



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

INVESTMENT MANAGEMENT DEPARTMENT
DEPUTY GENERAL MANAGER

OW/P/23143/2016

August 22, 2016

Chief Executive Officer,
IDBI Asset Management Limited
5th Floor,
Mafatlal Centre,
Nariman Point
Mumbai 400 021.

Dear Sir,

Sub: Request for informal guidance by way of interpretive letter under SEBI (Informal Guidance Scheme), 2003

1. This has reference to your letter dated June 9, 2016 seeking an interpretive letter under the SEBI (Informal Guidance) Scheme, 2003.
2. In your letter under reference you have, *inter alia*, represented as follows:-
 - i. IDBI Mutual Fund would like to modify Clause 21 in Trust Deed by way of deleting sub clauses (b), (c) and (d).
 - ii. The said clauses do not affect the interests of the unitholders.
 - iii. You have requested an interpretive letter on whether the deletion of sub clauses (b), (c) and (d) of clause 21 of Trust Deed would require seeking prior consent of unit holders of IDBI Mutual Fund

Our Comments:

3. Clause 17 of the Third Schedule states the following:

"(17) The Trust Deed shall provide that no amendment to the Trust Deed shall be carried out without the prior approval of the board and unitholders is obtained: Provided however that in case a Board of trustees is converted into a trustee company subsequently such conversion shall not require the approval of unitholders."

4. The schedule does not contemplate a scenario where the modification may not affect the interest of the unit-holder. The restriction on modification without prior approval is clear and absolute, save in case of the Board being converted to a trustee company as indicated in the proviso.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in




अनुवर्ती :
Continuation :

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5. As per the above clause, any amendments to the Trust Deed, require prior approval from the Board and unit holders. It is our view that prior approval of the unit holders is required to be obtained in order to make any amendment to the Trust Deed under SEBI (Mutual Funds) Regulations, 1996.
6. The above position is based on the information furnished in your letter under reference. Different facts or conditions may lead to a different result. This letter does not express decision of the Board on the questions referred.
7. You may note that the above views are expressed only with respect to SEBI (Mutual Funds) Regulations, 1996 and do not affect the applicability of any other law or requirements of other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours faithfully,


Rajesh Gujjar