

**ADDENDUM DATED AUGUST 16, 2006 TO THE OFFER DOCUMENT OF
KOTAK MID CAP SCHEME**

Sub: Modification in Investment Pattern of Kotak Midcap Scheme

The following changes will be effected in the Offer Document with effect from August 16, 2006:

Chapter IV – Investment of the Fund

1. Part B, point 5 “The Risk Profile and Investment Pattern” (page 26)

The table on asset allocation will be replaced with the following:

The asset allocation under the Scheme, under normal circumstances, is as follows:

| Asset Class | Investments | Indicative Allocation | Risk Profile |
|--------------------|---------------------------------------|------------------------------|---------------------|
| A | Equity and Equity related instruments | 65% to 100% | High |
| A1. | Midcap Stocks | 65% to 100% | High |
| A2. | Other than Midcap Stocks | 0 to 35% | High |
| B | Debt and Money Market Securities | 0 to 35% | Low |

Note: The asset allocation (between asset classes A and B) shown above is indicative and may vary according to circumstance at the discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation (between asset classes A and B) falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within Ten Working Days

The asset allocation between A1 and A2 as indicated above shall be reviewed at the end of every calendar quarter and rebalancing, if required will be conducted within a month of review. The Scheme will not invest in securitised debt.

This addendum is an integral part of the Offer Document.

**Sandesh Kirkire
Chief Executive Officer**