEIPT DATE (Not to be filled in by the Applicant)**

Broker Name & Code	Sub-Broker Code	Registrar Serial No.	Date & Time Receipt
ARN - 31927	DDFR1001		

2 EXISTING UNITHOLDERS (Please fill in your Common Account Number & First Unitholder's Name & go to Section 6)

Please note that applicant details and mode of holding will be as per existing Account Number.

Common Account Number

First Unitholders Name

<input type="text"/>	<input type="text"/>
----------------------	----------------------

3 NEW APPLICANT INFORMATION**(FILL-UP ENTIRE FORM IN CAPITAL LETTERS & BLACK INK)**

Name of Sole/First Applicant/Donor **Mr/Ms/Mrs**

First Name Middle Name

Last Name **Date of Birth** DD MM YYYY

Address of Sole/First Applicant: [(P.O. Box Address is not sufficient) (Indian Address in case of NRIs/FIIs/OCBs)]

City Pin State

Communication: Off. Tel. Res. Tel. Fax

E-mail

PAN/GIR No. (Required if the investment is greater than Rs. 50,000) **Circle/Ward/District** **Not an Assessee**

Applied not Allotted

Gift (Please ✓) **Name of Donor** **Mr/Ms/Mrs**

Yes No

Status (Please ✓) Individual HUF Company Trust Society/Club Partnership AOP NRI OCB FII

Body Corporate BOI Minor Other (please specify) Repatriable Non Repatriable

Name of Guardian (in case of Minor)/ Contact Person (In case of Institutional Investors)/ Father/ Husband **Minor's Relationship**

Name of Second Applicant/Joint Holder **Mr/Ms/Mrs**

First Name Middle Name

Last Name **Date of Birth** DD MM YYYY

Name of Third Applicant/Joint Holder **Mr/Ms/Mrs**

First Name Middle Name

Last Name **Date of Birth** DD MM YYYY

Mode of Holding (✓): Single Joint Either/Anyone or Survivor**Send me a PIN for Internet enabled services (Please ✓):** Yes No**In case of NRIs/FIIs/OCBs, Please fill-up section 7 also**

It is expressly understood that the investor/unitholder has the express authority from the relevant constitution to invest in the units of the Fund and the AMC/Trustees/Fund would not be responsible if the investment is ultravires the relevant constitution such as the Memorandum and Articles of Association and/or bylaws and/or Trust Deed and/or Partnership Deed and certificate of registration. The investor should not make any investments contrary to the relevant constitution.

4 BANK ACCOUNT DETAILS (As per Directives of SEBI, it is mandatory) - Details of Sole/First Holder for Redemption/Dividend Warrant

Name of the Bank **Account No.**

Branch Address

Account Type (Please ✓): Current Savings NRO NRE FCNR NRSR **Bank Code** (9 digit)

5 NOMINATION FACILITY

Name of Nominee

First Name Middle Name

Last Name **Date of Birth** DD MM YYYY

Address of Nominee

City Pin State

6 YOUR INVESTMENT & PAYMENT DETAILS

Schemes	Plan/Option (Please ✓)	Dividend Distribution Option (please ✓)	Amount (Rupees)
IDBI-PRINCIPAL Growth Fund	<input type="checkbox"/> Dividend	<input type="checkbox"/> Reinvest	
		<input type="checkbox"/> Payout	
IDBI-PRINCIPAL Balanced Fund	<input type="checkbox"/> Growth	-	
IDBI-PRINCIPAL Index Fund			
IDBI-PRINCIPAL Income Fund	<input type="checkbox"/> Dividend	<input type="checkbox"/> Reinvest	
		<input type="checkbox"/> Payout	
	<input type="checkbox"/> Half Yearly Dividend	<input type="checkbox"/> Reinvest	
		<input type="checkbox"/> Payout	
IDBI-PRINCIPAL Gilt Fund	<input type="checkbox"/> Growth	-	
	<input type="checkbox"/> Savings	<input type="checkbox"/> Dividend	<input type="checkbox"/> Reinvest
		<input type="checkbox"/> Growth	<input type="checkbox"/> Payout
	<input type="checkbox"/> Investment	<input type="checkbox"/> Quarterly Dividend	<input type="checkbox"/> Reinvest
	<input type="checkbox"/> Half Yearly Dividend	<input type="checkbox"/> Payout	
	<input type="checkbox"/> Growth	-	
IDBI-PRINCIPAL Cash Management Fund (Asset Allocation is not available for Cash Management Fund - Money at Call Option)	<input type="checkbox"/> Money at Call Option - Dividend	<input type="checkbox"/> Reinvest	
		<input type="checkbox"/> Payout	
	<input type="checkbox"/> Money at Call Option - Growth	-	
	<input type="checkbox"/> Liquid Option - Dividend	<input type="checkbox"/> Reinvest	
	<input type="checkbox"/> Payout		
	<input type="checkbox"/> Liquid Option - Growth	-	
GROSS AMOUNT (Rs. in figures)			
LESS BANK CHARGES (Rs. in figures)			
NET AMOUNT (Rs. in figures)			

O P T I O N A L For Investments under Asset Allocation programme only (If you fill-up this section then your above investment will automatically be considered under asset Allocation programme, having same proportion as your above investments).

- Automatic Rebalancing Period [Please (✓) any one]
 - Compulsory rebalancing on 30th June and 31st December
 - Quarterly Semi-annually Annually Other Period (Beyond 365 days only) in _____ days
_____ Automatic Rebalancing Date (Choose date between 1 to 31)
 - No Automatic Rebalancing
- In case of subsequent additional investment the above asset allocation or percentage/ratio of Investment should replace the earlier asset allocation/ percentage/ratio as per our records for rebalancing. [Please (✓)] Yes No

Payment Details: Please (✓) Cash Cheque/DD NRE FCNR NRO NRSR Direct Remittance

Cheque/ Bank Draft/ Pay Order Number _____ Dated DD MM YYYY _____

Drawn on Bank _____ Bank Branch _____

Rupees in words _____

All Cheques/DDs to be drawn in favour of "IDBI Mutual Fund"

8 DECLARATION AND SIGNATURES

I/We have read and understood the contents of IDBI-PRINCIPAL Future Goals Series, for which units are been subscribed or exchanged into. I/We agree to abide by the terms, conditions, regulations of the Schemes under IDBI-PRINCIPAL Future Goals Series. The Mutual Fund scheme(s) in which I/We are investing offers varied sales/exit load. I/We have reviewed the Offer Document explaining the difference between loads including the reduction of sales load for units based upon the amount invested. I/We understand that switch between schemes including under asset allocation are taxable transactions.

I/We confirm that I am/We are Non-Residents of Indian Nationality/Origin and that I/We hereby confirm that the funds are remitted from abroad through approved banking channels or from my/our funds in my/our Non-Resident External Account/FCNR/NRO/NRSR Account. (Applicable to NRI/OCB/FIIs only)

I/We understand that the Fund reserves the right to refuse/reject the allotment of units in case of incomplete/incorrect information provided by me/us.

Date DD MM YYYY _____ Place _____

Sole/First Applicant/Holder

Second Applicant/Holder

Third Applicant/Holder

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IDBI-PRINCIPAL Asset Management Company Limited

Investment Managers for **IDBI Mutual Fund**
 Bajaj Bhavan, 2nd Floor, Nariman Point, Mumbai 400 021
 Tel: (91-22) 204 4988 Fax: (91-22) 204 4990
 Website: www.idbiprincipal.com e-mail: customer@idbiprincipal.com
 An Associate Company of Industrial Development Bank of India and a Member Company of Principal Financial Group

APPLICATION FORM

No.

7 OVERSEAS ADDRESS

Overseas Address in case of NRI/FIIs/OCBs

City		Pin	
State	Country		
Communication: Off. Tel.	Res. Tel.	Fax	

9 ACKNOWLEDGEMENT SLIP (To be filled in by the investor)

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IDBI-PRINCIPAL Asset Management Company Limited

Investment Managers for **IDBI Mutual Fund**
 Bajaj Bhavan, 2nd Floor, Nariman Point, Mumbai 400 021
 Tel: (91-22) 202 1111 Fax: (91-22) 204 4466
 Website: www.idbiprincipal.com e-mail: customer@idbiprincipal.com

APPLICATION FORM

No.

Received from :

Signature, Stamp & Date

DD MM YYYY

Opted for asset allocation : Yes No

Cheque/DD No.

Dated:

Drawn on Bank & Branch :

Scheme Name/Plan/Option

Gross Investment Amount Rs.

TOTAL GROSS AMOUNT

LESS BANK CHARGES

TOTAL NET AMOUNT

Note: All future communications in connection with this application should be addressed to Investor Services Mumbai, quoting full name of the first applicant, the application serial number, the name of the scheme/plan/option, the amount invested under individual schemes or asset allocation, optional feature details, date and place of the Investor Service Centre where application was lodged.

INVESTOR SERVICE CENTRES

AHMEDABAD

IDBI-PRINCIPAL AMC Ltd.
IDBI Complex, 3rd Floor,
Near Lal Bungalow,
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Ahmedabad-380 006.
Tel: (079) 640 7933-36
Fax: (For fax tone dial 31)

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Chennai-600 017.
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Hyderabad-500 016.
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Tel/Fax: (040) 666 9548

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Tel/Fax: (0731) 267 345

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Tel/Fax: (033) 281 7030

LUCKNOW

IDBI-PRINCIPAL AMC Ltd.
210-B, 2nd Floor,
Saran Chambers-2,
5, Park Road,
Lucknow-226 001.
Tel: (0522) 239 770

LUDHIANA

IDBI-PRINCIPAL AMC Ltd.
M-9, ABC Services,
SCO-137,
Feroze Gandhi Market,
Ludhiana-141 001.
Tel: (0161) 402 985/412 027/409 651
Fax: (0161) 405 867

MUMBAI

IDBI-PRINCIPAL AMC Ltd.
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Mumbai-400 021, India.
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Fax: (022) 204 4466

PUNE

IDBI-PRINCIPAL AMC Ltd.
301, 3rd Floor, Amit Shreephal,
1187/25, Ghole Road,
Shivajinagar,
Pune-411 005.
Tel: (020) 551 3093
Fax: (020) 551 3094

SURAT

IDBI-PRINCIPAL AMC Ltd.
C/o. IDBI Bank Ltd.,
Ess En House,
Ghod Dod Road,
Surat-395 001.
Tel: (0261) 365 6371-73
Fax: (0261) 365 6374

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