

ADDENDUM DATED SEPTEMBER 30, 2004 TO THE COMBINED OFFER DOCUMENT

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1. Change in load structure of Equity and Balanced Schemes and Kotak Gilt Investment Provident Fund and Trust Plan
 2. Change in features of Systematic Investment Plan and Systematic Transfer Plan
 3. Change in Minimum Purchase amount for Kotak Liquid Institutional Premium Plan
 4. Change in "Who can invest" in Kotak Liquid Institutional Plan and Kotak Bond Institutional Plan

With effect from October 01, 2004, the following changes will be effected in the Combined Offer Document.

1. Change in Load Structure

Chapter I – Highlights, Risk Factors and Due Diligence

In the table 'Highlights' page 7, the information on 'Entry Load' for Kotak 30, Kotak MNC, Kotak Tech and Kotak Balance be substituted by the following:

Entry Load:

- a) For Purchase / switch-in amount \geq Rs. 2 Crores: NIL;
- b) For: (i) purchase by a Fund of Fund Scheme(s); (ii) purchase through Systematic Investment Plan (SIP) or Systematic Transfer Plan (STP);(iii) switch-in from a Equity/Balanced Scheme of the Fund, (iv) switch-in from Kotak Equity FOF (v) units allotted on re-investment of dividends, (vi) purchase by Foreign Institutional Investors ('FII') or sub account of an FII: Nil;
- c) For Purchase amount less than Rs. 2 Crores and not covered under (b) above: 2.25% of the Applicable NAV

Exit Load:

For purchase through SIP or STP by an investor other than FII or sub account of FII: 2.25% on redemption of Units allotted/purchased within 1 year prior to the date of redemption.

In the table 'Highlights' page 3, the information on 'Exit Load' for Kotak Gilt Investment Provident Fund and Trust Plan be substituted by the following:

Exit Load: On exercise of right to put/maturity of Units purchased within 1 year prior to the put/maturity: 1%

Chapter VI – Loads and recurring expenses

In Chapter VI (Part A) page 63; Section 5, 'Kotak 30, Kotak Balance, Kotak MNC and Kotak Tech', the paragraphs on Entry Load be replaced by the following:

Entry Load:

- a) For Purchase / switch-in amount \geq Rs. 2 Crores: NIL;
- b) For: (i) purchase by a Fund of Fund Scheme(s); (ii) purchase through Systematic Investment Plan (SIP) or Systematic Transfer Plan (STP);(iii) switch-in from a Equity/Balanced Scheme of the Fund, (iv) switch-in from Kotak Equity FOF (v) units allotted on re-investment of dividends, (vi) *purchase by Foreign Institutional Investors ('FII') or sub account of an FII: Nil;
- c) For Purchase amount less than Rs. 2 Crores and not covered under (b) above: 2.25% of the Applicable NAV

Exit Load:

For purchase through SIP or STP by an investor other than FII or sub account of FII: 2.25% on redemption of Units allotted/purchased within 1 year prior to the date of redemption.

*Load is a method by which the expenses incurred for sales and marketing are recovered from the investors of a Scheme. Since there are no significant sales and marketing expenses such as brokerage, sales promotion, associated with direct investment made by FII directly or through sub - accounts, we propose that no load (entry / exit) be charged by a Scheme on investment made by FIIs directly or through sub - accounts.

In Chapter VI (Part A) page 63; Section 2, the information on 'Exit Load' for Kotak Gilt Investment Provident Fund and Trust Plan be substituted by the following:

Exit Load: On exercise of right to put/maturity of Units purchased within 1 year prior to the put/maturity: 1%

2. Change in features of Systematic Investment Plan and Systematic Transfer Plan

Chapter I – Highlights, Risk Factors and Due Diligence

In the table 'Highlights', the feature "SIP/SWP/STP Facilities" for Kotak Liquid Institutional Plan, Kotak Liquid Institutional Premium Plan and Kotak Bond Institutional Plan be replaced by the following:

SIP/SWP Facilities: Not Available

STP Facility: Available

In the table 'Highlights', the feature "SWP/STP Frequency", for all Scheme(s)/Plan(s) except Kotak Gilt – Investment Provident Fund and Trust Plan be replaced by the following:

SWP Frequency: Monthly, Quarterly

STP Frequency: Weekly, Monthly, Quarterly

In the table 'Highlights', the feature "SWP/STP Dates" for all Scheme(s)/Plan(s) except Kotak Gilt – Investment Provident Fund and Trust Plan, be replaced by the following:

SWP Dates: Any Date

STP Dates: Weekly – Every Friday; Monthly and Quarterly – Any Date

Chapter V – Units (Page 55)

In Chapter V (Part A); Section 5, paragraph "d. Systematic Investment Plan", in the second sub-paragraph the sentence "For investors availing the respective Scheme/Plan" be replaced by the following:

"For investors availing of SIP, purchase of Units for the first time can be made by monthly cheques (dated any date of the month) in such a way that at least 5 cheques are issued and the aggregate of such cheques shall not be less than the minimum purchase amount for opening a Unit Account for the Scheme."

Chapter V – Units (Page 57)

In Chapter V (Part A); Section 5, paragraph "f. Systematic Transfer Plan", in the first paragraph the sentence "The switch can be either monthly or quarterly" be replaced by the following:

The switch can be made Weekly (every Friday), Monthly (Any date) or Quarterly (Any date).

Further in the paragraph, the expression "month/quarter" be replaced with "week/month/quarter".

Further in the paragraph the sentence "However, this facility Kotak Bond Institutional Plan" be deleted.

3. Change in minimum purchase amount for Kotak Liquid Institutional Premium Plan

Chapter I – Highlights, Risk Factors and Due Diligence (Page 6)

In the table 'Highlights', for Kotak Liquid Institutional Premium Plan, the minimum investment size for initial non- SIP purchase, be replaced by Rs. 5,00,00,000.

Chapter IV - Investment of the Fund (Page 36)

In Part A, 'Schemes on Offer', point 8, 'Kotak Liquid', paragraph 'b) Investment Plans and Options', sub-paragraph 'Institutional Premium Plan', the statement "The minimum amountfor incremental investments, Rs. 1,000." shall be replaced by the following statement:

"The minimum amount for initial investment is Rs. 5 crore and for incremental investment, Rs. 1,000."

Chapter V – Units (Page 53)

In Part A, 'Units on Offer', point 3, in the table 'Minimum Purchase and Redemption/Put Amounts', for the Kotak Liquid Institutional Premium Plan, the information on minimum purchase amount for opening unit account be replaced by Rs. 5,00,00,000.

4. Change in "Who can invest"

Chapter V – Units (Page 58)

In Part B, 'Who can invest', the sentence "The following cannot invest in Kotak Liquid Institutional Plan, Kotak Liquid Institutional Premium Plan and Kotak Bond Institutional Plan." be replaced by the following:

"The following cannot invest in Kotak Liquid Institutional Premium Plan."

This addendum is an integral part of the Combined Offer Document.

Ajay Bagga
Chief Executive Officer