

## STATEMENT OF ADDITIONAL INFORMATION

Name of the Mutual Fund	ING Mutual Fund
Name of the Asset Management Company	ING Investment Management (India) Private Limited
Trustees	Board of Trustees, ING Mutual Fund
Address and Website of the entities	601/602, 6th floor, "Windsor", Off. C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098 Website: <a href="http://www.ingim.co.in">www.ingim.co.in</a>

**This Statement of Additional Information (SAI) contains details of ING Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference [is legally a part of the Scheme Information Document (SID)].**

**This Statement of Additional Information is dated June 27, 2011.**



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## **DEFINITIONS/ABBREVIATIONS:**

In this Statement of Additional Information the following terms will have the meaning indicated there against unless the context suggest otherwise:

<b>AMFI</b>	Association of Mutual Funds in India.
<b>AOP</b>	Association of Persons.
<b>Asset Management Company, AMC or Investment Manager</b>	ING Investment Management (India) Private Limited incorporated under the Companies Act, 1956 and registered with SEBI to act as an Asset Management Company for the Schemes of the ING Mutual Fund.
<b>Body Corporate</b>	Body corporate shall have the meaning assigned to it in or under Clause (7) of Section 2 of the Companies Act, 1956
<b>BOI</b>	Body of Individuals.
<b>Custodian</b>	A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996.
<b>Foreign Institutional Investors / FII</b>	An entity registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as amended from time to time.
<b>Fund / Mutual Fund</b>	ING Mutual Fund, a trust set up under the provisions of Indian Trusts Act, 1882 (Formerly known as ING Savings Trust and ING Vysya Mutual Fund).
<b>HUF</b>	Hindu Undivided Family.
<b>Investment Management Agreement / IMA</b>	The Agreement dated October 28, 1998 executed between the AMC and the Trustees as amended from time to time.
<b>Investor Service Centre / ISC</b>	Official Points of Acceptance of transaction / service requests from investors. These will be designated by the AMC/Fund from time to time.
<b>New Fund Offer / NFO</b>	The offer for Purchase of Units at the inception of the Scheme, available to the investors during the NFO Period.
<b>NRI</b>	Non-Resident Indian

<b>Person</b>	Includes an individual, partnership firm, Company (as defined in section 3 of the Companies Act, 1956), a body corporate as defined in section 2 (17) of the Companies Act, 1956, a co-operative society and any body or organisation of individual or persons whether incorporated or not.
<b>RBI</b>	Reserve Bank of India established under the Reserve Bank of India Act, 1934 (2 of 1934).
<b>SID</b>	Scheme Information Document.
<b>SEBI</b>	Securities and Exchange Board of India established under the SEBI Act, 1992.
<b>SEBI Act</b>	Securities and Exchange Board of India Act, 1992.
<b>SEBI Regulations/ Regulations</b>	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, including by way of circulars or notifications issued by SEBI and the Government of India.
<b>Securities</b>	Securities as defined under Sec. 2(h) of Securities Contract (Regulation) Act, 1956, as amended from time to time.
<b>Sponsor</b>	ING Group through its wholly owned subsidiary, Nationale Nederlanden Interfinance B.V.
<b>Trustee</b>	The Board of Trustees of the ING Mutual Fund.
<b>Unit Holder</b>	A person holding Units of the Scheme of ING Mutual Fund.

## I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

### A. Constitution of the Mutual Fund

ING Mutual Fund (the “Fund”) has been constituted as a trust on October 8, 1998 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Nationale Nederlanden Interfinance B.V., as the Sponsor and Board of ING Mutual Fund as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Fund was registered with SEBI on February 11, 1999 under Registration Code MF/040/99/5. The Fund was earlier known as “ING Savings Trust” and “ING Vysya Mutual Fund”.

### B. Sponsor

ING Group, through its wholly owned subsidiary, Nationale Nederlanden Interfinance B.V., is the Sponsor of the Fund. The Sponsor acts as Settlor to the Deed of Trust between itself and the Board of Trustees. The Sponsor has entrusted a sum of Rs.1 lakh to the Trustee as the initial contribution towards the corpus of the Fund.

#### **The ING Group**

ING is a global financial institution of Dutch origin, currently offering banking, investments, life insurance and retirement services to meet the needs of a broad customer base. Going forward, we will concentrate on our position as an international retail, direct and commercial bank, while creating an optimal base for an independent future for our insurance operations (including investment management).

#### **ING INVESTMENT MANAGEMENT:**

ING Investment Management is a top global active asset manager. We provide a comprehensive range of investment solutions and services to our clients and partners. We manage assets for institutional clients, fund distributors and the ING labels. ING Investment Management has approximately € 378 billion assets under management. Worldwide, over 3,300 professionals watch over our clients’ money. We operate along regional lines with centres of expertise in Europe, Americas and Asia-Pacific. ING Investment Management is the principal asset manager of ING Group. Against the background of ING Group realising its global ambitions, ING Investment Management has also expanded across borders. Nowadays we are active in well over 34 countries, including some of the world’s fastest growing economies, such as China, India, Brazil and many Eastern European countries.

**ING INVESTMENT MANAGEMENT INDIA:**

ING Investment Management (IIM) India is well poised for growth in India, backed by the support of ING's global investment engine and the vast footprint of the ING India franchise. IIM India serves over 110,000 clients across corporate, HNI and mass affluent channels through a network of affiliates including the ING banking & Insurance channels, which form the core of this distribution. Present in India since 1998, IIM in India today is well established and offers both single and multi-manager products across a range of asset classes. This is a unique combination that supports its differentiation in a crowded market place of over 44 other players.

ING Group has promoted ING Investment Management (India) Private Limited as a private limited Company incorporated in India.

\*The current Shareholders of ING Investment Management (India) Private Limited and the shareholding pattern as on date are as under:

<b>Sr. No.</b>	<b>Name of the Shareholders</b>	<b>Percentage (%) of equity shareholding</b>
1.	Nationale Nederlanden Interfinance B.V. (an ING Group Company)	47.25%
2.	Hathway Investments Private Limited	39.75%
3.	Kirti Equities Private Limited	13.00%

Financial Performance of the Sponsor (past three years ending December 31): (Amt. in Euro Millions)

<b>Particulars</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Net Worth	4.32	2.92	1.92
Total Income	3.48	1.98	3.86
Profit after Tax	(4.19)	(5.4)	(12.4)
Assets Under Management	453	317	857

(Source: [www.ing.com](http://www.ing.com))

**C. The Trustee**

The Board of Trustees of the Fund ("the Trustees") is responsible for supervising the functioning of the Fund. The Trustees ensure that the transactions entered into by the AMC are in accordance with the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time and will also review the activities carried on by the AMC.

\* Shareholding pattern has changed with effect from May 31, 2011

The Board of Trustees of the Fund meets regularly to evaluate the performance of the Schemes floated and ensure that all the regulatory requirements are complied with. During the financial year 2010-2011, the Board had met six times. At these meetings the Trustees are updated on compliance issues and other developments. The Trustees may amend, only with the prior approval of SEBI, the Initial Offer of the Units, the terms of the Scheme/Fund from time to time. Any amendment made will be in conformity with SEBI (Mutual Funds) Regulations, 1996 (“SEBI Regulations”) and any such amendments or re-enactments thereof, shall be binding on all Investors/Unitholders of that Scheme.

**Details of Trustees:**

<b>Name &amp; Type</b>	<b>Age/Qualification</b>	<b>Brief Experience and Directorship of the Trustees</b>
<p><b>Mr. Surinder Mohan Pathania</b> Independent Trustee</p>	<p>74 years M.A. (Economics)</p>	<p>Mr. S. M. Pathania was the Director General of Police, Maharashtra State for the period 1995 -96. He was awarded the Police Medal for Meritorious Service and President’s Medal for Distinguished Service.</p> <p>He is also a Director on the Board of various companies and Trustee of trusts.</p>
<p><b>Mr. Haresh M. Jagtiani</b> Independent Trustee</p>	<p>65 years B.A. , L.L.M.</p>	<p>Mr. Haresh Jagtiani is a Senior Advocate at the High Court in Mumbai. He has vast experience and valuable knowledge in the profession of Law.</p> <p>Mr. Jagtiani does not hold directorship in any other company.</p>
<p><b>Mr. C. Achuthan</b> Independent Trustee</p>	<p>70 years MA (Economics), LLB</p>	<p>Mr. Achuthan brings with him rich knowledge and experience in the field of law and securities market and was the Presiding Officer of Securities Appellate Tribunal, Mumbai. He was a member of SEBI and also held the position of Joint Secretary &amp; Legal Advisor to Government of India and Legal advisor to Ministry of Law &amp; Justice. Additionally, he held various senior positions in Ministry of Corporate Affairs (erstwhile Department of Company Affairs).</p>

		<p>Presently, he is a Legal advisor and Senior Partner in Corporate Law Chamber, India. He is a member of the Advisory Committee on Regulations, Competition Commission of India.</p> <p>Mr. Achuthan is also a legal Advisor to the Pension Fund Regulatory and Development Authority. He is also a Director on the Board of various Companies.</p>
<p><b>Mr. Chetan P. Mehta</b> Associate Trustee</p>	<p>46 years B.Sc. Economics, M.Sc. (Accounting)</p>	<p>Mr. Chetan Mehta is a successful businessman and has vast knowledge and experience in the field of diamond business and in export – import.</p> <p>He is also a Director on the Board of various companies.</p>

### **Rights, Duties and Responsibilities of the Trustee**

The Rights, Duties and Responsibilities of the Trustee shall be consistent with the Regulations and the Trust Deed. The duties and responsibilities of the Trustee and the material provisions of the Trust Deed are as follows:

1. The Trustees have exclusive ownership of the Trust fund and hold the same in trust and for the benefit of the Investors/Unitholders.
2. The Trustees shall ensure that the Fund and the schemes floated hereunder and managed by the AMC are in accordance with the Trust Deed and the Regulations, directions, guidelines issued by SEBI, the Stock Exchanges and other regulatory agencies.
3. The IMA contains such clauses as are mentioned in the Fourth Schedule of the SEBI Regulations and other such clauses as are necessary for the purpose of making investments.
4. The Trustees shall ensure that the Investment of the Trust Fund and Unit Capital of each scheme is made only in the permitted securities and within limits prescribed by the Trust Deed, the Regulations, and the Scheme Information Document of the concerned scheme.
5. The Trustees have a right to obtain from the AMC such information as is considered necessary by the Trustees.
6. The Trustees shall ensure before the launch of any scheme that the AMC has the following:



- (i) Systems in place for its back office, dealing room and accounting;
  - (ii) Appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market to the Trustees within 15 days of their appointment;
  - (iii) Appointed auditors to audit its accounts;
  - (iv) Appointed a compliance officer to comply with regulatory requirement and to redress investor grievances;
  - (v) Appointed Registrar and Transfer Agent and laid down parameters for their supervision;
  - (vi) Prepared a compliance manual and designed internal control mechanisms including internal audit systems; and
  - (vii) Specified norms for empanelment of brokers and marketing agents.
7. The Trustees shall hold in safe custody and preserve the properties of the Fund and the various schemes of the Fund.
  8. The Trustees shall ensure that the income due to be paid to the Scheme is collected and properly accounted for and shall claim any repayment of tax and holding any income received in trust for the holders in accordance with the Trust Deed and the Regulations.
  9. The Trustees shall not acquire or allow the AMC to acquire any asset out of the Trust Funds, which involves assumption of unlimited liability or results in encumbrance of trust fund.
  10. The Trustees shall ensure that the income due to be paid to the Scheme is collected and properly accounted for and shall claim any repayment of tax and holding any income received in trust for the holders in accordance with the Trust Deed and the Regulations.
  11. The Trustees shall ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
  12. The Trustees shall ensure that the AMC has not given any undue or unfair advantage to any associate or dealt with any of the associates of the AMC in any manner detrimental to the interest of Unitholders.
  13. The Trustees shall ensure that the transactions entered into by the AMC are in accordance with the SEBI Regulations and the Scheme.
  14. The Trustees shall ensure that the AMC has been managing the Fund schemes independently of other activities and have taken adequate steps to ensure that the interests of investors of one Scheme are not compromised with those of any other scheme or of other activities of the AMC.
  15. The Trustees shall ensure that all the activities of the AMC are in accordance with the provisions of SEBI Regulations.
  16. Where the Trustees have reason to believe that the conduct of the business of the Fund is not in accordance with SEBI Regulations and the Scheme, they shall forthwith

- take such remedial steps as are necessary by them and shall immediately inform SEBI of the violation and the action taken by them.
17. Each Trustee shall file the details of his transactions of dealing in securities with the Fund on a quarterly basis.
  18. The Trustees shall be accountable for, and be the Custodian of the funds and property of the respective Schemes and shall hold the same in trust for the benefit of the Unitholders in accordance with the Regulations and the provisions of the Trust Deed.
  19. The Trustees shall take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.
  20. The Trustees shall be responsible for the calculation of any income due to be paid to the Fund and also of any income received in the Fund for the Unitholders of any Scheme in accordance with the Regulations and the Trust Deed.
  21. The Trustees may subject to the Regulations, prescribe such terms and make such rules for the purpose of giving effect to the provisions of the Scheme with power to the Investment Manager to add, to alter or amend all or any of the terms and rules that may be framed from time to time. However, the Trustees may alter/modify/change the Fundamental Attributes of the scheme or the trust or fees and expenses payable or any other change that would modify the Scheme or affect the interest of the Investors/Unitholders, in accordance with the applicable Regulations from time to time and shall obtain the consent of the Unitholders of the Scheme:
    - (a) whenever required to do so by SEBI, in the interest of Unitholders of the Scheme
    - (b) whenever required to do so on the requisition made by three-fourths of the Unitholders of the Scheme
    - (c) when the Trustees decide to wind-up the Scheme or prematurely redeem the Units
  22. 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 affect the interest of unitholders, shall be carried out unless -
    - (i) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Fund is situated; and
    - (ii) the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load
  23. The Trustees shall call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report to SEBI, as and when required.
  24. The Trustees shall quarterly review all transactions carried out among the Fund, AMC and its associates.
  25. The Trustees shall quarterly review the net worth of the AMC and in case of any shortfall ensure that the AMC make up for the shortfall as per clause (f) of sub-Regulation (1) of Regulation 21 of the SEBI Regulations.

26. The Trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the Unitholders.
27. The Trustees shall ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interest of the Unitholders.
28. The Trustees shall periodically review the investor complaints received and the redressal of the same by the AMC.
29. The Trustees shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.
30. The Trustees shall furnish to SEBI on a half yearly basis the following:
  - (i) A report on the activities of the Fund;
  - (ii) A certificate stating that the Trustees have satisfied themselves that there have been no instances of self dealing or front running by any of the Trustees, directors and key personnel of the AMC; and
  - (iii) A certificate to the effect that the AMC has been managing the Schemes independently of any other activities and in case any activities of the nature referred to in regulation 24(2) of the SEBI Regulations have been undertaken by the AMC, has taken adequate steps to ensure that the interest of the Unitholders are protected.
31. The independent Trustees referred to in sub-regulation (5) of Regulation 16 shall give their comments on the report received from the AMC regarding the investments by the Fund in the securities of group companies of the Sponsor.
32. No amendment to the Deed of Trust shall be carried out without prior approval of SEBI and Unitholders approval would be obtained where it affects the interests of Unitholders.
33. In addition to the duties and responsibilities provided in the SEBI Regulations, the material provisions of SEBI (Mutual Funds) (Amendment) Regulations 1999 provide how the Trustee shall exercise due diligence. The Trustees shall exercise due diligence as under:

**A. General Due Diligence:**

- (i) The Trustees shall be discerning in the appointment of the directors on the Board of the asset management company.
- (ii) Trustees shall review the desirability of continuance of the asset management company if substantial irregularities are observed in any of the schemes and shall not allow the asset management company to float new schemes.
- (iii) The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- (iv) The Trustee shall ensure that all service providers are holding appropriate registrations from the Board or concerned regulatory authority.

- (v) The Trustees shall arrange for test checks of service contracts.
- (vi) Trustees shall immediately report to Board of any special developments in the Fund.

**B. Specific Due Diligence:**

The Trustees shall:

- (i) obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees.
  - (ii) obtain compliance certificates at regular intervals from the asset management company.
  - (iii) hold meeting of Trustees more frequently.
  - (iv) consider the reports of the independent auditor and compliance reports of asset management company at the meetings of Trustees for appropriate action.
  - (v) maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings.
  - (vi) prescribe and adhere to a code of ethics by the Trustees, asset management company and its personnel.
  - (vii) communicate in writing to the asset management company of the deficiencies and checking on the rectification of deficiencies.
34. The Trustees shall maintain high standard of integrity and fairness in all their dealings and in conduct of their business.
35. The Trustees shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
36. Notwithstanding anything contained in sub-regulations (1) to (27), the Trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
37. The independent directors of the trustees or asset management company shall pay specific attention to the following, as may be applicable, namely:-
- (i) the Investment Management Agreement and the compensation paid under the agreement.
  - (ii) service contracts with affiliates – whether the asset management company has charged higher fees than outside contractors for the same service.
  - (iii) selection of the asset management company’s independent directors.
  - (iv) securities transactions involving affiliates to the extent such transactions are permitted.
  - (v) selecting and nominating individuals to fill independent directors vacancies.
  - (vi) code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.

- (vii) the reasonableness of fees paid to sponsors, asset management company and any others for services provided.
  - (viii) principal underwriting contracts and their renewals.
  - (ix) any service contract with the associates of the asset management company.
38. A meeting of the Trustees shall be held at least once in every two months and at least six such meetings shall be held in every year. The quorum for a meeting of the Trustees shall not be constituted unless one independent trustee or director is present at the meeting.

#### **D. Asset Management Company**

ING Investment Management (India) Private Limited is a private limited company incorporated under the Companies Act, 1956 on April 06, 1998, having its Registered Office at 601/602, 6<sup>th</sup> floor, “Windsor”, Off. C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz - (East), Mumbai – 400 098. ING Investment Management (India) Private Limited (“AMC”) has been appointed as the Asset Management Company of the Fund by the Board of Trustees vide Investment Management Agreement (IMA) dated October 28, 1998, and executed between the AMC and the Fund.

The AMC also proposes to undertake other business activities as permitted under the SEBI Regulations such as portfolio management services, management and advisory services to offshore funds, pension funds, provident funds, venture capital funds, management of insurance funds, financial consultancy and exchange of research on commercial basis and such other activities as may be permitted by SEBI from time to time and subject to conditions stipulated by the Trustees and the applicable laws/rules/regulations (including, without limitation, the SEBI Regulations). The AMC has also been granted a Certificate of registration by SEBI under the SEBI (Portfolio Managers) Regulations, 1993 vide its Registration code INP000000704 and is valid till October 15, 2011. The Company commenced the Portfolio Management activity in July 2004. The AMC vide letter dated July 15, 2008 has been granted approval for exchange of research on commercial basis. By undertaking these activities, there is no conflict of interest between the aforesaid Portfolio Management activities/research activities and the activities of the Fund as the systems, key personnel, back office etc are segregated activity-wise and there exist systems to prohibit access to insider information of these activities.

The AMC has two investment processes viz:

- **Single Manager investment process**

Under the Single manager investment process, ING offers a range of equity, debt and alternative asset class funds. Each fund follows a stringent investment process backed by ING Investment Management in house research.

### ▪ **Multi Manager investment process**

Under the Multi Manager Investment process, the belief is to construct a Multi Manager fund not by simply combining the funds with the best performance records, but by using core research and proprietary investment tools to blend the funds, which offers the potential for superior, consistent performance in the future.

Strong Chinese walls have been put in place to safeguard the confidential information with respect to investment decision and processes.

### **Procedure followed for investment decisions**

#### **Investment Decision making for single-manager schemes**

- a) The Fund Manager is responsible for making buy/sell decisions within the investment guidelines of the schemes in respect of the securities in the respective scheme portfolios, subject to final approval by the Chief Investment Officer. The investment decisions are made and approved on daily basis keeping in view the market conditions and all relevant aspects. The AMC has an Internal Investment Committee comprising of the Managing Director & CEO, Chief Investment Officer, Head – Fixed Income, Fund Managers, and the Compliance Officer, which meets at periodic intervals. The Investment Committee, at its meetings, reviews the performance of the schemes and general market outlook and formulates broad investment strategy.

The MD & CEO who chairs the Investment Committee Meetings guides the deliberations at Investment Committees. He / She, on an ongoing basis, reviews the portfolios of the schemes and gives directions to the Chief Investment Officer, where considered necessary. It is the ultimate responsibility of the Chief Investment Officer - Equity Markets to ensure that the investments are made as per the internal/regulatory guidelines, scheme investment objectives and in the best interest of the unitholders of the respective schemes.

- b) The Chief Investment Officer makes a presentation to the Board of AMC at each of its meetings indicating the performance of the schemes. The performance of the schemes is reviewed by the Board with reference to the appropriate benchmarks as also the performance of the schemes of the competition.
- c) The Managing Director & CEO brings to the notice of the Board specific factors, if any, which are impacting the performance of any individual scheme. The Board on consideration of all relevant factors may, if necessary, give directions.

Similarly, the performance of the schemes is submitted to the Trustees. The Chief Investment Officer explains to the Trustees the details on Schemes' performance vis-à-vis the benchmark returns as also the performance of the schemes of the competition.

- d) The AMC has been recording investment decisions since the receipt of instructions from SEBI.

### **Investment Decision Making for Multi-Manager Schemes**

Throughout the investment process for Multi-Manager Schemes, there is a high level of interaction within the Multi Manager Investment Team and Multi Manager Investment Committee (MMIC). The process is enhanced through the experience and market research undertaken by the team on a daily basis, and the MMIC provides an independent forum to discuss the team's strategy.

The ongoing interaction of the Multi Manager Investment Team with the underlying scheme managers of Funds is what sets the team apart and allows the team to add value in its own right rather than merely delegating the task of alpha generation to the underlying schemes. The team is in a strong position to judge when the market environment is conducive to active asset allocation, underlying scheme tilts and allocation, style-tilting or pure alpha generation at the underlying scheme level.

The Managing Director of the AMC is an integral part of the investment committee as its Chairman. The Committee approves strategic investment decisions of the Multi Manager Investment Team while leaving the day to day investment decisions, which are taken as per the investment process approved by the MMIC, to Multi Manager Investment Team. The Managing Director of the AMC is also responsible for the guidelines which are set for structuring the investment process and approves the process for investment decision making.

### **Board of Directors of the AMC**

The following are the Board of Directors of the Asset Management Company:

<b>Name &amp; Type</b>	<b>Age / Qualification</b>	<b>Brief Experience and Directorship of the Directors</b>
<b>Mr. Rajan Raheja</b> Associate Director	58 years B.Com.	Mr. Rajan Raheja has rich experience and diversified business interests in the area of real estate, cement, ceramic tiles, publishing, cable television, retailing, automobile batteries, readymix concrete,

		<p>software, petrochem, hotels and asset management.</p> <p>Mr. Raheja is the promoter of R. Raheja Group. He started his career over 33 years ago and his range of businesses includes batteries, cable, television, ceramic tiles cement, construction and petrochemicals.</p> <p>He is also a director on the Board of various other companies.</p>
<p><b>Mr. Bhavin Mehta</b> Associate Director</p>	<p>40 years BSC , University of Surrey , Major in Business &amp; Marketing</p>	<p>Mr. Bhavin Mehta is engaged in diamond business since 2000.</p> <p>He is also a director on the Board of various other companies.</p>
<p><b>Mr. J.S. Bilimoria</b> Independent Director</p>	<p>65 years B.Com. Fellow Member of the Institute of Chartered Accountants of England and Wales.</p>	<p>Mr. Bilimoria is a Fellow Member of the Institute of Chartered Accountants of England and Wales. He is the Vice Chairman and Managing Director of Ciba Specialty Chemicals (I)India Ltd</p> <p>He is also a director on the Board of various other companies.</p>
<p><b>Mr. Ranjit H. Bhavnani</b> Independent Director</p>	<p>60 years B. Tech from IIT, Mumbai M. Engg. from Cornell U.S.A. M.B.A. from Sloan School, MIT, U.S.A.</p>	<p>Mr. Ranjit Bhavnani is an entrepreneur and has an experience of more than 2 decades in managing businesses.</p> <p>He is also a director on the Board of various other companies and Trustee of Trusts.</p>
<p><b>Mr. Prem Raj Mehta</b> Independent Director</p>	<p>67 years M.B.A. from JBIMS</p>	<p>Mr. Prem Mehta has vast experience and knowledge in the field of Advertising and Marketing.</p> <p>He is also a director on the Board of various other companies.</p>



<p><b>Prof. Raveendra Chittoor</b> Independent Director</p>	<p>44 years Bachelor of Technology (Hons.), Production Engineering Regional Engineering College, Calicut PGDM, Indian Institute of Management, Ahmedabad Fellow Program in Management, Indian Institute of Management, Calcutta</p>	<p>Prof. Chittoor is presently with Indian School of Business (ISB), Hyderabad. Prior to joining ISB he was associated with Indian Institute of Management, Calcutta (IIM-C) as an Assistant Professor. His areas of studies focusing primarily on issues pertaining to entrepreneurship, emerging economies and internationalization of firms from India. He has over 10 years of experience in the finance industry before joining IIM-C. In prior roles, he was associated with the Rajan Raheja Group for 7 years where he was involved in management of group treasury and investments at Hathway Investments Private Ltd and subsequently headed the Finance Team at Hathway Cable and Datacom Pvt. Ltd. Formerly, he was a credit analyst with CRISIL and has also been a member of the investment management team at Birla Mutual Fund.</p> <p>Prof. Chittoor does not hold directorship in any company.</p>
<p><b>Mr. Vinayak Aggarwal</b> Associate Director</p>	<p>42 years PGDM from the Indian Institute of Management, Ahmedabad. Grad. Cost and Works Accountancy course from the Institute of Cost and Works Accountants of India</p>	<p>Mr. Vinayak Aggarwal is the Managing Director of Hathway Investments Pvt. Ltd. He is responsible for looking after the treasury operations and merger and acquisition opportunities of the Rajan Raheja Group (RRG). He is also on the Board of other RRG Companies.</p> <p>He is also a director on the Board of various other companies.</p>

<b>Mr. Navin Suri</b> Managing Director and Chief Executive Officer	43 years Master of Management Studies, Mumbai University	Mr. Suri is a Master of Management Studies from Mumbai University. Prior to joining ING he was associated with Citibank for several years in various roles. Mr. Suri holds directorship on the AMFI Board.
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**Note:**

- Mr. Rajiv Vij has resigned as a Director from the Board of Directors of the AMC w.e.f. April 30, 2011;
- Mr. M. Damodaran has resigned as a Director from the Board of Directors of the AMC w.e.f. May 31, 2011.

**Duties and Obligations of the AMC**

The SEBI Regulations and the Investment Management Agreement shall govern the duties and responsibilities of the AMC.

**Duties and Responsibilities:**

1. The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of the SEBI Regulations and the Trust Deed.
2. The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the AMC.
4. The AMC shall submit to the Trustees quarterly reports of each year on its activities and compliance with the SEBI Regulations.
5. The Trustees at the request of the AMC may terminate the assignment of the AMC at any time provided that such termination shall become effective only after the Trustees have accepted the termination of assignment and communicated their decision in writing to the AMC.
6. Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the Fund for their acts of commission or omissions, while holding such position or office.
7. The AMC shall not through any broker associated with a sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by a Fund in all its schemes. Provided that for the purposes of the relevant sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of Units issued by such Fund. Provided further that the aforesaid limit of 5 % shall apply for a block of any three months. The AMC shall not purchase and sell through any broker {other than a broker referred to in clause (a) of sub-

regulation (7) of regulation 25} which is average of 5% or more of the aggregate purchases and sale of securities made by the Fund in all its schemes, unless such AMC has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the Trustees of such Fund on a quarterly basis. Provided that the aforesaid limit shall apply for a block of three months.

8. The AMC shall not utilize the services of the Sponsor or any of its associates, employees or their relatives, for the purpose of any securities transactions and distribution and sale of securities, provided that The AMC may utilize such services if disclosure to that effect is made to the Unitholders and the brokerage or commission paid is also disclosed in the half yearly/ annual accounts for the Fund.

Provided further that the Fund shall disclose at the time of declaring the half-yearly and yearly results:

- i) any underwriting obligations undertaken by the schemes of the Fund with respect to issue of securities of associate companies,
  - ii) devolvement, if any
  - iii) subscription by the schemes in the issues lead managed by associate companies
  - iv) subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager
9. The AMC shall file with the Trustees the details of transactions in securities by key personnel of the AMC in their own name or on behalf of the AMC and shall also report to SEBI, as and when required by SEBI.
  10. In case the AMC enters into any securities transaction with any of its associates a report to that effect shall be sent to the Trustees at their next meeting.
  11. In case any company had invested more than 5% of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same Fund in that company or its subsidiaries shall be brought to the notice of the Trustees by the AMC and be disclosed in the half yearly/ annual accounts of the respective schemes with justification for such investment provided that the latter investment had been made within one year of the date of the former investment calculated on either side.
  12. The AMC shall file with the Trustees and SEBI: -
    - i) detailed bio-data of all its directors along with their interest in other companies within 15 days of their appointment; and
    - ii) any change in the interest of directors every six months;
    - iii) a quarterly report to the Trustees giving details and adequate justification about the purchase and sale of securities of the group companies of the Sponsor or the AMC as the case may be, by the Fund during the quarter.
  13. Each Director of the AMC shall file the details of his transactions of dealing in securities with the Trustees on a quarterly basis in accordance with the guidelines issued by the Board.
  14. The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.

15. The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.

The AMC shall

- Not act as a trustee of any Fund
  - Not undertake any other business activities except activities in the nature of portfolio management services, management and advisory services to offshore funds, pension funds, provident funds, venture capital funds, management of insurance funds, financial consultancy and exchange of research on commercial basis if any of such activities are not in conflict with the activities of the Fund without the prior approval of the Trustees and SEBI. Provided that the AMC may itself or through its subsidiaries undertake such activities if it satisfies SEBI that the key personnel of the AMC, the systems, back office, bank and securities accounts are segregated activity wise and there exists systems to prohibit access to inside information of various activities. Provided further that the AMC shall meet capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant regulations; The AMC has taken approval from the Board of Trustees, to conduct Portfolio Management Services. SEBI has renewed the Certificate of Registration of the AMC as a Portfolio Manager till October 15, 2011; vide its letter IMD/SKS/143686/2008 dated November 7, 2008.
  - Not invest in any of its Scheme(s) unless full disclosure of its intention to invest has been made in the Scheme Information Document.
  - Not be entitled to charge any fees on its investment in that Scheme.
  - Not acquire any of the assets out of the Trust funds, which involves the assumption of any liability which is unlimited or which may result in encumbrance of the Scheme property in any way.
16. The independent Directors of the AMC shall pay specific attention to the following as may be applicable, namely:
- The Investment Management Agreement and the compensation paid under the Agreement.
  - Service contracts with affiliates - whether the AMC has charged higher fees than outside contractors for the same services.
  - Securities transactions involving affiliates to the extent such transactions are permitted.
  - Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
  - The reasonableness of fees paid to Sponsors, AMC and any others for services provided.
  - Principal underwriting contracts and renewals.
  - Any service contracts with the associates of the AMC.

To provide these services, the Trustees have granted express authority to the AMC. Pursuant to the Investment Management Agreement, the AMC will, for providing these services, receive a fee of 1.25% on the weekly average net assets of the Scheme up to net assets of Rs. 100 crores and 1% on the net assets above Rs. 100 crores. This fee will be payable monthly in arrears. For Scheme(s) launched on a no load basis, the AMC is entitled to collect an additional management fee not exceeding 1% of the weekly average net assets outstanding in each financial year.

### Key Employees of the AMC

Name / Designation	Age in Years	Educational Qualification	Brief Experience
Mr. Navin Suri  Managing Director & Chief Executive Officer	43	Master of Management Studies, Mumbai University	<ul style="list-style-type: none"> <li>• Managing Director &amp; Chief Executive Officer, ING Investment Management (India) Pvt. Ltd (June 2009 – Till date).</li> <li>• Chief Executive Officer, ING Investment Management (India) Pvt. Ltd (May 2009– June 2009).</li> <li>• Vice President &amp; Director – Sales &amp; Distribution, ING Investment Management (India) Pvt. Ltd (August 2008 – May 2009).</li> <li>• Sales &amp; Distribution Head, Retail Bank, Asia Pacific, Citibank, Singapore (December 2007 – July 2008).</li> <li>• Head Sales, Retail Bank, Asia Pacific, Citibank, Singapore (June 2006 – November 2007).</li> <li>• Sales &amp; Distribution Head, Investments Business, Asia Pacific, Citibank, Singapore (October 2003 – May 2006).</li> <li>• Branch Banking Head, North India, Citibank, New Delhi (Apr 2000 – Sep 2003).</li> <li>• Branch Banking Head, South India, Citibank, Bangalore (June 1998 – Mar 2000).</li> </ul>

Mr. Ramanathan K.  Chief Investment Officer- Single Manager Division	38	CFA, B.E (Mech), NIT-Suratkal PGPM (Finance), S.P.Jain Institute of Management & Research	<ul style="list-style-type: none"> <li>• Chief Investment Officer- Single Manager Division, ING Investment Management (India) Pvt. Ltd. (December, 2009 – Till date)</li> <li>• Vice President &amp; Head - Fixed Income &amp; Structured Products, ING Investment Management (India) Pvt. Ltd. (March 2006 – Dec 2009)</li> <li>• Vice President – Fixed Income, Lehman Brothers (Sep 2005 – Feb 2006)</li> <li>• Fund Manager, Birla Sunlife AMC Ltd (Jan 1998 – Sep 2005)</li> <li>• Manager – Ratings, CARE (June 1995 – Jan 1998).</li> </ul>
Ms. Jasmina Parekh,  Vice President & Portfolio Manager – Equity	34	B. Com, CA	<ul style="list-style-type: none"> <li>• Vice President &amp; Portfolio Manager – Equity – ING Investment Management (India) Pvt. Ltd. (July 2008- Till date).</li> <li>• Sr. Research Analyst – ING Investment Management (I) Pvt. Ltd. (May 2006 – June 2008).</li> <li>• Senior Sales Manager – ASK Raymond James. (Aug 2005 – April 2006).</li> <li>• General Manager, Leasing – Buildwell Plant &amp; Equipment Ind. Ltd (Nov 2004– June 2005).</li> <li>• Research Analyst – Crescent Finstock Ltd (July 2003 – July 2004).</li> <li>• Investment advisor – Hermes Securities (Oct. 2002 –June 2003).</li> <li>• Research Analyst – Quantum Information Services. (May 1999 – Sept. 2002).</li> </ul>

Mr. Deepak Arackal,  Vice President and Quantitative Investment Manager	37	M.Econ.Sc	<ul style="list-style-type: none"> <li>• Vice President and Quantitative Investment Manager – ING Investment Management (India) Pvt. Ltd. (Aug 2007 - till date).</li> <li>• Quantitative Strategist– MF Global Sify Securities India Pvt Limited. (Jan 2006 – Aug 2007).</li> <li>• Senior Analyst – Dun and Bradstreet India Information Services Private Limited. (March 2004 – Oct 2005).</li> <li>• Columnist (Freelance), Financial Express (May 1998- June 2000).</li> </ul>
Mr. Arvind Bansal  Vice President & Head - Multi-Manager Investments	33	B.Tech. (Chem) (IIT) PGDM (ISB-Hyderabad)	<ul style="list-style-type: none"> <li>• Vice President &amp; Head - Multi-Manager Investments, ING Investment Management (India) Pvt. Ltd. (Nov 07- Till date)</li> <li>• Product Manager – OptiMix Technologies Pvt. Ltd. (Aug 06- Nov 07)</li> <li>• Product Manager – OptiMix Division, IIM India (July 05-July 06)</li> <li>• Senior Manager - ICICI Prudential Asset Management Company Limited (April 03- June 05)</li> <li>• Co-founder - e2e Technologies Ltd. (Sept 00-March 02)</li> <li>• Consultant-KPMG (July 97- Aug00)</li> </ul>
†Mr. Nityanand Prabhu  Chief Operating Officer	40	B.Com, L.L.B.	<ul style="list-style-type: none"> <li>• Chief Operating Officer, ING Investment Management (India) Pvt. Ltd.(May 2011 - Till date)</li> <li>• Vice President and Head – Operations, Risk &amp; Administration (April 2010 – May 2011)</li> <li>• Vice President – Operations &amp; Services, ING Investment Management (India) Pvt. Ltd (October 2008 – April, 2010)</li> <li>• Head - Mutual Fund Operations,</li> </ul>

† Mr. Nityanand Prabhu has been designated as Chief Operating Officer w.e.f May 10, 2011.

			<p>ING Investment Management (I) Pvt. Ltd – multi manager schemes (September 2007 – September 2008)</p> <ul style="list-style-type: none"> <li>• AVP, Head – Investment Operations &amp; IT Projects, ABN AMRO Asset Management (I) Ltd (May 2004 – September 2007)</li> <li>• Manager – Operations, Tata Asset Management (I) Pvt Ltd (December 2003 – May 2004)</li> <li>• Manager – Operations, SUN F&amp;C Asset Management (I) Pvt Ltd, ( Jan 2000 – December 2003)</li> <li>• Senior Executive – Operations, Canbank Investment Management (I) Ltd (Oct 1994 – Jan 2000)</li> </ul>
<p>‡Mr. Sumesh Kumar</p> <p>Vice President- Compliance &amp; Company Secretary</p>	34	<p>B. Sc (Mathematics), ACS, BGL</p>	<ul style="list-style-type: none"> <li>• Vice President - Compliance &amp; Company Secretary - ING Investment Management (India) Pvt. Ltd.(January 2011 – Till date)</li> <li>• AVP – Compliance &amp; Company Secretary - ING Investment Management (India) Pvt. Ltd. (January 2010 – January 2011)</li> <li>• AVP – Compliance - ING Investment Management (India) Pvt. Ltd. (March 2009 till January 2010)</li> <li>• Manager – Compliance - Religare Asset Management Company Private Limited (December 2005 till February 2009)</li> <li>• Officer – Compliance - Principal Pnb Asset Management Company Pvt Ltd (July 2005 till December 2005)</li> <li>• Assistant Manager – Legal – M/s. Mehta &amp; Mehta – Company Secretaries (November 2003 – June 2005).</li> </ul>

‡ Mr. Sumesh Kumar has been designated as Vice President - Compliance & Company Secretary w. e. f. January 2011.



<p>Ms. Vandana Vangani</p> <p>Vice President – Finance</p>	<p>40</p>	<p>B.Com, C.A</p>	<ul style="list-style-type: none"> <li>• Vice President - Finance - ING Investment Management (India) Pvt. Ltd. (Oct 2004 – Till date)</li> <li>• Assistant Vice President - UTI Asset Management Pvt. Ltd. (July 2004-Oct 2004)</li> <li>• Head – Operations - IL &amp; FS Asset Management Pvt. Ltd-(Feb 2000-July 2004)</li> <li>• Manager – Accounts – JM Capital Management Ltd. (Sep 1995-Feb 2000)</li> <li>• Consultant – N.M. Raiji &amp; Co. (April 1994-Aug 1995)</li> </ul>
<p>Mr. Rajesh S. Manik</p> <p>Vice President and Head – Human Resources</p>	<p>38</p>	<p>MBA</p>	<ul style="list-style-type: none"> <li>• Vice President and Head of Human Resources – ING Investment Management (India) Pvt. Ltd. (September 2010 – Till date).</li> <li>• Head - Human Resources – Pangea3 Legal Database System (P) Limited (February 2009 – March 2010).</li> <li>• Head - Human Resources – HSBC Invest Direct Limited. (November 2007 – January 2009).</li> <li>• Head - Human Resources – CMS Computers Limited – (July 2005 – November 2007).</li> <li>• Head - Human Resources – Intellectual Capital Limited. – (August 2001 – June 2005).</li> <li>• Manager - Human Resources – ANZ Grindlays – (May 1993 to July 2001).</li> </ul>
<p>Mr. Bharatarajan Subramanian</p> <p>Vice President and Chief Technology Officer</p>	<p>42</p>	<p>PGDBA (MBA) – Systems and Operations</p> <p>Bachelor of Science and Technology – Electronic</p>	<ul style="list-style-type: none"> <li>• Vice President and Chief Technology Officer – ING Investment Management (India) Private Limited. (April 2010 – Till date)</li> <li>• Vice President – ING Financial Services Private Limited. (June 2007 – March 2010).</li> </ul>

		Engineering,  Bachelor of Science - Mathematics	<ul style="list-style-type: none"> <li>• Senior Business Analyst – Xoriant Solutions Private Limited. (May 2006 – May 2007).</li> <li>• Project Manager – Mphasis (March 2005 – April 2006).</li> <li>• Consultant - Satyam Computer Services Limited (September 2004 – March 2005).</li> <li>• Project Leader - Mastek Limited (October 2003 – August 2004)</li> <li>• Project Manager - Keystone Solutions Private Limited (July 2002 – August 2003)</li> <li>• Group Leader - Eftia OSS Solutions Private Limited (February 2000 – March 2002)</li> </ul>
Mr. Himanshu Shethia  Asst. Vice President & Fund Manager- Fixed Income	32	B.Com, ACA, Master in Management Studies	<ul style="list-style-type: none"> <li>• Asst. Vice President &amp; Fund Manager- Fixed Income, ING Investment Management (India) Pvt. Ltd (September 2009 – Till date)</li> <li>• Asst. Vice President &amp; Dealer-Fixed Income, ING Investment Management (India) Pvt. Ltd (June 2008 till September 2009)</li> <li>• Credit Analyst, ING Investment Management (India) Pvt. Ltd (July 2006 to June 2008)</li> <li>• Credit Analyst, Credit Analysis and Research Ltd (May 2004 to July 2006).</li> </ul>
Mr. Ankur Arora,  Assistant Vice President & Portfolio Manager – Equity	29	B. Com, PGDM	<ul style="list-style-type: none"> <li>• Assistant Vice President &amp; Portfolio Manager – Equity – ING Investment Management (India) Pvt. Ltd. (Dec 2009 – Till date).</li> <li>• Associate Vice President -Equity Research – ING Investment Management (I) Pvt. Ltd. (Nov 2007- Dec 2009).</li> <li>• Associate Analyst – Macquarie Capital Securities (India) Pvt Ltd.</li> </ul>

			(Dec 2006 – Nov 2007). <ul style="list-style-type: none"> <li>• Manager, Evalueserve.com Pvt. Ltd (Jan 2005 – Nov 2006).</li> <li>• Management Trainee – UTI Asset Management Company (May 2004 – Jan 2005).</li> </ul>
Ms. Nidhi Sharma,  Senior Manager & Dealer – Fixed Income	27	M.B.A. (Finance), B.A. (Hons.) Economics	<ul style="list-style-type: none"> <li>• Senior Manager &amp; Dealer – Fixed Income – ING Investment Management (India) Pvt. Ltd. (September 2009 – Till date).</li> <li>• Dealer Fixed Income – Canara Robeco Asset Management Ltd. (May 2008 – July 2009).</li> <li>• Assistant Manager – Fixed Income – Reliance Capital Asset Management Limited (May 2007 - May 2008).</li> </ul>
§Mr. Haresh Mandhayan  Chief Risk Officer	40	Bachelor of Engineering (Mechanical) Master of Business Administration (Finance)	<ul style="list-style-type: none"> <li>• Chief Risk Officer – ING Investment Management (India) Pvt. Ltd. (May 2011- Till date)</li> <li>• Vice President – IT Operations and Risk – Investment Management (India) Pvt. Ltd (May 2010 - April 2011).</li> <li>• Vice President – IT Operations – ING Financial Services Pvt. Ltd (March 2010 - April 2010)</li> <li>• Asst. Vice President – IT Operations – ING Financial Services Pvt. Ltd (August 2008 - February 2010).</li> <li>• Manager Application - OptiMix Technologies Pvt. Ltd. (April 2006 - July 2008).</li> <li>• Manager Application - ING Investment Management (India)Pvt. Ltd – OptiMix Division (November 2005 - March 2006).</li> <li>• Chief Manager – Direct Banking - Kotak Mahindra Bank Ltd (November 2004 - October 2005)</li> <li>• Manager – Marketing – e-initiative ICICI Prudential Asset Management Company Ltd (November 2000 -</li> </ul>

§ Mr Haresh Mandhayan has been designated as Chief Risk Officer of the AMC.

			October 2004)
Mr. Shravan Kumar Sreenivasula,  Asst. Vice President – Portfolio Manager- Equities	31	MBA, B.Tech (IIT, Kharagpur)	<ul style="list-style-type: none"> <li>• Asst. Vice President – Portfolio Manager- Equities, ING Investment Management (India) Pvt. Ltd (April 2008 – Till date)</li> <li>• Senior Research Analyst- Television Eighteen India Ltd (July 2007 - March 2008)</li> <li>• Senior Consultant- Capgemini India Pvt. Ltd. (May 2006 - June 2007)</li> <li>• Program Analyst- Infosys Technologies Ltd (September 2001 - April 2005).</li> </ul>
Ms. Mousumi Nandy Dhar  Vice President and National Head- Channel Development and Product	39	Master in Business Administration, Bachelor in Science (Physics Honors)	<ul style="list-style-type: none"> <li>• Vice President and National Head- Channel Development and Product - ING Investment Management (India) Pvt. Ltd. (November 2010 – Till date)</li> <li>• Vice President - National Channel Development - ING Investment Management (India) Pvt. Ltd. (June 2008 – October 2010)</li> <li>• Head-Distributor Relationship - ING Investment Management (India) Pvt. Ltd. (February 2006 – May 2008)</li> <li>• Manager- Marketing Manager - Business Development - Birla Sun Life Asset Management (2001-2006)</li> </ul>
**Mr. Nishit Master  AVP – Equity Dealer & Research	29	MBA (Major in Finance)	<ul style="list-style-type: none"> <li>• AVP – Equity Dealer &amp; Research- ING Investment Management (India) Pvt. Ltd. – (May 2011 - Till date)</li> <li>• AVP- Research, - ING Investment Management (India) Pvt. Ltd. – (May 2010 –May 2011).</li> <li>• Research Analyst - Anand Rathi Shares and Stock Brokers Ltd.-</li> </ul>

\*\* Mr. Nishit Master has been designated as Key Personnel of the AMC w.e.f May 18, 2011.

			(May 2006-April 2010). • Relationship Manager – SME Leading- Kotak Mahindra Bank Ltd- (May 2005-May 2006).
^Mr. Anshul Mishra  Fund Manager	31	PGDBM – Finance & Marketing, B. E (Mechanical Engineering)	• Fund Manager - ING Investment Management (India) Pvt. Ltd- (May 2011 - Till date) • Asst. Vice President – Equity Dealing, ING Investment Management (India) Pvt. Ltd (April 2008 - May 2011) • Manager- IDBI Bank Ltd (May 2005 - March 2008)

**Investor Relations Officer:**

Name / Designation	Age in Years	Educational Qualification	Brief Experience
††Mr. Nityanand Prabhu  Chief Operating Officer	40	B.Com, L.L.B.	• Chief Operating Officer - ING Investment Management (India) Pvt. Ltd (May 2011- Till date) • Vice President and Head – Operations, Risk & Administration (April 2010 –May 2011) • Vice President – Operations & Services, ING Investment Management (India) Pvt. Ltd (October 2008 – April, 2010) • Head - Mutual Fund Operations, ING Investment Management (I) Pvt. Ltd – multi manager schemes (September 2007 – September 2008) • AVP, Head – Investment Operations & IT Projects, ABN AMRO Asset Management (I) Ltd

†† Mr. Nityanand Prabhu has been designated as Chief Operating Officer w.e.f May 10, 2011.

^Mr. Anshul Mishra has been designated as Fund Manager w.e.f. May 18, 2011.

			<p>(May 2004 – September 2007)</p> <ul style="list-style-type: none"> <li>• Manager – Operations, Tata Asset Management (I) Pvt Ltd (December 2003 – May 2004)</li> <li>• Manager – Operations, SUN F&amp;C Asset Management (I) Pvt Ltd, ( Jan 2000 – December 2003)</li> <li>• Senior Executive – Operations, Canbank Investment Management (I) Ltd (Oct 1994 – Jan 2000)</li> </ul>
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## E. Service providers

### Custodian

Standard Chartered Bank, 23-25 M.G Road, Fort, Mumbai 400 001 is the Custodian for Single Manager Schemes. The Custodian has been registered with SEBI and has been awarded registration No. IN/CUS/006.

Deutsche Bank AG, 6<sup>th</sup> Floor, Nicholas Piramal Tower, Peninsula Corporate Park, Ganpat Rao Kadam Marg, Lower Parel, Mumbai-400013 is the Custodian of Multi Manager Schemes. The Custodian has been registered with SEBI and has been awarded registration No. IN/CUS/003.

The Custodians will keep in safe custody all the securities and other instruments belonging to the Fund, ensure smooth inflow/outflow of securities and such other instruments as and when necessary in the best interest of the Unitholders, and ensure that the benefits due to the holdings are recovered. The Custodians will charge the Fund a fee as per the respective Custodial Agreement.

### Transfer Agent

Computer Age Management Services P. Limited, New No. 10, Old No. 178, M.G.R. Salai, Nungambakkam, Chennai - 600034 (CAMS) has been appointed as Registrar and Transfer Agent (R & T) for the Scheme. The R & T is registered with SEBI under registration No: INR000002813. As Registrar to the Scheme, CAMS will handle communications with investors, perform data entry services and dispatch Account Statements.

The Board of Trustees and the AMC have ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to unit holders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints. The Registrar

will be entitled to remuneration for its services as per the terms of the Registrars' Agreement.

### Statutory Auditor of the Fund

M/s. HariBhakti & Co., Chartered Accountants, 42, Free Press House, Free Press Journal Road, 215, Nariman Point, Mumbai-400 021, have been appointed by the Trustees as the Statutory Auditors of the Fund.

### Fund Accountant

Fund Accountant for Single Manager Schemes is in-house, whereas Deutsche Bank is the Fund Accountant for Multi Manager Schemes with effect from October 01, 2009.

### Collecting Bankers

ING Vysya Bank is the Collecting Banker for the AMC. The collecting banker is registered with SEBI under Registration No INBI00000022 and having its registered office at No: 22, "ING Vysya House", M.G. Road, Bangalore 560001

However the AMC may from time to time appoint such other collecting bankers who are registered with SEBI. Applications for the Schemes during the NFO period will be accepted by such collecting bankers as specified in the Application form and at their specified collection centres.

## F. Condensed Financial Information (CFI)

The details are given below for all the Schemes launched by the Mutual Fund during last three fiscal years (excluding redeemed schemes):

	ING Latin America Equity Fund			ING Optimix Global Commodities Fund		
	2010-11	2009-10	2008-09	2010-11	2009-10	2008-09
<b>Net Assets Value per unit at the beginning of the year (as on Apr 01)</b>						
- Regular Growth	10.62	6.00	11.11	11.8096	8.2900	-
- Regular Dividend	10.61	6.00	11.10	11.8095	8.2899	-
- Regular Bonus	-	6.00	-	-	-	-
<b>Dividends</b>	-	-	-	-	-	-
<b>Net Assets Value per unit at the end of the year (as on Mar 31)</b>						
- Regular Growth	11.73	10.62	6.0000	14.4053	11.8096	8.29
- Regular Dividend option	11.73	10.61	6.0000	14.3954	11.8095	8.2899
- Regular Bonus	-	-	6.0000	-	-	-

<b>Date of Allotment</b>	Aug 07, 2008			Sept 17, 2008		
<b>Annualised Return</b>						
- Regular Growth option	10.45%	77.00%	N.A.	21.98%	42.46%	N.A.
- Regular Growth option B				-	-	-
Benchmark Return	14.99%	78.21%	N.A.	21.33%	34.93%	N.A.
Benchmark Index	MSCI EM Latin America 10/40 ND Index			40% Dow Jones World Basic Materials Index+ 40% Dow Jones World Oil and Gas Index + 20% MSCI AC world in INR terms		
<b>Net Assets end of the period (Rs. In Crores)</b>	32.80	61.75	63.11	8.21	9.93	9.02
<b>Ratio of Recurring Expenses to daily net assets</b>	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%

**Note: Past performance may or may not be sustained in future.**



## II. HOW TO APPLY

### A. HOW TO PURCHASE

Investors can purchase Units of the plans under the Schemes during the new fund offer period and continuous offer period by completing an application form available at the collecting bank branches, Stock exchange brokers, Agents, Investor Service Centres and at the Corporate Office of the AMC designated as Official Points of Acceptance.

**As per the directives issued by SEBI, it is mandatory for Applicants to mention their Bank Account numbers in their applications for purchase/redemption of Units.**

**(a) Restriction on Acceptance of Third Party Payments for Subscription of Units with effect from November 11, 2010:**

1. ING Investment Management (India) Private Limited ("AMC") / the Schemes of ING Mutual Fund ("Mutual Fund") shall not accept applications for subscriptions of units accompanied with Third Party Payments (barring a few exceptions stated below).

For this purpose, "**Third Party Payment**" means a payment made through an instrument issued from a bank account **other than** that of the beneficiary investor mentioned. Further, in case of a payment instrument issued from a joint bank account, the first named applicant / investor must be one of the joint holders of the bank account from which the payment instrument is issued.

For example:

- **Illustration 1:** An Application submitted in joint names of A, B & C along with cheque issued from a bank account in names of C, A & B. This is a **valid** application.
- **Illustration 2:** An Application submitted in joint names of A & B & C along with cheque issued from a bank account in names of B, C & Y. This is an **invalid** application.
- **Illustration 3:** An Application submitted in joint names of A, B & C along with cheque issued from a bank account in name of A. This is a **valid** application.

**EXCEPTIONS:**

As referred to in point 1 above, following are the exceptional cases where third party payments will be accepted subject to submission of requisite documentation / declarations.

- (a) Payment by Parents / Grand-Parents / Related Persons\* on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000 for each regular purchase or per SIP installment;
- (b) Payment by employer on behalf of employee under Systematic Investment Plan (SIP) facility or lump –sum/ one – time subscription, through payroll deductions;
- (c) Custodian on behalf of an FII or a Client.

*\*'Related Person' means any other person investing on behalf of a minor in consideration of natural love and affection or as a gift.*

Investors intending to make third party payments under the above mentioned '**exceptional cases**' are required to submit each of the following documents while submitting the duly filled in application form failing which applications for subscriptions for units will be either rejected / not processed / refunded:

- i) Investors (applicant) and the person making the payment (third party) on behalf of the applicant should attach their valid KYC Acknowledgement Letter received from CDSL Ventures Limited (“CVL”) to the application form;
- ii) Investors (applicant) and the person making the payment (third party) on behalf of the applicant should attach the “**Third Party Payment Declaration Slip**” stating their respective bank account details, the relationship with the investor (applicant) and other details required therein. This form shall form part of the application forms and the same shall be available at the nearest designated Official Point of Acceptance of ING Mutual Fund.

**2. Instrument details:**

It is recommended that while submitting a cheque/demand draft/pay order etc the investor must specify the instrument to be made in favour of “XYZ Scheme A/c First Investor name” or “XYZ Scheme A/c Permanent Account Number” or “XYZ Scheme A/c Folio number” in order to avoid any misappropriation of funds.

**3. Other Documents to be submitted under different payment modes:**

The Investors are further requested to note the following with regard to payment mode:

**(i) If payment is made by cheque:**

An investor at the time of his / her / its purchase of units must provide in the application form the details of his / her / its pay-in bank account (i.e. account

from which a subscription payment is made) and his / her / its pay-out bank account (i.e. account into which redemption / dividend proceeds are to be paid).

The AMC / Mutual Fund / Registrar & Transfer Agent (R&TA) will identify whether the said payment is a third party cheque on the basis of either matching of pay-in bank account details with pay-out bank account details or by matching the bank account number / name / signature of the first named applicant / investor with the name / account number / signature available on the cheque. If the name is not pre-printed on the cheque or signature on the cheque does not match, then the first named applicant / investor should submit any one of the following documents failing which applications for subscriptions for units will either be rejected / not processed / refunded:

- a copy<sup>#</sup> of the bank passbook or a statement of bank account having the name and address of the account holder and account number;  
(\*Note: Investors should also bring the original documents along with the documents mentioned above to the designated Official Point of Acceptance of ING Mutual Fund. The copy of such documents will be verified against the original documents to the satisfaction of the AMC/ Mutual Fund / R&TA and then returned across the counter to the investor after due verification.)
- a letter\* (in original) from the bank on its letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available)  
(\*Note: The above <sup>††</sup>letter should be certified by the bank manager with his / her full signature, name, employee code, bank seal and contact number.)

**##(ii) If payment is made through pre-funded instruments such as Pay Order, Demand Draft, Banker's cheque etc** investors should attach any one of the following documents, along with the purchase application form:

- (a) A proof of debit to the investor's bank account in the form of a bank manager's certificate (in original) with details of account holder's Name, bank account number and PAN as per bank records, if available; or
- (b) A copy of the acknowledgement from the bank, wherein the instructions to debit carry the bank account details and name of the investor as an account holder are available; or
- (c) a copy of the passbook/bank statement evidencing the debit for issuance of a Pay Order, Demand Draft, Banker's cheque, etc.

It may also be noted that such bank account number of the investor is the same as the / one of the registered bank account mandate(s) with the fund or the bank details mentioned in the application form.<sup>§§</sup>

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<sup>##</sup>As per addendum dated March 18, 2011

**(iii) If payment is made through a pre-funded instrument issued by the Bank against Cash:**

The AMC/ Mutual Fund / R&TA will accept purchase applications from investors if accompanied by a pre-funded instrument issued by a bank against cash only for investment amounts of less than Rs. 50,000 subject to the investor submitting a Certificate (in original) obtained from the bank giving details of the name, address and PAN (if available) of the person who has requested for the payment instrument. The said Certificate should be duly certified by the bank manager with his / her full signature, name, employee code, bank seal and contact number. The AMC / Mutual Fund / R&TA will check that the name mentioned in the Certificate matches with the first named investor.

Accordingly, the AMC/ Mutual Fund / R&TA has the right to either reject/not process/refund any of the applications, wherein payment is made through a pre-funded instrument issued by a bank against cash for an investment amount of “Rs. 50,000/- and more”.

**(iv) If payment is made through RTGS, Bank Account-to-Account Transfer, NEFT, ECS, etc.**

Investors should attach to the purchase application form, an acknowledged copy of the Instruction to the bank stating the account number debited. The account number mentioned on the transfer instruction copy should be a registered bank account or the first named applicant / investor should be one of the account holders to the bank account debited for such electronic transfer of funds.

**(v) If payment is made through net banking:**

For payments through net banking, the AMC/ Mutual Fund / R&TA shall endeavour to obtain the details of the bank account debited from the payment gateway service provider and match the same with the registered pay-in accounts. In case it is found that the payment is not made from a registered bank account or from an account not belonging to the first named unit holder, the AMC/ Mutual Fund / R&TA shall reject the transaction with due intimation to the investor.

**Note:** The above list is not a complete list and is only indicative in nature and not exhaustive. The AMC/ Mutual Fund / R&TA reserves the right to decide whether a cheque is a third party cheque for any other method of payment not included above and either reject/ not process/refund the transaction with due intimation to the investor.

Further, in case the application for subscription does not comply with the above provisions, the AMC /Trustee retains the sole and absolute discretion to reject / not

process such application and refund the subscription money and shall not be liable for any such rejection. Further, the AMC /Trustee reserves the right to modify the aforesaid requirements at their sole discretion.

In case the application for subscription does not comply with the above provisions, the AMC /Trustee retains the sole and absolute discretion to reject / not process such application and refund the subscription money and shall not be liable for any such rejection. The Trustee reserves the right to modify the aforesaid requirements at their sole discretion.

**(b) Further, payments by cash, Stock invests and out-station and/or post-dated cheques (other than SIP) will not be accepted**

**(c) Payment Details**

**(i) For Resident Investors/Unitholders**

Applications complete in all respects, may be submitted at the designated branches of collection bankers or at the Investor Service Centers or may be sent by mail to any of the Investor Service Centers, as listed in the Application Form. All cheques and drafts should be drawn in favour of scheme (please provide the name as given in the Scheme Information Document/Key Information Memorandum and crossed “Account Payee Only”. Investors may make payments for subscription to the Units of the Scheme by local cheque / Bank draft, drawn on any Bank branch which is a member of Bankers Clearing House located in the centre where the application is lodged.

The Asset Management Company will reimburse the demand draft charges on an actual basis subject to the following conditions:

- 1.) For investments up to Rs 10,000/- actual demand draft charges incurred shall be reimbursed subject to a Maximum of Rs. 50/-. For investments above Rs 10,000/- amount upto Rs. 3.50/- per Rs. 1,000/-, subject to Maximum of Rs. 12,500/- shall be reimbursed.
- 2.) Demand Draft Charges will be reimbursed only where the AMC doesn't have a collection facility at the location of submission of forms.
- 3.) Demand draft charges shall not be reimbursed for investments made from overseas.
- 4.) Demand Draft charges shall not be reimbursed for investment made by Banks.
- 5.) Investors may have to furnish a copy of charge slip of the bank for getting reimbursement of Demand Draft charges.

**(ii) For NRIs / FIIs**

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (the "FEMA Regulations") permit a NRI to purchase on repatriation or non-repatriation basis, without limit, units of domestic mutual funds. Payment for such units must be made either by: (i) inward remittance through normal banking channels; or (ii) out of funds held in the NRE / FCNR account, in the case of purchases on a repatriation basis or out of funds held in the NRE / FCNR / NRO account, in the case of purchases on a non-repatriation basis. The FEMA Regulations also permit a registered FII to purchase, on repatriation basis, units of domestic mutual funds provided the FII restricts allocation of its total investment between equity and debt instruments in the ratio of 70:30. Payment by the FII must be made either by inward remittance through normal banking channels or out of funds held in foreign currency account or non resident rupee account maintained by the FII with a designated branch of an Authorised Dealer with the approval of the RBI in terms of paragraph 2 of Schedule 2 to the FEMA Regulations.

Units held by an NRI investor and FIIs may be redeemed by such investor by tendering Units to the Fund or on payment of maturity proceeds, subject to any procedures laid down by RBI from time to time. The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs / FIIs.

Credit balances in the account of an NRI investor may be redeemed by such investor in accordance with the procedure described above and subject to any procedures laid down by RBI. Such redemption proceeds will be paid by means of Rupee cheque payable to the NRE account of the Investor/Unitholder. Where investments have been made on a non-repatriation basis then such redemption proceeds will be paid by means of a rupee cheque payable to the Investors/Unitholders NRO account.

**Repatriation** – NRIs / FIIs registered with SEBI may invest on a repatriable basis, subject to necessary RBI approvals, if any.

Provisions with respect to NRIs / FIIs stated above, is as per the AMC's understanding of the laws currently prevalent in India.

**(iii) Applications under Power of Attorney/Body Corporate/Registered Society/Trust/Partnership**

In case of an application under Power of Attorney or by a limited company, body corporate, registered society, trust or partnership, etc. the relevant Power of Attorney or the relevant resolution or authority to make the application as the case may be, or

duly certified copy thereof, along with the memorandum and articles of association/bye-laws must be lodged along with the application form.

(d) **Additional mode of payment through Applications Supported by Blocked Amount (ASBA):**

In accordance with the SEBI circular No. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010, all the new Schemes launched by the Fund on or after July 01, 2010 (In accordance with SEBI circular No. Cir/IMD/DF/6/2010 dated July 28, 2010 the date to offer ASBA facility for all NFOs is extended to October 01, 2010) shall mandatorily offer ASBA facility to the investors subscribing to New Fund Offers (NFOs) of the said Schemes. This facility shall coexist with the current process, wherein cheques/ demand drafts are used as a mode of payment. The detailed procedure in this regard is as follows;

**ASBA Mode of application:**

ASBA is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Schemes of ING Mutual Fund. Thus, for an investor who applies through ASBA facility, the application money towards the subscription of Units shall be debited from his specified bank account only if his/her application is selected for allotment of Units. This facility shall co-exist with the current process, wherein cheques/ demand drafts are used as a mode of payment.

**Benefits of ASBA facility:**

- The investor needs to submit the ASBA application Form accompanying an authorization to block the account to the extent of application money towards subscription of Units of any Scheme. The balance money, if any, in the account can be used for other purposes by the investors. Thus, the investor does not need to write any cheques and demand drafts;
- The blocked amount is released/unblocked after allotment of units by the Mutual Fund;
- The investor does not suffer any loss of interest income on the application amount towards the subscription of units as it remains blocked in the investors bank account till allotment;
- Refund of money is not required as in ASBA only that much money to the extent required for allotment of securities, is taken from the bank account only when the application is selected for allotment;
- Investor deals with known intermediary i.e. his/her/its own bank;
- The application form is simpler.

**ASBA Process:**

- ASBA Applicants shall submit an ASBA Application Form to the Self Certified Syndicate Bank (herein after referred to as ‘SCSB’) / Designated Branches (DB)/Controlling Branch (CB) of the SCSB authorizing blocking of funds that are available in the bank account specified in the ASBA Application Form. SCSB is a bank which is recognized as a bank capable of providing ASBA services to its customers. CB shall act as a coordinating branch for the Registrar/ Mutual Fund/ Stock Exchange.
- The aforesaid form can be submitted either physically or electronically through the net banking facility offered by the SCSB. The SCSB shall submit the ASBA form to the RTA / AMC/ Mutual Fund for records.
- The acknowledgement for receiving the application by the DB/ SCSBs will be given in the form of a counter foil. **However, this does not guarantee that the Mutual Fund/ AMC/ R&T will allot units applied for.**
- Further, the Application shall be processed by the Registrar & Transfer Agent/ AMC/ Mutual Fund only if the application is complete in all respect.
- On acceptance of Physical or Electronic ASBA, the SCSB shall block funds available in the bank account specified to the extent of the application money specified in the ASBA Application Form. The Application Amount shall remain blocked in the ASBA Account until scrutiny of the documents by the Registrar of the Mutual Fund/ AMC/ Mutual Fund and consequent transfer of the Application Amount to the Account of the Mutual Fund.
- Further, the amount would remain blocked until withdrawal/ rejection of the ASBA Application/receipt of instructions from the Registrar to unblock the Application Amount/ winding up of the Scheme. In the event of withdrawal or rejection of the ASBA Application Form or for unsuccessful ASBA Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account. The SCSB will then unblock the application money within one day of receipt of such instruction.

**Note: If the bank account specified in the ASBA Application Form does not have sufficient credit balance to meet the application money towards the subscription of Units, the Bank shall reject the ASBA Application form. Further, no request for withdrawal of ASBA application form made during the NFO Period will be allowed.**

**Eligibility of Investors who can apply:**

All investors are eligible to invest in ING Mutual Funds as provided under “Who can Invest” section of the Scheme Information Documents of the respective Schemes. Applications submitted by persons who are residents in the United States of America, Canada and subscriptions from NRI’s residing in Cuba, Iran, Myanmar, North Korea, Sudan and Syria will not be eligible.



**Rejections of ASBA application forms:**

ASBA Application Forms can be rejected, at the discretion of Registrar and Transfer Agent of ING Mutual Fund or the respective SCSBs including but not limited on the following grounds:-

1. ASBA Application forms not duly filled in or Mode of ASBA i.e. either Physical ASBA or Electronic ASBA, not selected or ticked;
2. Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc;
3. ASBA Application Form without the stamp of the SCSB;
4. Application by any person outside India if not in compliance with applicable foreign and Indian laws;
5. Bank account details not given/incorrect details given;
6. Bank account details being that of a third-party bank account;
7. Duly certified Power of Attorney, if applicable, not submitted along with the ASBA application form;
8. Applications accepted by SCSB and not uploaded/ submitted on/with the AMC/Registrar/Stock exchange;
9. Applications submitted after the last day of the NFO period.
10. As per disclosures and other instructions stated in the SAI/SID/KIM.

**Details of SCSB/DB:**

The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)), NSE ([www.nseindia.com](http://www.nseindia.com)) and SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and shall also be given in the ASBA application form.

**Redressal of Investor Complaints/Grievances:** In case of any complaint regarding the aforesaid process you may write directly to the concerned SCSB/ SEBI (Investor Grievance Cell).

**(e) Fractional Units**

Units will be computed up to three decimal places; thus Investors/Unitholders may have Account Statements that show an issuance of Fractional Units. Fractional Units in no way will affect the Investor/Unitholder's ability to redeem Units.

**(f) Issuance of Units/Allotment/Refund**

All the applicants will be allotted Units provided the applications are complete in all respects and are found to be in order. Issuance of Units on application shall be made in the following manner:

- (a) Applications for purchase will be accepted at the designated bank branches and Investor Service Centers on any Business Day.

- (b) The Fund is entitled, in its sole and absolute discretion, to reject any Application.
- (c) Refund of subscription money to applicants, in case applications are invalid or rejected or in case the Scheme fails to receive the minimum targeted amount, will be made within five business days from the closure of the New fund offer period and all the schemes (except ELSS) shall be available for ongoing repurchase/sale/trading within five business days of allotment. No interest will be payable on any subscription money so refunded within five business days. If the Fund refunds the amount after five business days, interest at the rate of 15% p.a. shall be paid out of the assets of the AMC for the period thereafter. Refund orders will be marked “A/c Payee only” and drawn in the name of the applicant and Bank account number in the case of a sole applicant and in the name of the first applicant in all other cases. All refund cheques will be mailed by Registered Post or as per the applicable rules.
- (g) **Registration of Multiple Bank Accounts for pay-in and pay-out with effect from November 15, 2010:**

With effect from November 15, 2010, the AMC / Mutual Fund is providing a facility to the investors to register multiple bank accounts at the folio level. By registering multiple bank accounts, the investors can use any of the registered bank accounts to receive redemption / dividend proceeds. Investors are requested to note that, registration of additional bank accounts will be accepted subject to a maximum of five accounts in case of individual and HUF as investors and ten in case of non-individual investors. These account details will be used by the AMC / Mutual Fund / R&TA for verification of instrument used for subscription to ensure that third party payments are not used for mutual fund subscription, except where permitted above. Investors are requested to avail the facility of registering multiple bank accounts by filling in the Application Form for Registration of Multiple Bank Accounts available at our ISCs / OPAs or on our website. For details, please refer to the ‘Multiple Bank Account Registration Form’.

**Change of Bank Mandate along with redemption:**

Consequent to the introduction of “Multiple Bank Account Facility”, the existing facility of processing redemption request with change of bank mandate is discontinued by the AMC / Mutual Fund with effect from November 15, 2010. New bank accounts can be registered only by using the ‘Multiple Bank Account Registration Form’. For details, please refer to our website i.e. [www.ingim.co.in](http://www.ingim.co.in).

The ‘Multiple Bank Account Registration Form’ is available at the Investor Service Centers of AMC /CAMS. The said form is also available on the AMC website [www.ingim.co.in](http://www.ingim.co.in)

## B. HOW TO SELL

Unitholders can redeem their Units at NAV based redemption price.

### i. Procedure for Redemption of Units

A Unitholder may request redemption of a specified amount or a specified number of Units. If a redemption request is for both, a specified amount and a specified number of Units, the specified number of Units will be considered the definitive request. In the case where the redemption amount is specified or deemed to be specified, the Fund will divide the redemption amount so specified by the Applicable NAV based price to arrive at the number of Units. Redemption requests will be honoured to the extent permitted by the credit balance in the Unitholder's account. The number of Units so redeemed will be subtracted from the Unitholder's account and a statement to this effect will be issued to the Unitholder. If the redemption request exceeds the Balance in the account then the account would be closed and balance sent to the Unitholder. Unitholders may also request for redemption of their entire holding and close the account by indicating the same at the appropriate place in the Redemption Request Form. In case, there is no mention of the number of units or amount in the redemption request, the entire balance shall be redeemed.

The redemption request can be made on the pre-printed forms sent to the Unitholders or also available at the Investor Service Centers. The redemption request can be made, either in person or by mail, on any Business Day at any of the Investor Service Centers as listed on the back-page of the SID and those appointed by the Fund from time to time. All redemption requests must contain the Unitholder's Account Number and be duly signed by Unitholders on record.

The list of "Official points of acceptance" of transactions is given at the back of the SID.

### ii. Redemption Price

The Redemption Price of the Units will be at the Applicable NAV subject to the exit load if any. The redemption price will be calculated on the basis of the load structure using the following formula:

$$\text{Redemption Price} = \text{Net Asset Value} * (1 - \text{Exit Load})$$

If the Applicable NAV is Rs 15/- and the exit load applicable is 0.5% the redemption price is calculated as follows:

$$\text{Redemption price} = 15 * (1 - 0.005)$$

$$\begin{aligned} &= 15 * 0.995 \\ &= 14.93 \end{aligned}$$

The Fund, however, reserves the right to change the exit load structure with prospective effect subject to the condition that redemption price is not lower than 93% (95% in case of close ended schemes) of the NAV.

### **iii. Payment of Redemption Proceeds**

Redemption proceeds will be paid by cheque / direct credit and payments will be made in favour of the sole/first Unitholder's registered name and the default Bank account and will be sent to the registered address of the sole/first holder as indicated in the original application form. As per the SEBI Regulations, the Fund shall dispatch the redemption proceeds within ten Business Days from the date of receipt of the redemption request.

In accordance with sub clause (c) of Regulation 53 of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, in the event of failure to despatch the redemption or repurchase proceeds within the period specified in sub-clause (b) of the said regulation i.e. 10 working days, asset management company is liable to pay interest @ 15% p.a. to the unitholders. Such interest is required to be borne by the Asset Management Company (AMC).

The AMC may close a Investors/Unitholders's account if, as a consequence of redemption, all the Units are withdrawn or the holdings fall below Rs. 2000/- (in case of debt/fixed income schemes and Rs 5000/- in case of equity schemes) (subject to the Investors/Unitholders failing to invest sufficient funds to bring the value of their holdings to the minimum amounts specified above, within 30 days after the balance shall have fallen below the minimum holdings). Units purchased by cheque will not be redeemed until the cheque has been cleared.

### **iv. Redemption by NRIs / FIIs**

Credit balances in the account of an NRI investor may be redeemed by such investor in accordance with the procedure described above and subject to any procedures laid down by RBI. Such redemption proceeds will be paid by means of Rupee cheque payable to the NRE account of the Unitholder. Where investments have been made on a non-repatriation basis then such redemption proceeds will be paid by means of a rupee cheque payable to the Unitholders NRO account.

**v. Effect of Redemptions**

The Unit Capital and Reserves of the Scheme will stand reduced by an amount equivalent to the product of the number of Units redeemed and the Applicable redemption price as on the date of redemption.

**vi. Right to Limit Redemptions**

The Trustees may, in the general interest of the Investors/Unitholders and keeping in view unforeseen circumstances/unusual market conditions, limit the total number of Units that may be redeemed on any Business Day to 5% of the total number of Units then in issue or such other percentage as the Trustees may determine. In addition, the Trustees reserve the right, at their sole discretion, to limit redemptions with respect to any single Investors/Unitholders to an amount of Rs. 10 lakh in one Business Day.

Any Units, which by virtue of these limitations are not redeemed on a particular Business Day, will be carried forward for redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing load) of the Business Day on which redemption is made. Under such circumstances, to the extent multiple redemption requests are received at the same time on a single Business Day, redemption will be made on a pro-rata basis, based on the size of each redemption request, the balance amount being carried forward for redemption to the next Business Day(s).

**vii. Suspension of Sale and Redemption of Units**

The Trustees may decide to temporarily suspend determination of NAV and consequently sale and redemption of Units, in any of the following events:

1. When one or more stock exchanges or markets, which provide the basis of valuation for a substantial portion of the assets of the Scheme is closed otherwise than for ordinary holidays.
2. When, as result of political, economic or monetary events or any circumstances outside the control of the Trustees and the AMC, the disposal of the assets of the Scheme is not reasonable, or would not reasonably be practicable without being detrimental to the interest of the Unitholders.
3. In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities for the Scheme cannot be accurately calculated.
4. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interest of the Unitholders of the Scheme.
5. In case of natural calamities, strikes, riots and bandhs.

6. In the event of any force majeure or disaster that affect the normal functioning of the AMC or the Registrar.
7. If so directed by SEBI.

In the above eventualities, the time limits indicated above, for processing of requests for purchase and redemption of Units will not be applicable.

### III. RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Investors/Unitholders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Fund declares a dividend under the Scheme, the dividend warrants shall be dispatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be dispatched to the Investors/Unitholders within 10 business days of the Specified Redemption Date. Provided if a Investors/Unitholders so desires the Fund shall issue a Unit certificate (non- transferable) within 30 days of the receipt of request for the certificate.
3. The Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request.
4. The Trustee is bound to make such disclosures to the Investors/Unitholders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
5. The appointment of the AMC for the Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Investors/Unitholders of the Scheme.
6. 75% of the Investors/Unitholders of a Scheme can pass a resolution to wind- up a Scheme.
7. The Trustee shall obtain the consent of the Investors/Unitholders:
  - whenever required to do so by SEBI, in the interest of the Investors/Unitholders.
  - whenever required to do so if a requisition is made by three- fourths of the Investors/Unitholders of the Scheme.
  - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
8. The Trustee 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 affects the interest of Investors/Unitholders, shall be carried out unless :
  - (i) a written communication about the proposed change is sent to each Investors/Unitholders and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Fund is situated; and
  - (ii) the Investors/Unitholders are given an option to exit at the prevailing Net Asset Value without any Exit Load.

9. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

#### IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

##### **Valuation of assets**

Valuation of Assets, computation of NAV, redemption price and their frequency of disclosure will be in accordance with the provisions of SEBI (Mutual Funds) Regulations 1996/Guidelines/Directives issued by SEBI from time to time. The assets of the Scheme will be valued based on the following valuation norms.

##### **1. Traded Securities**

- i. The securities shall be valued at the last quoted price on the stock exchange.
- ii. When the securities are traded on more than one recognised stock exchange, the securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the AMC to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should however be no objection for the scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments is principally traded.
- iii. Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the AMC.
- iv. When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange may be used.
- v. When a security (other than debt securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.
- vi. When a debt security (other than Government Securities) is not traded on any stock exchange on any particular valuation day, the value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than fifteen days prior to valuation date. When a debt security (other than Government Securities) is purchased by way of private placement, the value at which it was bought may be used for a period of fifteen days beginning from the date of purchase. For valuation of government securities, the Fund shall use the prices for Government Securities released by an agency suggested by AMFI. (At present Crisil.com vide AMFI circular dated February 5, 2002)
- vii. Presently, the Asset Management Company is valuing the securities of the Scheme based on the quotations of the NSE, since the price quotations of all securities listed

on most of the Stock Exchanges are available on NSE. However, the Asset Management Company reserves the right to change over the basis of valuation to the BSE, or any other stock exchange, if it is found to be more appropriate.

## 2. Thinly Traded Securities:

### Thinly Traded Equity / Equity Related Securities

When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is both less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly. For example, if the volume of trade is 100,000 and value is Rs. 400,000, the share does not qualify as thinly traded. Also if the volume traded is 40,000, but the value of trades is Rs. 600,000, the share does not qualify as thinly traded. In order to determine whether a security is thinly traded or not, the volumes traded in all recognised stock exchanges in India may be taken into account. Where a stock exchange identifies the “thinly traded” securities by applying the above parameters for the preceding calendar month and publishes/provides the required information along with the daily quotations, the same can be used by the mutual funds. If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the Fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly. In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the Asset Management Company/Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

### Thinly Traded Debt Securities

Thinly traded securities as defined in the SEBI Regulations shall be valued in the manner as specified in the guidelines issued by SEBI, as follows:

A debt security (other than Government Securities) shall be considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (currently Rs 5 crore) on the principal stock exchange or any other stock exchange.

A thinly traded debt security as defined above would be valued as per the norms set for non-traded debt security.



### 3. Non-traded Securities

When a security (other than Government Securities) is not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' scrip.

Non-traded securities shall be valued "in-good faith" by the asset management company on the basis of appropriate valuation methods based on the principles approved by the Board of the asset management company. Such decision of the Board must be documented in the Board minutes and the supporting data in respect of each security so valued must be preserved. The methods used to arrive at values "in-good faith" shall be periodically reviewed by the trustees and reported upon by the auditors as "fair and reasonable" in their report on the annual accounts of the fund. For the purpose of valuation of non-traded securities, the following principles should be adopted:—

#### Non-traded / thinly traded equity/ equity related securities:

- (a) Based on the latest available Balance Sheet, net worth shall be calculated as follows :
- (b) Net Worth per share = [share capital+ reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
- (c) Average capitalisation rate (P/E ratio) for the industry based upon NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- (d) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.
- (e) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- (f) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- (g) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.

To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it bears

to the total net assets of the scheme to which it belongs would be compared on the date of valuation.

#### Non Traded / Thinly Traded Debt Securities of Upto 182 Days to maturity

As the money market securities are valued on the basis of amortisation (cost plus accrued interest till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments) a similar process should be adopted for non-traded debt securities with residual maturity of upto 182 days, in the absence of any other standard benchmarks in the market. Debt securities purchased with residual maturity of upto 182 days are to be valued at cost (including accrued interest till the beginning of the day) plus the difference between the redemption value (inclusive of interest) and cost spread uniformly over the remaining maturity period of the instrument. In case of a debt security with maturity greater than 182 days at the time of purchase, the last valuation price plus accrued interest should be used instead of purchase cost. All other non-traded Non Government debt instruments shall be valued using the method suggested below.

#### Non Traded / Thinly Traded Debt Securities of Over 182 Days to Maturity

For the purpose of valuation, all non traded debt securities would be classified into "investment grade" and "non investment grade" securities based on their credit ratings. The non-investment grade securities would further be classified as "performing" and "non - performing" assets.

- All non government investment grade debt securities, classified as not traded, shall be valued on yield to maturity basis as described below.
- All non government non-investment grade performing debt securities would be valued at a discount of 25% to the face value.
- All non government non-investment grade non-performing debt securities would be valued based on the provisioning norms.

The approach in valuation of non traded debt securities is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non traded security. The yields for pricing the non-traded debt security would be arrived at using the process as defined below.

#### Step A

A risk free benchmark yield is built using the government securities (GOI Securities) as the base. GOI Securities are used as the benchmarks as they are traded regularly, free of credit risk and traded across different maturity spectrums every week.

## Step B

A matrix of spreads (based on the credit risk) is built for marking up the benchmark yields. The matrix is built based on traded corporate paper on the wholesale debt segment of an appropriate stock exchange and the primary market issuances. The matrix is restricted only to investment grade corporate paper.

## Step C

The yields as calculated above are marked-up / marked-down for illiquidity risk.

## Step D

The yields so arrived are used to price the portfolio.

## Methodology

### Construction of Risk Free Benchmark

Using Government of India dated securities, the benchmark shall be constructed as below:

Government of India dated securities will be grouped into the following duration buckets viz., 0.25- 0.5 years, 0.5-1 years, 1-2 years, 2-3 years, 3-4 years, 4-5 years, 5-6 years and 6 years and the volume weighted yield would be computed for each bucket. These duration buckets may be changed to reflect the market value more closely by any agency suggested by AMFI giving benchmark yield / matrix of spreads over benchmark yield. Accordingly, there will be a benchmark YTM for each duration bucket. The benchmark as calculated above will be set at least weekly, and in the event of any significant movement of prices of Government securities on account of any event impacting interest rates on any day such as change in the RBI policies, the benchmark will be reset to reflect any change in the market conditions.

**Note:** The concept of duration over tenor has been chosen in order to capture the reinvestment risk. It is intended to gradually move towards a methodology that incorporates the continuous curve approach for valuation of such securities. However, in view of the current lack of liquidity in the corporate bond markets, a continuous curve approach to valuation would be necessarily based on limited data points, and this would result in out of line valuations. As an interim methodology therefore it is proposed that the Duration Bucket approach be adopted and continuously tracked in order to fine-tune the duration buckets on a periodic basis. Over the next few years it is expected that with the deepening of the secondary market trading, it would be

possible to make a gradual move from the Duration Bucket approach towards a continuous curve approach.

### Building a Matrix of Spreads for Marking-up the Benchmark Yield

Mark up for credit risk over the risk free benchmark YTM as calculated in step A, will be determined using the trades of corporate debentures / bonds of different ratings. All trades on appropriate stock exchange during the fortnight prior to the benchmark date will be used in building the corporate YTM and spread matrices. Initially these matrices will be built only for corporate securities of investment grade. The matrices are dynamic and the spreads will be computed every week. The matrix will be built for all duration buckets for which the benchmark GOI matrix is built to effectively link the corporate matrix with the GOI securities matrix. Accordingly:

- All traded paper (with minimum traded value of Rs. 1 crore) (Rupees One Crore Only) will be classified by their ratings and grouped into 7 duration buckets; for rated securities, the most conservative publicly available rating will be used;
- For each rating category, average volume weighted yield will be obtained both from trades on the appropriate stock exchange and from the primary market issuances;
- Where there are no secondary trades on the appropriate stock exchange in a particular rating category and no primary market issuances during the fortnight under consideration, then trades on appropriate stock exchange during the 30 days period prior to the benchmark date will be considered for computing the average YTM for such rating category;
- If the matrix cannot be populated using any or all of the above steps, then credit spreads from trades on appropriate stock exchange of the relevant rating category over the AAA trades will be used to populate the matrix;
- In each rating category, all outliers will be removed for smoothening the YTM matrix;
- Spreads will be obtained by deducting the YTM in each duration category from the respective YTM of the GOI securities;
- In the event of lack of trades in the secondary market and the primary market the gaps in the matrix would be filled by extrapolation. If the spreads cannot be extrapolated for the reason of practicality, carrying the spreads from the last matrix will fill the gaps in the matrix.

Mark-up / Mark-down Yield

The Yields calculated would be marked-up / marked-down to account for the ill-liquidity risk, promoter background, finance company risk and the issuer class risk. As the level of ill-liquidity risk would be higher for non rated securities the marking process for rated and non rated securities would be differentiated.

The discretionary mark up and mark down vide SEBI circular no.SEBI/IMD/CIR/2/166256/2009 dated June 12, 2009 is as under:

## a. In case of rated debt securities

Category	Discretionary mark up/mark down	
	+	-
Rated instruments with duration upto 2 years	100 bps	50 bps
Rated instruments with duration over 2 years	75 bps	25 bps

## b. In case of unrated debt securities

Category	Mark up/mark down
Unrated instruments with duration upto 2 years	Discretionary discount of upto +50 bps over and above mandatory discount of +50 bps
Unrated instruments with duration over 2 years	Discretionary discount of upto +50 bps over and above mandatory discount of +25 bps

The Chief Executive Officer (whatever his designation may be) of the Asset Management Company shall give prior approval to the use of discretionary mark up or down limit.

Valuation of securities with Put / Call options

The option embedded securities would be valued as follows:

Securities with Call option

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case

there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

#### Securities with Put option

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

#### Securities with both Put and Call option on the same day

The securities with both Put and Call option on the same day would be deemed to mature on the Put / Call day and would be valued accordingly.

#### 4. Government securities

Government securities will be valued as per the prices for Government Securities released by an agency suggested by AMFI for the sake of uniformity in calculation of NAVs.

#### 5. Illiquid Securities:

- (a) Aggregate value of “illiquid securities” of scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.

Provided that in case any scheme has illiquid securities in excess of 15% of total assets as on September 30, 2000 then such a scheme shall within a period of two years bring down the ratio of illiquid securities within the prescribed limit of 15% in the following time frame:

- (i) all the illiquid securities above 20% of total assets of the scheme shall be assigned zero value on September 30, 2001.
- (ii) All the illiquid securities above 15% of total assets of the scheme shall be assigned zero value on September 30, 2002.
- (b) All funds shall disclose as on March 31 and September 30 the scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the unitholders. In the list of ING Index

Fund investments, an asterisk mark shall also be given against all such investments which are recognised as illiquid securities.

- (c) Mutual Funds shall not be allowed to transfer illiquid securities among their schemes w.e.f. October 1, 2000.
- (d) In respect of closed ended funds, for the purposes of valuation of illiquid securities, the limits of 15% and 20% applicable to open-ended funds should be increased to 20% and 25% respectively.
- (e) Where a scheme has illiquid securities as at September 30, 2001 not exceeding 15% in the case of an openended fund and 20% in the case of closed fund, the concessions of giving time period for reducing the illiquid security to the prescribed limits would not be applicable and at all time the excess over 15% or 20% shall be assigned nil value.

## **6. Fixed Income and Money Market Securities**

Investments in call money, bills purchased under rediscounting scheme and short term deposits with banks shall be valued at cost plus accrual; other money market instruments shall be valued at the yield at which they are traded. For this purpose, instruments not traded for a period of seven days will either be valued at cost plus interest accrued till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments or valued on the basis recommended by the AMC, which will be reviewed by the Trustees periodically.

**SEBI vide circular no SEBI/IMD/CIR No.16/ 193388/2010 dated February 02, 2010 has revised the valuation of debt and money market securities as follows with effect from August 1, 2010 or any further date as may be notified by SEBI thereafter:**

### **Valuation of money market and debt securities with residual maturity of upto 91 days:**

All money market and debt securities, including floating rate securities, with residual maturity of upto 91 days shall be valued at the weighted average price at which they are traded on the particular valuation day.

When such securities are not traded on a particular valuation day they shall be valued on amortization basis. It is further clarified that in case of floating rate securities with floor and caps on coupon rate and residual maturity of upto 91 days then those shall be valued on amortization basis taking the coupon rate as floor.

### **Valuation of money market and debt securities with residual maturity of over 91 days:**

All money market and debt securities, including floating rate securities, with residual maturity of over 91 days shall be valued at weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day they shall be valued at benchmark yield/ matrix of spread over risk free benchmark yield obtained from agency(ies) entrusted for the said purpose by AMFI.

**Valuation of securities not covered under the current valuation policy:**

In case of securities purchased by mutual funds do not fall within the current framework of the valuation of securities then such mutual fund shall report immediately to AMFI regarding the same. Further, at the time of investment AMCs shall ensure that the total exposure in such securities does not exceed 5% of the total AUM of the scheme.

**7. Valuation of Rights shares/entitlements**

Until they are traded, the value of the 'rights' shares should be calculated as :

$$V_r = n \div m \times (P_{ex} - P_{of})$$

Where

$V_r$	=	Value of rights
$n$	=	No. of rights offered
$m$	=	No. of original shares held
$P_{ex}$	=	Ex-rights price
$P_{of}$	=	Rights Offer Price

Where the rights are not treated pari passu with the existing shares, suitable adjustment should be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.

**8. Valuation of "Repo"**

Where instruments have been bought on 'repo' basis, the instrument must be valued at the resale price after deduction of applicable interest up to date of resale. Where an instrument has been sold on a 'repo' basis, adjustment must be made for the difference between the repurchase price (after deduction of applicable interest up to date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation must be provided for and if the repurchase price is lower than the value, credit must be taken for the appreciation.



## 9. Valuation of unlisted equity shares

Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:

- a. Based on the latest available audited balance sheet, net worth shall be calculated as lower of the following:
  - i Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.
  - ii After taking into account the outstanding warrants and options, Net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option / Warrants received / receivable by the Company plus free reserves(excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by {Number of Paid up Shares plus Number of Shares that would be obtained on conversion / exercise of Outstanding Warrants and Options} The lower of the above shall be used for calculation of net worth per share and for further calculation to arrive at the fair value per share
- b) For further calculation, see below:

Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- c) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

The above methodology for valuation shall be subject to the following conditions:

- All calculations as aforesaid shall be based on audited accounts.
- In case where the latest balance sheet of the company is not available within 9 months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.

- If the net worth of the company is negative, the share would be marked down to zero.
- In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- In case an individual security accounts for more than 5% of the total assets of the Scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the Scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.

At the discretion of the AMC and with the approval of the Trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

#### **10. Valuation of convertible debentures and bonds**

In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The nonconvertible component shall be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion. While valuing such instruments, the fact whether the conversion is optional will also be factored in.

#### **11. Valuation of warrants**

In respect of warrants to subscribe for shares attached to instruments, the warrants shall be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures (as referred in valuation of convertible debentures and bonds above) shall be deducted to account for the period which must elapse before the warrant can be exercised;

#### **12. Valuation of Derivative Products**

- a. Traded derivatives shall be valued at market price in accordance with Clause 1 of the Eighth Schedule to the SEBI Regulations.
- b. Untraded derivatives shall be valued in accordance with Clause 2 of the Eighth Schedule to the SEBI Regulations.

13. All expenses and incomes accrued up to the valuation date shall be considered for computation of the Net Asset Value. For this purpose, while major expenses like management fees and other periodic expenses should be accrued on a day to day basis, other minor expenses and income need not be so accrued, provided the non-accrual does not affect the NAV calculations by more than 1%.
14. Any changes in securities and in the number of Units be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the Net Asset Value disclosure, the recording may be delayed up to a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%.

In case the NAV of the Scheme(s) differs by more than 1%, due to non - recording of transactions, the investors or Scheme(s) as the case may be, shall be paid the difference in amount as follows:-

- If the investors are allotted units at a price higher than NAV or are given a price lower than NAV at the time of sale of their Units, they shall be paid the difference in amount by the Scheme.
- If the investors are charged lower NAV at the time of purchase of their Units or are given higher NAV at the time of sale of their Units, the AMC shall pay the difference in amount to the Scheme. The AMC may recover the difference from the investors.

The valuation guidelines as outlined above are as per prevailing SEBI Regulations and are subject to change from time to time in conformity with changes made by SEBI.

SEBI has vide its circular no. MFD/CIR/8/92/2000 dated September 18, 2000 and amendments vide circular no. MFD/CIR/14/088/2001 dated 28.03.2001 and MFD/CIR/14/442/2002 dated 20.02.2002 prescribed certain additional norms for identification and provisioning of NPAs and guidelines for valuation of non-traded and thinly traded debt securities.

15. In case of Structured Products, valuation of floating rate instruments would be based on latest available quote received from the issuers.

## **Valuation Norms – Fund of Fund Schemes:**

### ***16. Underlying Schemes***

Since the Scheme will invest predominantly in underlying scheme(s), the latest available per unit NAV of the respective underlying scheme(s) as at the close of the relevant valuation day will be taken into account for computing the value of investments of the Scheme.

### ***17. Money Market Securities***

Where instruments have been bought on a 'repo' basis, the instrument will be valued at the resale price after deduction of applicable interest upto the date of resale. Where an instrument has been sold on a 'repo' basis, adjustment will be made for the difference between the repurchase price (after deduction of applicable interest up to date of repurchase) and the value of the instrument. If the repurchase price exceeds the value of the instrument, the depreciation will be provided for and if the repurchase price is lower than the value of the instrument, credit will be taken for the appreciation.

Investments in bills purchased under rediscounting scheme and short term deposits with banks will be valued at cost plus accrual.

Other money market instruments including treasury bills will be valued at the yield at which they are currently traded. For this purpose, non-traded instruments, that is instruments not traded for a period of one day will be valued at cost plus interest accrued till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments.

### ***18. Foreign Exchange conversion***

On the valuation day, all assets and liabilities in foreign currency will be valued in Indian Rupees at the RBI reference rate as at the close of banking hours on that day in India. The Trustees reserve the right to change the source for determining the exchange rate at a future date after recording the reason for such change.

### **Net Asset Value Calculation**

The Net Asset Value (NAV) is the actual value of a Unit on any Business Day and is computed as follows:

$$\text{NAV} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Current liabilities and provisions}}{\text{Number of Units Outstanding}}$$

The NAV shall be rounded off up to four decimals in case of debt and liquid schemes and 2 decimals in case of equity and balanced schemes. The NAV of the Scheme shall be calculated and announced as of the close of every Business Day. Calculation of the Scheme's NAV will be subject to such rules or regulations that SEBI may issue from time to time and will be subject to audit on an annual basis.

## V. TAX, LEGAL & GENERAL INFORMATION

### A. Taxation of investing in Mutual Funds

The following tax implications are provided for general information purposes based on the law prevalent as on the date of this document. Such implications would have to be determined taking into account the specific facts of each individual case. Further, in the event of amendments to legislation pertaining to taxation from time to time, the nature and / or quantum of such benefits / implications is subject to change.

Accordingly, it is recommended that each Unit holder appropriately consult his / her tax consultant with respect to the specific tax implications arising out of their participation in the Scheme.

#### I. To the Mutual Fund:

##### *Income in the hands of the Mutual fund*

The entire income of the Mutual Fund registered under Securities and Exchange Board of India Act, 1992 or any regulations made thereunder is exempt from income-tax in accordance with the provisions of section 10(23D) of the Income-tax Act, 1961 ("the Act").

The income received by such Mutual Fund is not liable for deduction of income-tax at source as per the provisions of section 196(iv) of the Act. Where the Fund receives any income from investments made in overseas jurisdiction, the same may be subject to withholding in the relevant jurisdiction from which

the income is received. As the income of the fund is exempt from tax in India, credit/ refund in respect of such foreign taxes may not be available in India.

***Tax on distribution of income by the Mutual Fund to the Unit holders***

Under section 115R of the Act, income distribution, if any, made by the Mutual Fund to the unit holders will attract distribution tax at the following rates:

- **In case of Money Market Mutual Fund or Liquid Fund**
  - @ 25% plus surcharge on such income-tax @5% <sup>\*\*\*</sup> and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case income is distributed to individuals and HUFs; and
  - @ 25% <sup>†††</sup> plus surcharge on such income-tax @ 5% <sup>1</sup> and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case of income distributed to persons other than individuals and HUFs.
- **In case of Other than Equity Oriented Fund, not being a Money Market Mutual Fund or a Liquid Fund**
  - @ 12.5% plus surcharge on such income-tax @ 5% <sup>1</sup> and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case income is distributed to individuals and HUFs; and
  - @ 20% <sup>2</sup> plus surcharge on such income-tax @ 5% <sup>1</sup> and education cess and secondary and higher education cess @ 3 % on the amount of tax and surcharge, in case of income distributed to persons other than individuals and HUFs.

Proviso (b) to Section 115R(2) of the Act provides exemption to equity oriented mutual funds from paying distribution tax on income distributed.

The expression “money market mutual fund” has been defined under Explanation (d) to Section 115T which means a scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

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<sup>\*\*\*</sup> The Finance Act, 2011 has reduced the rate of surcharge from 7.5% to 5% on tax on distributed income to unit holders under section 115R of the Act

<sup>†††</sup> Finance Act, 2011 has increased the rate to 30% with effect from 1st June 2011

The expression "liquid fund" has been defined under Explanation (e) to Section 115T which means a scheme or plan of a mutual fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this behalf under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder.

***Classification of the fund as 'equity oriented fund' or other than 'equity oriented fund' for the purposes of the Act***

The expression "equity oriented fund" has been defined under Explanation (b) to Section 115T of the Act to include a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of such fund. Further, as per the proviso to the Explanation (b) to section 115T, the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

**II. To the Unit Holders:**

***Deduction from total income***

Under section 80C of the Act, an assessee, being an individual or HUF, is eligible to claim a deduction upto an aggregate of Rs. 1 lac on account of sums paid as subscription to units of an Equity Linked Savings Scheme.

The expression "Equity Linked Savings Scheme" refers to Equity Linked Savings Scheme, 2005 as notified by the Central Board of Direct Taxes, Ministry of Finance vide notification dated November 3, 2005 as amended vide notification dated December 13, 2005.

***Securities Transaction Tax***

Under Chapter VII of Finance (No. 2) Act, 2004 the unit holder is liable to pay Securities Transaction Tax ('STT') in respect of "taxable securities transaction" at the applicable rates. Taxable securities transactions include purchase or sale of units of an equity oriented fund, entered into on the stock exchange or sale of units of an equity oriented fund to the mutual fund.

The purchaser and seller of units of an equity oriented fund are liable to pay STT @ 0.125 % each where the purchase and sale is entered into on a recognized stock exchange and the contract for the purchase and sale of such units is settled by actual delivery or transfer of such units.

Further, the seller of units is also liable to pay STT @ 0.025 % in case of sale of units of an equity oriented fund where the transaction of such sale is entered into on a recognized stock exchange and the contract for the sale of such units is settled otherwise than by the actual delivery or transfer of such units.

At the time of sale of units of equity oriented fund to the mutual fund, the seller is required to pay an STT @ 0.25%.

The securities transaction tax paid by the assessee during the year in respect of taxable securities transactions entered in the course of business shall be allowed as deduction under section 36 of the Act subject to the condition that such income from taxable securities transactions is included under the head 'profits and gains of business or profession'.

### ***Income from Units***

Under the provisions of section 10(35) of the Act, any income (other than income arising from transfer of units) received by any person in respect of the units of the mutual fund is exempt from income-tax.

### ***Gains on transfer / redemption of Units***

Gains arising on transfer / redemption of units as well as switching between schemes will be chargeable to tax under the Act. The characterisation of income from investment in securities as 'business income' or 'capital gains' will have to be examined on a case-to-case basis.

#### **o Business Income**

Where the units are regarded as Business Asset, then any gain arising from transfer / redemption of Units would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the Act. The gain / loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer).

Business Income is chargeable to tax at the following rates:

<b>Assessee</b>	<b>% of Income-tax</b>
Individuals, HUF, Association of Persons	Applicable Slab Rates
Partnership Firms [including Limited Liability Partnerships ('LLPs')] & Indian Corporates	30%
Foreign Company	40%



The income-tax rates specified above and elsewhere in this document are exclusive of the applicable surcharge, education cess and secondary and higher education cess. The Finance Act, 2011 has changed the rates of surcharge and the same are as under:

Assessee	Surcharge for AY 2011-12*	Surcharge for AY 2012-13*
Individual (including proprietorships), HUF, Association of Persons and Partnership Firms (including LLPs)	Nil	Nil
Indian Corporates (if income exceeds Rs. 1 crore)	7.5%	5%
Foreign Company (if income exceeds Rs. 1 crore)	2.5%	2%

\* Additionally, education cess and secondary and higher education cess is leviable @ 3% on the income-tax and surcharge as computed above.

o Capital Gains

The mode of computation of capital gains would be as follows:

Sale Consideration	xxx
Less: Cost of Acquisition (Note 1)	(xxx)
Expenses on Transfer (Note 2)	(xxx)
<b>Capital Gains</b>	<b>xxx</b>

Note 1: In case of the computation of long-term capital gains, option of indexation of cost is available.

Note 2: This would include only expenses relating to transfer of units. Normal business expenses would not be allowable.

Capital gain arising on transfer or redemption of units held for a period of more than 12 months is regarded as “Long-term Capital Gain” which otherwise would be “Short-term Capital Gain”. In case of ELSS, the units are subject to a lock-in of 3 years. Accordingly, any sale of units after such lock-in will qualify as Long-term Capital Gain.

**A. Long term capital gains****In case of fund other than Equity Oriented Fund, including Money Market Mutual Fund or a Liquid Fund**

As per section 112 of the Act, tax on income on long term capital gains arising from the transfer of units shall be lower of the following amount:

- (i) 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge, on the Long-term Capital Gains computed without substituting indexed cost of acquisition in place of the cost of acquisition; or
- (ii) 20% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge, on the Long-term Capital Gain computed after substituting indexed cost of acquisition in place of the cost of acquisition.

The benefit of indexation will, however, not be available to specified Offshore Fund which is taxable @ 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge in terms of section 115AB of the Act.

The benefit of indexation will, also, not be available to Foreign Institutional Investors who are taxed under section 115AD of the Act @ 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge.

The income by way of long term capital gains of a company would be taken into account in computing the book profits and Minimum Alternate Tax payable, if any, under Section 115JB of the Act (irrespective of whether or not it is exempt under Section 10(38) of the Act).

In case where the taxable income as reduced by Long-term Capital Gains of a resident individual and Hindu Undivided family is below the taxable limit, the Long-term Capital gain will be reduced to the extent of such shortfall and only the balance Long-term Capital Gain is chargeable to Income-tax.

The following deductions are available from Long-term Capital Gains arising on sale of Mutual Fund units, if the sale proceeds are invested in eligible avenues:

	<b>Section 54 EC</b>	<b>Section 54F</b>
<b>Eligible persons</b>	<b>All assesses</b>	<b>Individual and HUFs</b>
Asset to be purchased to claim exemption	Specified Bonds of National Highways Authority of India and Rural Electrification Corporation Limited (cap	Residential house Property

	of Rs. fifty lakhs in a financial year)	
Time-limit for purchase from date of sale of MF units	6 months	Purchase: 1 year backward / 2 years forward & Construction: 3 years forward
Amount Exempt	Investment in the new asset or capital gain whichever is lower	Capital gains proportionate to the investment made from the sale proceeds (subject to other conditions of owning / purchasing residential house mentioned in the section)
Lock-in period	3 years	3 years

The investment under section 54EC on account of which exemption has been claimed from long-term capital gains will not be available for deduction under section 80C of the Act.

### **In case of Equity Oriented Fund including ELSS**

Units of Equity Oriented fund including ELSS being subjected to STT. Long Term capital Gains arising from transfer of such units are exempt under section 10(38) of the Act. The mutual fund would recover STT from the unit holder as per the applicable rates.

### **B. Short-term Capital Gain**

#### **In case of fund other than Equity Oriented Fund, including Money Market Mutual Fund or a Liquid Fund**

Short term capital gains arising from the transfer of units of funds other than equity oriented scheme would be chargeable to tax as under:

Short term capital gains are taxed at the normal rates applicable to each unitholder. In case where the taxable income as reduced by Short-term Capital Gains of a resident individual and Hindu Undivided Family is below the taxable limit, the Short-term Capital gain will be reduced to the extent of such shortfall and only the balance Short-term Capital Gain is chargeable to Income-tax.

Foreign Institutional Investors shall be taxed under section 115AD of the Act @ 30% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge.

### **In case of Equity Oriented Fund**

Short Term Capital Gains arising from transfer of units of an Equity Oriented scheme (as defined u/s 115T of the Act), being subjected to STT would be charged to tax u/s 111A of the Act @ 15% (plus applicable surcharge, education cess and secondary and higher education cess). The mutual fund would recover STT from the unit holder at the applicable rates when the units are re-purchased by the mutual fund/ redeemed by the investor.

In case where the taxable income as reduced by Short-term Capital Gains of a resident individual and Hindu Undivided family is below the taxable limit, the Short-term Capital Gain will be reduced to the extent of such shortfall and only the balance Short-term Capital Gain is chargeable to Income-tax.

### ***Deduction of income-tax at source from Capital Gains***

- **Resident Unit holders**

No income-tax is required to be deducted at source from capital gains arising on transfer of units by resident unit holders.

- **Foreign Institutional Investors**

As per the provisions of section 196D of the Act, no deduction of tax shall be made from any income, by way of capital gains arising from the transfer of securities referred to in section 115AD, payable to a Foreign Institutional Investor.

- **In case of funds other than ‘Equity Oriented Fund’ under the Act**

#### **A) Non-Resident unit holders**

Income-tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains:

- On income by way of long-term capital gains @ 20% (plus applicable surcharge and education cess)
- On income by way of short-term capital gains at normal rates as applicable.

Income-tax is required to be deducted at source from the short-term capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty

benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA which ever is more beneficial to the assessee. However, the Unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

## **B) Offshore Fund unit holders**

Under Section 196B of the Act, tax shall be deducted at source from the long term capital gains @ 10% plus applicable surcharge, education cess and secondary and higher education cess at the rate of 3% on the amount of tax and surcharge.

Income-tax is required to be deducted at source from the short-term capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA which ever is more beneficial to the assessee. However, the Unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

- **In case of ‘Equity Oriented Fund’ for Non-Resident unit holders (including Offshore fund unit holders)**

Income-tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains.

- Income by way of long-term capital gains arising from transfer of units subject to STT is exempt from tax.
- On income by way of short-term capital gains arising from transfer of units subject to STT taxable under section 111A @ 15% (plus applicable surcharge and education cess).

Income-tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA which ever is more beneficial to the assessee. However, such a non-resident unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

### **Default in furnishing the PAN**

Section 206AA of the Act inserted by the Finance (No.2) Act, 2009, operative with effect from April 1, 2010, states that the deductee is required to mandatorily furnish his PAN to the deductor failing which the deductor shall deduct tax at source at higher of the following rates:

1. the rate prescribed in the Act;
2. at the rate in force i.e., the rate mentioned in the Finance Act; or
3. at the rate of 20%.

### **Dividend Stripping**

As per Section 94(7) of the Act, loss arising on sale of units, which are bought within 3 months of the record date and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

### **Bonus Stripping**

As per Section 94 (8) of the Act, units purchased within a period of 3 months prior to record date of entitlement of bonus and sold within a period of 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax.

The amount of loss so ignored shall be deemed to be the cost of purchase / acquisition of the bonus units.

### **III. Religious and Charitable Trust**

Investments in Units of the Mutual Fund will rank as an eligible form of investment under section 11(5) of the Act read with Rule 17C of the Income-tax Rules, 1962 for Religious and Charitable Trust.

### **IV. 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.

### **V. Gift-tax**

The Gift –Tax Act, 1958 has been repealed since October 1, 1998. Gift of units of Mutual fund units would be subject to income-tax in the hands of the donor. As per section 56(2)(vii), receipts of securities, fair market value of which exceeds fifty thousand rupees,

without consideration or without adequate consideration is taxable as income in the hands of individuals / HUFs.

Further the above provision of section 56(2)(vii) shall not apply to any units received by the donee

- (a) from any relative; or
- (b) on the occasion of the marriage of the individual; or
- (c) under a will or by way of inheritance; or
- (d) in contemplation of death of the payer or donor, as the case may be; or
- (e) from any local authority as defined in the Explanation to clause (20) of section 10 of the Act; or
- (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 of the Act; or
- (g) from any trust or institution registered under section 12AA of the Act.

Relative shall mean:

- (i) spouse of the individual;
- (ii) brother or sister of the individual;
- (iii) brother or sister of the spouse of the individual;
- (iv) brother or sister of either of the parents of the individual;
- (v) any lineal ascendant or descendant of the individual;
- (vi) any lineal ascendant or descendant of the spouse of the individual;
- (vii) spouse of the person referred to in clauses (ii) to (vi).

## **B. Legal Information**

### **1. Nomination Facility**

Pursuant to Regulation 29A of the SEBI Regulations, the AMC is providing an option to the Unitholder to nominate (in the manner prescribed under the SEBI Regulations), a person in whom the Units held by him shall vest in the event of his death. The nomination facility extended under the Scheme is in accordance with the applicable laws/rules/regulations (including SEBI Regulations) as amended from time to time.

In terms of a SEBI notification dated July 2, 2002, nomination can be made only by individuals on their behalf singly or jointly. **If the Units are held jointly, all joint Investors/Unit-holders will sign the request for nomination/cancellation even if the mode of holding is not “joint”. Nomination will be mandatory for new folios/accounts opened by individuals especially with sole holding. Nomination would be maintained at the folio / account level and would be applicable for investments in all Schemes in the folio/ account. Every new nomination for a folio / account will overwrite the existing**

**nomination. Non-individuals including society, trust, company, body corporate, partnership firm, karta of Hindu Undivided Family, PSU, AOP, BOI, Banks, FIIs, holders of Power of Attorney cannot nominate.** Only the following categories of Indian residents can be nominated: (a) individuals; (b) minors through parent / legal guardian (whose name and address must be provided). **However, nomination will not be permitted in a folio/account held “on behalf of a minor”;** and (c) religious or charitable trusts. Nomination can also be in favour of the Central Government, State Government, a local authority, and any person designated by virtue of his office or a religious or charitable trust.

**Note: Investors who do not intend/wish to appoint a nominee must sign separately (provided in the application form) confirming their non-intention to nominate.**

The single/ joint/ surviving Investors/Unitholders can at the time of application or subsequently, by writing to a Investor Service Centre, request for a nomination form and the Rules governing such nomination, in order to nominate any person to receive the Units upon his/her death subject to the necessary completion of the necessary formalities e.g. Proof of the death of the Investor/Unitholder, signature of the nominee, furnishing proof of guardianship in case the nominee is a minor, execution of Indemnity Bond of or such other documents/information/undertakings as may be required from the nominee in favour of and to the satisfaction of the Fund, the AMC, or the Trustee. A NRI can be a nominee subject to the Exchange Control Regulations from time to time.

Cancellation of nomination can be made only by the Unitholders either singly in case of a single holders or by all holders in case of a joint holding and who made the original nomination. On cancellation, the nomination shall stand rescinded and the AMC/Fund shall not be under any obligation to transfer the Units in favour of the nominee.

In the event the account has more than one registered holder, the first-named Investor/Unitholder shall receive all notices and correspondence with respect to the account, as well as the proceeds of any Redemption or dividends or other distributions. In addition, such holder shall have the voting rights, as permitted, associated with such Units as per the applicable guidelines.

In case of death / insolvency of any one or more of the persons named in the Register of Investors/Unitholders as the joint holders of any Units, the AMC shall not be bound to recognise any person(s) other than the remaining holders. In all such cases, the proceeds of the Redemption will be paid to the first-named of such remaining Investors/Unitholders as per the transmission process of the AMC/ Registrar or Fund.

For DP account held in joint names, the rules of Depository for operation of such DP accounts will be applicable. However, in all cases, the proceeds of redemption will be paid to the first named Investors/Unitholders. All payments and settlements made to the first Investor/Unitholder would constitute a valid discharge by the AMC/Fund, their directors,



employees and agents, their successors and permitted assigns towards the estate of the surviving Unitholders and his/her/their nominees, successors, legal heirs, claimants, executors and administrators.,

A nomination in respect of the Units does not create an interest in the property after the death of the Investor/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 nominee(s) under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination.

The nomination facility shall be available in the form of proportionate nomination. The investors can provide for a maximum of three nominees for a particular folio. In case of different nominee(s) being provided by the Investor/Unitholder at the time of additional investments, the earlier nominee(s) registered by the AMC for the folio shall be overwritten with the new nominee(s) provided. At the time of fresh investment, additional investment or change of nominee request, the Investor/Unitholder should indicate clearly the percentage of allocation/share in favor of each of the nominees against their name and such allocation/share should be in whole numbers without any decimals making a total of 100%. In the event of such allocation not being clearly mentioned for each of the nominees, the AMC shall invoke the default option and shall settle the claim equally amongst all the nominees.

Investors/Unitholders may contact Investor Service Centers / the Registrar / distributors, for any additional information/clarifications on the facility of multiple nominations.

**Note:** However a Karta holding shares on behalf of the HUF is NOT entitled to make a nomination with respect to such units under the Fund. The nomination rules of the AMC do not permit such nomination. A Karta is acting on behalf of the entire HUF and therefore also cannot be nominated as a nominee by a Investor/Unitholder under the Fund.

However, the Fund / Trustee / AMC may request the nominee to execute suitable indemnities in favour of the Fund and / or the Trustee and / or the AMC, and to submit necessary information/documentations to the satisfaction of the Fund before transmitting Units to his / her favour. Nominations received in the form prescribed by the AMC alone shall be valid.

Further, if the Fund and/or the Trustee and/or the AMC incur any loss [including any claims/demands/expenses (including reasonable lawyers fees)] whatsoever arising out of any litigation or harm that it may suffer in relation to the nomination, they will be entitled to be indemnified absolutely from the deceased Investors'/Unitholders' estate.

The transmission / subsequent payment of the redemption proceeds to the nominee by the AMC shall be valid and effectual against any demand made upon the Trust/AMC and shall discharge the Trust/AMC, their directors, employees and agents, their successors and

permitted assigns, of all liability towards the estate of the deceased Investor/Unit holder and his/her nominees, successors, legal heirs, claimants, executors and administrators.

**Investors / Unit holders are advised to read the aforesaid instructions carefully before nominating.**

**2. Guidelines for Investments made “on behalf of Minors”, Minors attaining Majority, Change of Guardian:**

As per the recommendations of AMFI Working Group for Implementation of NISM Recommendations on “**Operational Risk Issues in Mutual Fund Investor Service Processes**” dated January 28, 2011 following guidelines would be applicable:

- **'On behalf of Minor' Accounts :**
  - ✓ The Minor has to be the first and sole holder in an account opened on his behalf. There shall not be any joint holder with minor as the first or joint holder.
  - ✓ The Guardian specified in such Minor's account should be either a natural (i.e. father or mother) or a court-appointed legal Guardian. The relationship/status of the Guardian shall be stated clearly in the application form and the AMC/Registrar shall obtain all the necessary supporting documents as may be required.
  - ✓ While opening an account on behalf of a Minor, following shall be submitted as a mandatory requirement:
    1. Date of birth of the Minor and
    2. Photocopies of the Minor's Birth Certificate OR School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE, etc., OR Passport OR any other suitable proof evidencing the date of birth of the Minor.

- **Minor attaining Majority :**

It is clarified that when the units are held on behalf of the Minor, the ownership of the units rests with the Minor. A Guardian operates the account until the Minor attains the age of majority.

- ✓ Prior to the Minor attaining the age of majority, the AMC/Registrar shall send an advance notice to the registered correspondence address advising the guardian and minor to submit an application form along with prescribed documents to change the status of the account to “major”.

- ✓ The Guardian cannot undertake any financial and non-financial transactions including fresh registration of Systematic Transfer Plan (STP), Systematic Investment Plan (SIP) and Systematic Withdrawal Plan (SWP) after the date of the minor attaining majority till the time the above form along with the prescribed documents are received by the mutual fund.
- ✓ However, in case of existing standing instructions including STP, SIP and SWP registered prior to the Minor attaining majority, the AMC/Registrar shall send an advance notice to the registered correspondence address advising the Guardian and the Minor that, the existing standing instructions will continue to be processed beyond the date of the minor attaining majority till the time a instruction from the major to terminate the standing instruction is received by the AMC/Registrar along with the prescribed documents. The standing instruction shall be terminated within 30 days from the date of receiving the instruction.

Following is the list of prescribed documents required for changing account status from “**Minor to major**”:

- i. Duly filled and signed application form / service request form;
- ii. Signature attestation of the major by a manager of a Scheduled bank / Bank Certificate / Letter;
- iii. KYC Acknowledgement Letter of the major; and
- iv. New bank mandate where account has been changed from minor to major.

• **Change in Guardian :**

In case there is a change in Guardian of the Minor either due to mutual consent or demise of existing Guardian, etc., the new Guardian should ensure that:

1. The new Guardian must be a natural guardian (i.e. father or mother) or a court-appointed legal Guardian and the same shall be specified in the application form.
2. In either case, the new guardian must submit all the necessary supporting documentary evidence as may be required for registering such new Guardian.

The AMC/Registrar shall require the following documents for registering the new Guardian:

- i. Request letter from the new Guardian and
- ii. No objection letter (NoC) or Consent letter from existing guardian or Court Order for new guardian, in case the existing Guardian is alive.
- iii. Notarized / attested copy of death certificate of the deceased Guardian, where applicable (*The attestation may also be done by a Special Executive Magistrate, AMC authorized official or manager of a Scheduled bank*);

- iv. Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new Guardian is registered as the guardian; and
- v. KYC of new guardian.

### **3. Important Note On Anti Money Laundering, Know-Your-Customer and Investor Protection:**

The Investors/Unit holders should ensure that the amount invested in the scheme is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of any applicable laws/rules/regulations (including, without limitation, SEBI Regulations, Anti Corruption laws, Anti Money Laundering laws), notifications, directives issued by any regulatory/administrative/legislative authorities and as amended, from time to time.

The Government of India has put a legal and policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002. The said Act and the Rules notified thereunder came into effect from July 1, 2005. Director, FIU-IND and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act.

Consequently, SEBI has mandated that all intermediaries including Mutual Funds should formulate and implement a proper policy framework as per the guidelines on anti money laundering measures and also to adopt a Know Your Customer (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by Investors/Unit holders for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by Investors/Unit holders. SEBI has also mandated that all the intermediaries should take necessary steps to ensure compliance with the requirement of the applicable provisions of the Prevention of Money Laundering Act, 2002 inter-alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

The AMC is committed to complying with all applicable anti money laundering laws and regulations in all of its operations. The AMC recognises the value and importance of creating a business environment that strongly discourages money launderers from using the mutual funds route. To that end, certain policies are being adopted by the AMC.

#### **Know Your Customer (KYC) Compliance Norms:**

##### **(a) Revised KYC for all Category of investors with effect from January 01, 2011:**

According to guidelines issued by SEBI under 'The Prevention of Money Laundering Act, 2002, Mutual Funds are required to follow enhanced Know Your Client (KYC)

norms. According to the revised standard KYC norms, it has been decided to revise the threshold limit of KYC Compliance for **all** categories of investors and make it mandatory for these categories to be KYC Compliant through CDSL Ventures Limited (CVL), irrespective of the amount of investment. Accordingly, the revised **mandatory** KYC Compliance based on investment amount is as follows:

Category of Investors	Mandatory KYC Compliance
Non Resident Indians (NRIs) [including Persons of Indian Origin (PIOs) and Overseas Citizenship holders (OCI's) ]	Any Amount
Investors (individuals and non-individuals) investing through the Channel Distributors* route	
All non-individual investors such as Companies, Body Corporates, Public Sector Undertakings, Association of Persons, Banks, Financial Institutions, Funds, Trusts (Religious or Charitable), Societies, Hindu Undivided Family (HUF), Partnership Firms, Limited Liability Partnerships (LLPs), Foreign Institutional Investors (FIIs), etc.	
Resident Individuals	

[\*Note: Channel Distributors are those distributors who have an arrangement with ING Investment Management (India) Private Limited (AMC) wherein they will submit the mutual fund transactions details (viz. subscriptions/ redemptions/switches, other non-financial transactions etc.) of their clients electronically to the AMC.]

The above category of investors for the purpose of KYC compliance shall also include (i) their constituted Power of Attorney (PoA) holder, in case of investments through a PoA; and (ii) each of the applicants, in case of application in joint names. (iii) Guardian in case of investments on behalf of minor.

The aforesaid norms would also apply to all redemption, Switch, Dividend Payout, Dividend Reinvestment, Systematic Withdrawal Plan and Systematic Investment Plan/Systematic Transfer Plan registered on/after the said date.

**Micro SIP Investment:** In accordance with the provision of SEBI Letter no. MRD/DoP/PAN/PM/166999/2009 dated June 19, 2009 issued to Association of Mutual Funds in India (AMFI) and subsequent guidelines issued by AMFI in this regard, Systematic Investment Plans (SIP) upto Rs.50,000/- per year per investor i.e. aggregate of investments in a rolling 12 months period or in a financial year (hereinafter referred to as “Micro SIP”) shall be exempted from the requirement of PAN. This exemption shall be applicable only to investments by individuals (including NRIs but not PIOs), Minors, Sole proprietary firms, HUFs and other categories of investors will not be eligible for this exemption. This

exemption shall not be available to normal purchase transactions upto Rs. 50,000/- which will continue to be subject to the PAN requirement. Further, with effect from January 1, 2011, in addition to the photo identification document, a self attested proof of address also needs to be submitted along with the application forms.

**Note:** It may also be noted that, investors with Permanent Account Number (PAN) are not eligible for the simplified KYC procedure available for investments through Micro SIP upto Rs. 50,000/- per year per investor by individual investors.

**Investments from Sikkim:** Investors residing in the state of Sikkim are exempt from the mandatory requirement of PAN, subject to the submission of the following and such other sufficient documentary evidence as may be required by the AMC/Fund/ Registrar:

1. Proof of address of Sikkim state (investor must mention the same address in the application form).
2. Address proof shall be self attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority.

(b) **Procedure for obtaining KYC Compliance:**

In order to facilitate this process, the mutual fund industry has collectively entrusted this responsibility of collection of documents relating to identity and address and record keeping to CDSL Ventures Limited (“CVL”). Investors/Unit holders can visit branches of the asset management company or may visit [www.ingim.co.in](http://www.ingim.co.in) and [www.amfiindia.com](http://www.amfiindia.com) and [www.cdslindia.com](http://www.cdslindia.com) to know detailed procedure for KYC compliance.

Investors/Unit holders need to submit a completed Application Form for KYC Compliance along with all the prescribed documents listed in the Form, at any of the Point of Service (‘POS’). POS are the designated centers appointed by the CVL for receiving application forms, processing data and providing Investors/Unit holders with evidence of KYC Compliance. List of and location of POS is available at [www.amfiindia.com](http://www.amfiindia.com). On submission of application, documents and information to the satisfaction of the POS, CVL will scrutinize the information and documents submitted by the Investors/Unit holders and confirm the KYC Compliance and will issue a “KYC Acknowledgement letter” the Investor/Unit holder.

Investors/Unit holders who have obtained MIN allotment letter by submitting the PAN copy are deemed to be KYC compliant. Where the Investors/Unit holders have obtained MIN allotment letter without submitting the PAN Copy, Investors/Unit holders will have to submit self attested PAN Card Copy along with MIN allotment letter to become KYC Compliant. In case where Investors/Unit holders have changed their address as mentioned in the AMC database but have not changed it in CVL then in such case the Investors/Unit holders would be required to submit change of address request to CVL also.

In case of an application made under a Power of Attorney, Folio Holder and Power of Attorney Holder will have to be KYC Compliant. In case of minor, guardian has to be KYC Compliant. The Donor should also be KYC Compliant. In case of transmission, the transferee would require to be KYC compliant.

**(c) Additional Provisions with regard to KYC:**

Applicants/Investors/Unitholders may contact Investor Service Centers/Registrars/Distributors, for any additional information/clarifications. Please visit the website of the Fund, [www.ingim.co.in](http://www.ingim.co.in) and/or [www.amfiindia.com](http://www.amfiindia.com) for any other related information.

“The Trustees/AMC is required to ensure compliance with the Know Your Customer Guidelines/ Circulars issued by SEBI/AMFI under the Prevention of Money Laundering Act, 2002, and/or any other (local or international) laws, rules, regulations or guidelines relating to Prevention of Money Laundering (“Applicable Laws”) and/or the requirements of the ING Group Guidelines on Financial Economic Crime Policy (“FEC Policy”).

The Trustees/AMC, in order to comply with the above requirements, will check appropriate identification and verification of the Investor(s)/Unitholder(s) (including verifying the Investor’s/Unitholder’s details with the sanction lists/screening lists prescribed under the FEC Policy or such other lists as may be prescribed under any Applicable Laws by the Relevant Authorities (“Lists”).

**Note:** The term Investor(s)/Unitholder(s) would include their beneficial owners, authorized representative/agents/signatories, designated power of attorney holders, directors, trustees, partners etc.

Further, the Trustee/AMC reserves the right to obtain at any point of time from the Investor/Unitholder any information (whether personal or financial or otherwise) / documents (whether to substantiate the sources of funds or the nature & background of commercial & financial activities or the identity & existence of the Investors/Unitholders or for such other reasons as may be required).

The Investor/Unitholder agrees and acknowledges that the allotment of units to / investments made in the Schemes by the Investor/Unitholder is subject to the obligation, duty & responsibility of the Investor/Unitholder to provide the aforementioned information/documents to the Trustees/ AMC and the said allotment of units / investments made in Schemes is further subject to the fact that in cases (a) where the required information/documents is not provided by the Investor/Unitholder to the satisfaction of the Trustee/AMC, or (b) if the

information/documents provided are false, misleading or fraudulent, fake or deceptive in nature, or (c) the Investor's/Unitholder's details are found in the Lists (mentioned above) by the Trustees/AMC at any point of time or (d) the transaction is found to be suspicious by the Trustees/AMC at any point of time, the Trustee/AMC are authorized by the Investor/Unitholder to carry out the following acts (at its sole discretion and without being responsible or liable in any manner whatsoever for any losses (including financial or tax or otherwise) / damages / expense / claims or otherwise:

- (a) reject any application (including refunding the subscription/application money, irrespective of the fact that the application is complete in all the other respects or not); and/ or
- (b) prevent any further investment by Investor/Unitholder; and/or
- (c) mandatorily redeem the units of the Investor/Unitholder within reasonable time at the applicable Net Asset Value (NAV) subject to applicable loads; and/or
- (d) freeze the Investor's/Unitholder's account or take any other action as may be required; and/or
- (e) report relevant details to the competent authority and take such other actions as may be required.

In the event that the Trustees/AMC have rejected any application, or frozen any account, or seized any account, or mandatorily redeemed units of any Investor/Unitholder in accordance with the above, any facilities (including Systematic Investment Plan, Systematic Transfer Plan, or Systematic Withdrawal Plan, etc.) previously available to such Investor/Unitholder shall also stand cancelled and discontinued on a prospective basis.

The Investor/Unitholder agrees and acknowledges that the Trustees/AMC may, on receiving a request/order(including interim orders)/direction from any competent, administrative, legislative or judiciary or quasi judicial authorities (including but not limited to RBI, SEBI, FIU or AMFI) ("Relevant Authorities") freeze and/or seize the Investor's/Unitholder's account and/or redeem the units at the applicable NAV and pay the proceeds of the redemption of the Investor's/Unitholder's investments to such Relevant Authorities or such other person as may be directed by the Relevant Authority and take any other action as may be required without being responsible or liable in any manner whatsoever, for any losses (including financial or tax or otherwise), damages, expenses, claims or otherwise.

The Investor/Unitholder further agrees and acknowledges that the Trustees/AMC may, at any time, at their sole discretion, share the Investor's/Unitholder's details with any Relevant Authorities (including such other person as may be directed by the Relevant Authorities) and/or with any ING Group entities and/or with such other person / entity for the purpose of ensuring identification and verification of the



Investor/Unitholder and/or ensuring compliance with the Applicable Laws, as the case may be.

Save as aforesaid, the Investor/Unitholders agrees and acknowledges that the Trustees/AMC, its affiliates/associates, their directors, employees and/or agents shall not be held liable in any manner whatsoever, either directly or indirectly and shall further be kept indemnified and harmless by the Investor/Unitholder at all times against all or any liabilities, obligations, losses (including financial or tax or otherwise), damages, penalties, actions, judgments, suits, costs, expenses (including reasonable lawyers fees) incurred by the Trustees/AMC as a result of the Trustees/AMC requesting for any details pertaining to the Investor/Unitholder, rejecting the application (including refunding the subscription/application money), prevent any further investment by Investor/Unitholder, freezing or seizure of the Investor's/Unitholder's account, mandatory redemption of the Investor's/Unitholder's units, disclosing the Investor's/Unitholder's details, performing any acts or actions of the Trustees/AMC on the request of the Relevant Authorities or on account of any other acts or actions of the Trustees / AMC.”

**Permanent Account Number - Sole Identification Number:** As per SEBI Circular No. MRD/DoP/Cir- 05/2007 dated April 27, 2007, it is now mandatory that Permanent Account Number (PAN) issued by the Income Tax Department would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. Accordingly, Investors/Unitholders will be required to furnish a copy of PAN together with request for fresh purchases, additional purchases and systematic investment purchase (SIP). Application Forms without these information and documents will be considered incomplete and are liable to be rejected without any reference to the Investors/Unitholders and without any liability/responsibility on the part of the AMC/Trustees/Fund in any manner whatsoever. The procedure implemented by the AMC and the decisions taken by the AMC in this regard shall be deemed final.

In case if the KYC formalities prescribed by AMC are not completed by the Investor/Unitholder or AMC not being in a position to verify the PAN details against the original as well as on the web-site of the Income Tax Department as prescribed by SEBI, AMC reserves the right to reject the application, prevent further transactions by such Investor/Unitholder and or mandatory redeem all the units at applicable NAV, with the exit load if any. AMC also reserves the right to ask for additional information from KYC perspective or report the relevant transactions to the relevant statutory authorities in case AMC finds that the relevant information is not forthcoming from the Investor/Unitholder or the transactions are suspicious in nature. The AMC / Trustee retain the sole and absolute discretion to reject any application.

#### 4. TRANSFER AND TRANSMISSION OF UNITS

##### **Transfer Facility**

Accounts Statements and Unit certificates are not transferable. In an open-ended scheme, on any Business Day, the Fund repurchases and issues Units on an on-going basis, as such a transfer facility is not required.

The Fund will offer and redeem the Units on a continuous basis for the Scheme every Business Day. If a person becomes a Investor/Unitholder in the Scheme consequent to operation of law, the Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death or insolvency, the transferee's name will be recorded by the Fund subject to production of satisfactory evidence and if the transferee is otherwise eligible to hold the Units. In all such cases, if the transferee is not eligible to hold the Units, the Units will be redeemed and the proceeds will be disbursed to the transferee if such transferee is entitled to the same. In any case, the AMC/Trustee/Fund shall not be liable/ responsible for any transfers made by the AMC/Trustee/Fund to any person/entity in any manner whatsoever.

##### **Transmission**

In case of transmission of units i.e. in case of death of sole/first unitholder and/or joint unitholders/all unitholders and/or Karta (as may be applicable), the claimant/s (i.e., the nominee or legal heirs or surviving joint unitholders, etc.) shall have to submit requisite documents in the specified format as may be required by the AMC/Registrar from time to time for transmission of units, depending on the circumstances of each case and for ensuring proper due diligence. **Investors may please visit our website ([www.ingim.co.in](http://www.ingim.co.in)) for the detailed procedure on transmission and the various documents (in prescribed formats) that need to be submitted under different transmission scenarios.**

Further, in the event of transmission of units in favor of a minor, the guardian (father/mother/court appointed guardian) must submit prescribed documents including PAN, KYC, banker's attestation of his/her signature, indemnity as per prescribed format etc.

It is also clarified that PAN card copy or another proof of identity of claimant/s is not required separately if KYC acknowledgement issued by CVL is made available by the Claimant.

The Fund and the AMC shall rely on the prima facie validity of any certificates /documents provided by any nominees/administrators/claimants/executors/legal heirs for transmission of Units and the AMC/Trustees/Fund or Registrar shall be under no obligation to investigate or verify the authenticity or the veracity of the documents or their contents.

The nominees/administrators/claimants/executors/legal heirs unconditionally and irrevocably agree that the transmission of Units by the AMC/Trustees/Fund shall be made subject to the receipt of any such additional forms, information (personal or financial or otherwise), indemnities and relevant documentations (including KYC documents), if any, as may be required from time to time by the AMC/Trustees/Fund in the specified format.

Upon the transmission of Units in accordance with the procedure contained hereinabove, the Fund, AMC/Trustees/Fund or Registrar, their directors, employees and agents, their successors and permitted assigns shall stand discharged and absolved of any further responsibility, liability or obligation in respect thereof, towards the estate of the deceased Client and his/her nominees, successors, legal heirs, claimants, executors and administrators.

## **5. DURATION OF SCHEME / WINDING UP**

In case of close ended schemes, the Scheme will come to an end as per specified period/duration of the Scheme. On maturity of the scheme, the outstanding units shall be redeemed and proceeds will be paid to the unitholders unless rolled over as per SEBI guidelines. In case the due date of maturity falls on a non-business day, the maturity date will be deemed to be the 'immediately following business day'. The AMC, the Fund and the Trustees reserve the right to make such changes/alterations to the Schemes (including the charging of fees and expenses) offered to the extent permitted by the applicable Regulations. However, in terms of the SEBI Regulations, a Scheme may be wound up after repaying the amount due to the Unitholders:

1. On happening of any event, which in the opinion of the Trustees, requires the Scheme to be wound up, OR
2. If seventy five percent (75%) of the Unitholders of the Scheme pass a resolution that the Scheme be wound up, OR
3. If SEBI so directs in the interest of the Unitholders

Where the Scheme is so wound up, the Trustees shall give notice of the circumstances leading to the winding up of the Scheme to:

- (i) SEBI and,

- (ii) In two daily newspapers having a circulation all over India of which one shall be in a vernacular newspaper with circulation in Mumbai.

On and from the date of the publication of notice of winding up, the Trustees or the AMC, as the case may be, shall:

1. Cease to carry on any business activities in respect of the Scheme so wound up;
2. Cease to create or cancel Units in the Scheme;
3. Cease to issue or redeem Units in the Scheme.

#### Procedure and Manner of winding up

The Trustees shall call a meeting of the Unitholders to approve by simple majority of the Unitholders present and voting at the meeting for authorizing the Trustees or any other person to take steps for the winding up of the Scheme,

The Trustees or the person authorized above shall dispose of the assets of the Scheme concerned in the best interest of the Unitholders of the Scheme.

The proceeds of sale realised in pursuance of the above, shall be first utilised towards discharge of such liabilities as are due and payable under the Scheme, and after meeting the expenses connected with such winding up, the balance shall be paid to Unitholders in proportion to their respective interest in the assets of the Scheme, as on the date the decision for winding up was taken.

On completion of the winding up, the Trustees shall forward to SEBI and the Unitholders a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for the disposal of the assets of the Scheme before winding up, net assets available for distribution to the Unitholders and a certificate from the auditors of the Fund.

Notwithstanding anything contained herein above, the provisions of the SEBI Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be Applicable until the winding up is completed or the Scheme ceases to exist.

After the receipt of the report referred to above, if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

## **6. LIEN ON UNITS**

On an ongoing basis, when existing and new Investor/Unitholder make subscriptions, a lien on Units allotted on the day of transaction will be created, and such Units shall not be available for redemption until the subscription moneys are realized by the Fund. In case an Investor/Unit holder redeems Units soon after subscription, the redemption proceeds will not be dispatched until subscription moneys are realized by the Fund and the proceeds have been credited to the Scheme's Account. However, this is only applicable if the value of redemption is such that some or all of the freshly purchased Units may have to be redeemed to effect the full redemption.

In case the subscription money is not realized, the transaction shall be reversed and the Units allotted earlier shall be cancelled, and a fresh Account Statement/ Confirmation slip shall be dispatched to the Investor/Unitholder. For Non-Individuals and NRI's the Fund may mark a lien on Units in case documents, which need to be submitted, are not given in addition to the application form and before the submission of Redemption request. However, the Trustee / AMC reserves the right to change operational guidelines for lien on Units from time to time.

## **7. PLEDGE OF UNITS**

The Units under the Scheme (subject to completion of Lock-in Period, if any) may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs) or any other institution, subject to any rules / restrictions that the AMC may prescribe from time to time. The AMC will note and record such pledged / charged Units. A standard form for this purpose is available on request from any of the ISCs. The AMC shall mark a lien only upon receiving the duly completed form and information/documents as it may require, to its satisfaction. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Fund assumes no responsibility thereof. The Trustee / AMC retains the sole and absolute discretion to reject any application for pledge of units, without any liability/responsibility for the same, in any manner whatsoever.

Investor/Unit holder will not be able to redeem/switch Units that are pledged/ charged until the entity to which the Units are pledged/ charged provides written authorisation to the Fund that the lien may be removed. As long as Units are pledged / charged, the Pledgee / Chargeholder will have complete authority to redeem such Units. The AMC reserves the right to discontinue this facility at any time at its sole discretion and without any liability/responsibility for the same, in any manner whatsoever.

## **8. WEB BASED TRANSACTIONS**

The Fund may allow subscriptions / redemption of Units, during the period when the ongoing subscription list is opened by the Trustees, by electronic mode through the various web -sites with whom the AMC would have an arrangement from time to time. Normally, the subscription proceeds, when invested through this mode, are by way of direct credit to the designated bank collection account of the Scheme. The redemption proceeds, (subject to deduction of tax at source, if any) through this mode, are directly credited to the bank account of the Investors/Unitholders who have an account at the designated banks with whom the AMC has made arrangements from time to time. The intermediary will aggregate the data and forward the same to the AMC / ISC for processing. Investors/Unitholders may request for change of address / bank account etc., through this mode provided, such web-site(s) provide for this facility. These transactions will be converted into a physical piece of instructions and date/time stamped in accordance with the guidelines prescribed by SEBI.

The AMC/Trustees/Fund, alongwith its directors, employees and representatives shall not be liable for any damages, losses (including monetary / non-monetary losses), costs, expenses arising out of or in connection with the use of the web-site or its non-use including non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information. The Fund may introduce a facility for distributors to transact on the web on behalf of their clients, which shall always be in accordance with the applicable laws, rules and regulations [including, but not limited to SEBI (Mutual Fund) Regulations, 1996], any circulars, notifications, letters or directives (as amended from time to time) as may be issued by SEBI from time to time.

The Investors/Unit holders agrees to indemnify and keep indemnified the Trustees/Fund/Sponsor/AMC, their directors, employees, agents, representatives from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on electronic transaction or relying upon such electronic transaction, which is sent or purported to be sent by the Investors/Unitholders.

## C. General Information

### Folio Number

Every Investors/Unitholders will have a Folio Number. Please quote your Folio Number in all communications.

### Issuance of Units

All the applicants will be allotted Units provided the applications are complete in all respects and are found to be in order. Issuance of Units on application shall be made in the following manner:

Applications for purchase will be accepted at the designated Official Points of Acceptance.

An Account Statement containing the number of Units allotted will normally be issued within time period mentioned in the Scheme Information Document (SID) of the respective Scheme and in compliance with SEBI Regulations.

Refund of subscription money to applicants, in case applications are invalid or rejected or in case the Scheme fails to receive the minimum targeted amount, will be made within six weeks from the closure of the New Fund Offer Period. No interest will be payable on any subscription money so refunded within six weeks.

If the Fund refunds the amount after six weeks, interest at the rate of 15% p.a. shall be paid out of the assets of the AMC for the period thereafter. Refund orders will be marked "A/c Payee only" and drawn in the name of the applicant and Bank account number in the case of a sole applicant and in the name of the first applicant in all other cases. All refund cheques will be mailed by Registered Post or as per the applicable rules.

### Mode of Holding\*

The mode of holding may be "single", "joint" or "anyone or survivor".

Where Units are jointly held, the person first named in the application form will receive all notices and correspondences with respect to the account/folio, as well as any distributions through dividends, income, redemption or otherwise. Such person shall hold the voting right, if any, associated with the Units, and shall have the power to make a redemption request.

However, all documentation/purchase applications/redemption requests shall necessarily be signed by all holders.

The liability of the Fund in this regard shall be only to the first-named holder in accordance with the SEBI Regulations.

In case of death / insolvency of any one or more of the persons named in the Register of Investors/Unitholders as the joint holders of any Units, the AMC shall not be bound to recognize any person(s) other than the remaining holders. In all such cases, the proceeds of the Redemption will be paid to the first named of such remaining Investors/Unitholders.

**Note:** The Facility for joint holding will not be available to an HUF (acting through the Karta). A Karta of an HUF is not permitted to abdicate his duties of Karta to another or share his responsibilities as a Karta with another, including another coparcener.

Where Units are held as “anyone or survivor”, the person first named in the application form will receive all notices and correspondences with respect to the account/Folio, as well as any distributions through income, redemption or otherwise.

Anyone of the holders shall hold the voting right, if any, associated with the Units, and all documentation/purchase applications/redemption requests may be signed by any of the holders and the Fund will act on instructions of any one of the account holders.

When the Units are held by more than one investor and the mode of holding is not specified in the application form, then the mode of holding will be treated as ‘Joint’.

However, any change in the mode of holding will require the signature of all the holders. Further, in all cases, the proceeds of the redemption will be paid to the first-named holder.

**\*[Note: Investors should carefully study paragraphs "Transmission of Units" and "Nomination Facility" before ticking the relevant box pertaining to the mode of holding in the Application Form.]**

### **Power to Make Rules**

Subject to the prior approval of SEBI, the Trustees may, from time to time, prescribe such terms and make such rules for the purpose of giving effect to the provisions of the Scheme(s) with power to the AMC to add, to alter or amend all or any of the terms and rules that may be framed from time to time.



**Power to Remove Difficulties**

If any difficulty arises in giving effect to the provisions of the Scheme(s), the Trustees may do anything not inconsistent with such provisions, which appear to them to be necessary, desirable or expedient, for the purpose of removing such difficulty.

**Scheme(s) to be binding on Investors/Unitholders**

The Trustees may, from time to time, add to or otherwise vary or alter all or any of the features, investment plans and terms of the Scheme(s) after obtaining the prior approval of SEBI and the Unitholders of the Scheme, wherever applicable, in accordance with the SEBI Regulations and the same shall be binding on each Unitholder and any person or persons claiming through or under it as if each Unitholder or such person expressly had agreed that such features, plans and terms should be so binding.

**Books and Records**

The books and records of the Fund will be maintained at the Head Office. The fiscal year of the Fund ends on 31st March in each year.

**Unclaimed Redemption / Dividend Amount**

As per circular No MFD/CIR/9/120/2000, dated November 24, 2000 issued by SEBI, the unclaimed redemption and dividend amounts shall be deployed by the Fund in call money market or money market instruments only. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that Investors/Unitholders who claim these amounts during a period of 3 years from the due date shall be paid at the prevailing NAV. Thus, after a period of 3 years, this amount can be transferred to a pool account and the Investors/Unitholders can claim the said amounts at the NAV prevailing at the end of the third year. However, the AMC with the approval of Trustees, deploy the funds in short term deposits. The Investor/Unitholder who claims the amount is paid the principle and the income earned (interest) on the investment. Though the circular allows the asset management company to charge an investment management fee not exceeding 50 basis points, Fund shall not charge any management fees for managing such unclaimed amounts.

In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts.

## **Unitholder/Investor Information**

The AMC/Fund shall presume that the identity of the investor and the information disclosed by him is true and correct. It will also be presumed that the funds invested by the investor in the Schemes of the Fund come from legitimate sources / manner and the investor is duly entitled to invest the said funds. The AMC/Trustees/Sponsor/Fund is not, in any way, responsible for correctness of the information provided by the investor to the Fund, as to his identity or any other information, and also his sources of income.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the units are issued and registered, the Fund shall assume that the investor holding the Units in his name is legally authorized / entitled to invest the said funds in the Units of the Fund, for the benefit of the beneficiaries.

Units of the Schemes are not offered, nor are the Funds managed or intended to serve, as a vehicle for frequent trading that seeks to take advantage of short-term fluctuations in the securities market.

This type of trading activity is often referred to as “market timing” and could result in actual or potential harm to the Investors/Unitholders. Accordingly, the Fund (MF) at its sole discretion may reject any purchase or exchange of Units that the Fund reasonably believes may represent a pattern of market timing activity involving the Schemes of the Fund.

## **Dividend and Distributions**

The Scheme(s) will declare dividends at such frequency as may be decided by the Trustees.

However, it must be distinctly understood that the actual declaration of dividends under the Schemes and the frequency thereof will, inter-alia, depend upon the disposable surplus of the Scheme. The decision of the Trustees in this regard shall be final.

The dividends that may be paid out of the net surplus of the Schemes will be paid only to those Unitholders whose names appear in the register of Unitholders on the notified record date. The dividends will be at such rate as may be recommended by the AMC and approved by the Trustees.

## **Underwriting by the Scheme**

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 Reserve Bank of India and further subject to the following norms:

- The capital adequacy of the Fund for the purposes of SEBI (Underwriters) Rules and Regulations, 1993 shall be the net assets of the Scheme.
- The total underwriting obligation of the Scheme shall not exceed the total net asset value of the Scheme, or such limit as may be stipulated by the AMC and/or Trustees from time to time.
- As such, all investment restrictions and prudential guidelines relating to investments, individually and in far as may be applicable, apply to underwriting commitments which may be undertaken under the Scheme.

All underwriting and sub-underwriting activities of the Fund will be undertaken in accordance with SEBI (Underwriters) Rules and Regulations, 1993, and the norms as laid down by SEBI Circular dated June 30, 1994, and as amended from time to time.

## **Use of Intermediaries**

The Investor/Unit holder is aware that the Fund or AMC need to use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, through Electronic Clearing Services (ECS) etc. The Investor/Unit holder expressly agrees and authorises the Fund or AMC or their authorized agents to correspond with the Investor/Unit holder or make payments through intermediaries including but not limited to post office, local and international couriers and banks. The Investor/Unit holder clearly understands that the Fund or AMC uses such intermediaries for convenience of the investor and in cases of delayed receipt or non-receipt of any correspondence or payment through such intermediaries the liability of the Fund or AMC or their authorized agents will be limited only to the extent prescribed under any law applicable to such intermediaries.

## **Inter-Scheme Transfer of Investments**

Transfer of investments from one Scheme to another Scheme, including this Scheme in the same Fund shall be allowed only if:

- (i) Such transfers are done at the prevailing market price for quoted securities on spot basis; explanation – “spot basis” shall have the same meaning as specified by the stock exchange for spot transactions, and
- (ii) The securities so transferred shall be in conformity with the investment objective of the relevant Scheme to which such transfer has been made.

The Scheme may invest in another Scheme under the same AMC or any other Fund without charging any fees, provided that the aggregate inter-Scheme investment made by all Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of the Net Asset Value of the Fund.

### **Borrowing by the Fund**

Under the SEBI Regulations, the Fund is allowed to borrow to meet temporary liquidity needs of the Fund for the purpose of redemption of Units or payment of interest and income to the Unitholders. Provided that the Fund shall not borrow, more than 20% of the net assets of the individual Scheme and the duration of the borrowing shall not exceed a period of 6 months as per the SEBI Regulations or as may be approved by SEBI from time to time.

The Fund may raise such borrowings after the approval by the Trustee from Sponsor or any of its Associates / Group Companies or Banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. Such borrowings, if raised, may result in a cost, which would be borne by the scheme.

### **Dealings with Associate Companies**

The AMC may, from time to time, subject to SEBI Regulations for the purpose of conducting its normal business, use the services (including Brokerage services and securities transactions) of the Sponsor, subsidiaries, group companies, associates of its Sponsor and their employees or relatives. These companies as on the date of this Statement of Additional Information include ING Vysya Bank Ltd., a scheduled commercial bank and ING Financial Services Private Limited (earlier known as OptiMix Technologies Private Ltd.). However, this list is not exhaustive and is subject to change from time to time.

The AMC may utilize the services of these group companies and any other subsidiary or associate company of the Sponsors established or to be established at a later date in case such an associate company is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies on commercial terms and on arm's length basis and at the then

prevailing market prices to the extent permitted under the applicable laws/rules/regulations (including the SEBI Regulations), after an evaluation of the competitiveness of the pricing offered by the associate companies and the services to be provided by them. Associate transactions, if carried out, will be as per the SEBI Regulations and the limits prescribed there under the SEBI Regulations.

The AMC, subject to the SEBI Regulations and the restrictions/limits prescribed thereunder, proposes to enter into transactions with the Sponsor and / or its subsidiaries/associates for purchase and sale of securities. The Scheme shall not make any investment in:

- Any unlisted security of an associate or group company of the Sponsor;
- Any security issued by way of private placement by an associate or group company of the Sponsor;
- The listed securities of group companies of the Sponsor which is in excess of 25% of the net assets of the Scheme.

ING Vysya Bank is on the panel of Bankers/Primary Dealers with whom the Fund has placed money on call and /or deploys in fixed deposits and/or may enter into Interest Rate Swaps/Forward Rate Agreements from time to time at competitive rates. ING Vysya Bank is a distributor of the Schemes of Fund and also provides services by deploying its employees/staff to distribute the schemes of the Fund.

There are no Schemes which have invested more than 25% of its net assets in group Companies.

#### **Underwriting obligations undertaken by the Schemes of the Mutual Fund with respect to the issues of associate companies**

The AMC has till date has not entered into any underwriting contracts in respect of any issues of associate companies

#### **Subscriptions in issues lead managed by associate companies**

The subscription in issues lead managed by the Sponsor or any of its associates during the last three fiscal years is nil.

#### **Payment of Commission for distribution of units:**

ING Mutual Fund utilized the services of its associates, ING Vysya Bank Ltd (IVBL), and ING Financial Services Private Limited (IFSL) for procuring subscriptions for its schemes. The details of brokerage/commission paid for such subscriptions are as under:

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association/Nature of relation	Period covered	Business given (Rs. Cr. & % of total business received by the fund)		Brokerage/ Commission paid ( Rs Cr. & % of total commission paid by the fund)	
ING Vysya Bank Ltd.	Associate	April 10 to March 11	173.69	2.24%	0.57	13.95%
ING Financial Services Pvt Ltd	Associate	April 10 to March 11	263.35	3.39%	0.27	6.51%
ING Vysya Bank Ltd.	Associate	April 09 to March 10	382.93	3.70%	1.14	18.26%
ING Financial Services Pvt Ltd	Associate	April 09 to March 10	181.45	1.75%	0.06	0.96%
ING Vysya Bank Ltd.	Associate	April 08 to March 09	1243.39	2.02%	2.14	13.59%
ING Financial Services Pvt Ltd	Associate	April 08 to March 09	548.76	0.89%	0.11	0.70%

These commissions have been computed and paid at the same rates offered to other distributors by the Scheme.

#### **Documents Available for Inspection**

The following documents will be available for inspection at the office of the Fund at 601/602, 6<sup>th</sup> floor, “Windsor”, Off. C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz - (East), Mumbai – 400 098 during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

**Investor Grievances Redressal Mechanism**

Investors may contact the ISCs (Investor Service Centers) or the office of the AMC for any queries / clarifications. The Head Office/ respective branch office of the AMC will ensure timely redressal and prompt investor services.

Figures regarding no. of inquiries/complaints received from investors related to all Schemes of ING Mutual Fund and their current status:

Period	Number of Complaints / Inquiries		
	Received	Redressed	Pending
April 01, 2008 – March 31, 2009	15155	15155	Nil
April 01, 2009 – March 31, 2010	42875	42875	Nil
April 01, 2010 – March 31, 2011	37632	37610	24
April 01, 2011 – May 31, 2011	5235	5232	3

**Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under, as amended from time to time, shall be applicable.**

Place: Mumbai

For ING Investment Management (India) Pvt. Ltd,  
(Investment Manager to ING Mutual Fund)

Date: June 27, 2011

Sd/-  
Navin Suri, MD & CEO