

**ADDENDUM DATED FEBRUARY 27, 2004 TO THE OFFER DOCUMENT OF KOTAK MAHINDRA
INCOME PLUS SCHEME**

Sub: Appointment of Mr. Ajay Bagga as Chief Executive Officer

With effect from February 27, 2004, consequent to the appointment of Mr. Ajay Bagga as Chief Executive Officer of the AMC, all references to Mr. C. Jayaram as a key employee in the Offer Document of Kotak Mahindra Income Plus Scheme are removed and the following changes are effected in the said document:

Chapter III (Part D):

1. In Part D of Chapter III, on Page 11, under 'Directors on the Board of the AMC', in the Sub-paragraph titled 'Mr. C. Jayaram', the last line, "And now, at the age of 45,.. functioning of the AMC.", is deleted.
2. In Part D of Chapter III, 'Constitution of the Fund', on Page 17, under 'Key Employees of the AMC', the Sub-paragraph, 'Mr. C. Jayaram' is substituted by the following:

Mr. Ajay Bagga

Ajay Bagga, 36, holds a Post Graduate Diploma in Business Management (PGDBM) from XLRI, Jamshedpur and has over 13 years of work experience. Immediately following his PGDBM, in 1990, Mr. Bagga joined Citibank N.A. He worked with Citibank for over ten years, and spearheaded several new ventures, of which Citibank Suvidha is but one. Following his stint at Citibank, Mr. Bagga held the position of National Head, Sales, Distribution and Business Development at the erstwhile Pioneer ITI Asset Management Company Ltd., where his tenure was marked by rapid expansion of branches and customer base, the building of a debt fund presence and the introduction of several innovative products. Prior to joining Kotak Mahindra Asset Management Company on 27th February 2004, Mr. Bagga headed Marketing for the credit card Joint Venture between GE Capital and SBI Cards, a role he held for a year and a half.

Chapter IV (Part D):

3. In Part D of Chapter IV, 'Investment of the fund', on page 28, Paragraph 13, 'Recording of Investment Decisions', is replaced by the following:

13. Recording of Investment Decisions

With regard to investments in equity instruments, individual scrip wise reasons are maintained in respect of daily transactions. Such reasons are recorded at the time of placing orders. Further, a detailed report is made before taking any decision to invest in a new company and only after the prior approval of the Chief Executive Officer, which is signified in the said detailed report, the Fund is allowed to invest in a new security. When it is decided to exit completely from a scrip, reasons for such decision

are also recorded. In respect of debt instruments also, records in support of each investment decision are maintained. Each debt portfolio strategy is based on a duration objective. Investments in Government securities, as they do not carry any credit risk, are made based on the relevant portfolio strategy. In respect of corporate bonds, as they carry a credit risk, in addition to the duration objective, exposure limits for investment in a particular corporate are determined from time to time, and investments in these corporates are made within these exposure limits.

The decision of making investments is exercised by the Fund Manager based on the relevant norms/policy approved by the Board of the AMC. The role of the Chief Executive Officer revolves around ensuring that due diligence is exercised while making investment decisions, that processes and procedures are followed, and review is undertaken vis-à-vis norms, policies, mechanisms etc. laid down by the Board of the AMC. Performance of the Scheme will periodically be tabled before the Boards of the AMC and the Trustee respectively. Performance of the Scheme vis-à-vis benchmark index will be monitored by the Boards of the Trustee and the AMC periodically.

This addendum is an integral part of the Offer Document.

C. JAYARAM
DIRECTOR
