



Private Banking India

ING Vysya Bank Limited

Disclosure Document for

Portfolio Management Services

dated March 31, 2011

This document has been filed with Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993 (“**Regulations**”).

The purpose of this document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.

This document contains necessary information about the Portfolio Manager, required by an investor before investing and the investor is advised to retain this document for future reference.

This disclosure document is dated March 31, 2011.

Portfolio Manager

ING Vysya Bank Limited

No.22, MG Road, Bangalore 560001.

Principal Officer: Mr. Samir Bimal, Country Head – Private Banking

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I. Disclaimer:

This document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 1993 and filed with Securities and Exchange Board of India. This document has neither been approved nor disapproved by the Securities and Exchange Board of India nor has the Securities and Exchange Board of India certified the accuracy or adequacy of the contents of the document.

II. Definitions:

Act	: Securities and Exchange Board of India Act, 1992.
Agreement	: Portfolio Management Agreement entered into between the Parties and shall include all modifications, alterations, additions or deletions thereto made in writing upon mutual consent of the Parties thereto.
Client	The Person who enters into an Agreement with the Portfolio Manager.
Party or Parties	: The Client and / or the Portfolio Manager as the case may be or as the context may require.
Portfolio Manager (PM)	: ING Vysya Bank Limited (formerly The Vysya Bank Limited) was incorporated under the Mysore Companies Regulation VIII of 1917 and now governed by the Companies Act, 1956, and has been approved by the SEBI to act as a Portfolio Manager.
Depository	: Depository as defined in the Depositories Act, 1996 (22 of 1996).
“Investor Service Centres” or “ISCs” of the Portfolio Manager	: Branch offices of ING Vysya Bank Limited or such centers/offices as may be designated by the Portfolio Manager to be the Investor Service Centres from time to time.
RBI	: Reserve Bank of India established under the Reserve Bank of India Act, 1934 (2 of 1934).
Services	: Portfolio Management Services (Advisory)
SEBI	: Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
Regulations	: Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 as amended from time to time.
Securities	: Includes shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in any incorporated company or other body corporate, derivatives, units or any other instrument issued by any collective investment scheme to the investors in such schemes, Government securities and, such other instruments as may be declared by the Central Government to be securities and rights or interest in securities.
Certificate	: Certificate of Registration issued to the Portfolio Manager by SEBI.
Portfolio	: The total holdings of Securities belonging to any person.
Non-Discretionary Portfolio Manager	: Portfolio Manager who under the Agreement does not exercise any degree of discretion as to the investments or management of the Portfolio of Securities of the funds of investor and shall solely act on instructions given by the investor.
Person	: Includes an individual, partnership firm, limited liability partnership, company (as defined in section 3 of the Companies Act, 1956) a body corporate as defined in section 2(7) of the Companies Act, 1956, a co-operative society and any body or organisation of individuals or persons whether incorporated or not.

III. History, background and present business of the Portfolio Manager

ING Vysya Bank Limited (formerly The Vysya Bank Limited) (“**Bank**”) is a banking company incorporated under the Mysore Companies Regulation VIII of 1917 on 29th March 1930 and is now governed by The Companies Act 1956. The Bank was granted a banking license bearing No. MAD/14 and included in the Second Schedule of the Reserve Bank of India Act 1934 on 6th June 1958. The Registered Office of the Bank is situated at No.22, M.G. Road, Bangalore 560 001. SEBI vide their letter No IMD/JN/155720/2009 dated dated 27th February 2009 has approved the renewal of registration of the Bank as a Portfolio Manager and have issued the Certificate bearing no. INP000000761 dated February 27, 2009.

Consequent to increase of ING Group stake in The Vysya Bank Limited from 20% to 43.99, The Vysya Bank Ltd. was renamed as ING Vysya Bank Limited w.e.f. October 31, 2002. The RBI effected the name change in the Second Schedule of the Reserve Bank of India Act, 1934 w.e.f. December 7, 2002.

Besides the Portfolio Management Services through Private Banking division of the Bank, it offers a wide range of other products and services to various client segments such as:

- ◆ Deposits
- ◆ Fund and non-fund based loans and advances to all segments
- ◆ Merchant Banking
- ◆ Foreign Exchange Business
- ◆ Personal Financial products like Credit Cards, Vehicle Loan etc
- ◆ Depository Services.
- ◆ Ancillary services like remittances, safe deposit vaults etc.

The Bank had 511 Branches (including 9 RCCs and 5 ARMBs), 13 Extension Counters, 28 Satellite Offices* and 400 ATMs, spread all over India as on 31st March 2011.

* Satellite Offices are those Rural Branches where the Banking activity be carried out to a minimum of 2 days in a week (not for full week) as per RBI stipulation and all the transactions will be recorded in the books of the Main Branch connected to the Satellite Offices.

Given below is a brief summary of financial performance of ING Vysya Bank Limited*:

(Rs. in crores)

Year	Total Deposits	Total Advances	Investments	Gross Earnings	Net Profit	Paid up Capital	Reserves	Dividend
2007-2008	20498.06	14649.55	6293.32	2099.01	156.93	102.47	1433.18	15%
2008-2009	24889.92	16750.93	10495.54	2787.56	188.78	102.60	1600.29	20%
2009-2010	25865.30	18507.19	10472.92	2853.11	242.22	119.97	2210.95	25%
2010-2011	30194.25	23602.14	11020.67	3349.02	318.65	120.99	2503.30	30%

* As per the Audited Financial Statements

IV. Promoters:

The Foreign Promoter of the Bank is the ING Group which holds 43.35% of Paid-up equity share capital through its wholly owned subsidiaries ING Mauritius Holdings and ING Mauritius Investments I as on 31-March-2011.

ING Group has its origin in Netherlands and is a global financial institution having a worldwide presence. The ING Group is involved in Banking, Insurance and Asset Management and is serving more than 85 million satisfied clients through its various innovative financial products.

Note: GMR Group which was previously classified as Indian Promoter has been de-classified from the category with effect from 8th September 2010, based on the minuscule shareholding of the GMR Group, the absence of any vested right to control or de facto ability to control the Bank, and the absence of any entitlement to even a position on the Board of Directors.

Board of Directors of ING Vysya Bank Limited is composed as follows: (as on 31.03.2011)

Name of the Director	Background
Mr. Shailendra Bhandari Managing Director & CEO	<p>Mr. Shailendra Bhandari was appointed as the Managing Director and CEO of the Bank for a period of three years from the end of the day on 06-Aug-2009. The shareholders of the Bank approved his appointment including terms and conditions of the appointment in the 78th AGM held on 04-Sep-2009.</p> <p>He holds a Masters degree in Management (MBA) from the Indian Institute of Management, Ahmedabad and Bachelor of Arts (Honours) in Economics from St. Stephen's College in Delhi University.</p> <p>He was the Head of Private Equity at Tata Capital Limited. He is the former Managing Director and CEO of Centurion Bank of Punjab from 2004 until June 2008. He was widely credited for successfully turning around Centurion Bank and achieving impressive growth.</p> <p>He is a seasoned banker with 27 years of experience and an impressive track record of accomplishments. From 2000 to 2004, he was the Managing Director and CEO of Prudential ICICI Asset Management, a company he grew into India's largest private sector mutual fund. Prior to this, he was part of the core team charged with setting up HDFC Bank in 1994 as Treasurer and Executive Director. During his five-year tenure at HDFC, he established and ran the capital markets and private banking businesses and was also responsible for managing liquidity and price risks for the bank's balance sheet.</p> <p>He is also an ex-Citi banker, having spent twelve years in increasingly senior management positions in treasury, operations, fund management, securities and investments after getting a start as a forex dealer involved in US Dollar-Rupee trading back in 1982.</p>
Representing Foreign Promoters (ING Group)	
Mr. Vaughn Nigel Richtor	<p>Mr. Vaughn Nigel Richtor was the previous Managing Director and Chief Executive Officer of the Bank. He was appointed initially for a period of three years with effect from February 7, 2006. On completion of his initial term of three years, Mr. Vaughn Richtor's term as Managing Director and CEO was extended for a further period of two months effective 07-Feb-2009. Upon completion of his initial tenure and two months extension on 06-Apr-2009, Mr. Vaughn Richtor also ceased to be a Director as his directorship was co-terminus with his term as Managing Director and CEO. Subsequently, Mr. Vaughn Nigel Richtor was appointed by the Board of Directors as an Additional Director effective 1-Jun-2009 to hold office till the 78th AGM. He was appointed as a Director, liable to retire by rotation, by the shareholders in the 78th AGM held on 04-Sep-2009. Mr Vaughn Nigel Richtor is currently the CEO, Banking – Asia, ING Bank N V, Singapore.</p> <p>He holds Bachelor's Degree in Business Studies (BA- Hons) from South Bank University, London, and Diploma in Corporate Finance from London Business School. He started his career in 1978 as Business Analyst at SKF (UK) and after two years stint moved to Rank Xerox Ltd where he held the positions of Senior Treasury Dealer / Assistant Treasurer and Treasury Analyst.</p> <p>In 1986, Mr. Vaughn joined Sedgwick Group as Assistant Treasurer- International and went on to join ABN Bank UK / ABN AMRO in 1987 as Head of Special Products / Head of Corporate and Commercial Banking. During his association with ING since 1991 he held the positions of General Manager, International & Corporate Banking - ING Mercantile Mutual Bank, Deputy General Manager and Head of Corporate Banking - ING Bank (UK), General Manager - ING Bank (Dublin) and as Head of Corporate Banking - ING Bank (UK) and most recently as CEO of ING Bank (Australia).</p>
Mr. Philippe G. Damas	<p>Mr. Philippe Damas is the Director of our Bank effective 22-Sep-2005. He holds a Bachelor's Degree in Civil Engineering from Brussels University. He also holds a MBA from Columbia University.</p> <p>He spent 20 years with J.P. Morgan in a variety of locations (New York, Tokyo, Paris, London, Hong Kong). He was the Chief Executive Officer of Retail and Private Banking</p>

	(Asia), ING Asia Private Bank Limited, Singapore. He is the Director of the Bank with effect from 22-Sep-2005. He joined ING Group as the Managing Director of BBL and was in charge of Asset Management and International Networking. He was also in charge of reorganizing and integrating ING Baring in London.
Mr. Richard Cox	<p>Mr. Richard Cox is the Director of our Bank effective 13-Jul-2006. He is a Fellow member of the Institute of Chartered Accountants in England and Wales. He has done his Masters in English language and literature from Oxford University, U.K.</p> <p>He is presently the Managing Director, Head of Credit Risk Management at ING Bank NV (Asia Region). Before joining ING in 1997, he was with KPMG for 6 years in different capacities in UK/Asia.</p>
Mr. Meleveetil Damodaran	<p>Mr. M. Damodaran is Director of the Bank effective 21-Jul-2008. He is the former Chairman of the Securities and Exchange Board of India (SEBI). He holds degrees in Economics and Law from the Universities of Madras and Delhi.</p> <p>Mr. Damodaran, IAS (Retired), has over 30 years of experience in financial services and public sector enterprises. Apart from being the Joint secretary to Government of India, he has held various positions in the Ministry of Finance, the Ministry of Information and Broadcasting and in the Ministry of Commerce. He has also served as the Chairman and Managing Director of Industrial Development Bank of India (IDBI) and as Chairman of the Unit Trust of India (UTI). For his contribution, he has been awarded numerous prestigious awards. He was awarded the "ET Policy Change Agent of the Year" Award and Rotary Award for professional excellence. Subsequent to his retirement from SEBI, Mr. Damodaran is practicing as an independent consultant and corporate adviser, coach and mentor in diverse areas of management.</p>
Mr. Lars Kramer	<p>Mr. Lars Kramer is a Chartered Accountant (SA) and obtained his Masters of Business Administration (MBA) Finance Stream (INSEAD affiliated) from Graduate School of Business (UCT). He did his Post Graduate Diploma in Accounting from University of Cape Town and Bachelor of Accounting Sciences (Bcompt) from University of South Africa.</p> <p>Before joining ING Bank N.V., Mr.Kramer worked for about 11 years with companies like Coopers & Lybrand, Swiss Bank Corporation, Hambros Bank and Credit Suisse First Boston. Mr.Kramer joined ING Bank N V in 1998 as Regional Head of Asian Equity Derivatives Product Control located in Hong Kong and has held various positions in ING. He is the Director of the Bank with effect from 28-Apr-2010. Mr Lars Kramer was on the Board of our Bank from 17-Oct- 2003 to 01-May-2008. Presently, he is the CFO for ING Direct N.V.</p>
Mr. Peter Henri Maria Staal	<p>Mr. Peter Henri Maria Staal holds a Graduate Degree in Business Administration (Economics and Finance) from the University of Tilburg.</p> <p>Mr. Peter Staal has more than 19 years of banking experience. He started his career in Amro Bank in March 1990 and joined ING Bank in February 1992. Mr. Peter held senior positions as Head of Power Finance, Director – ING Bearings, Global Head of Credit Risk Restructuring – ING Bearings, Managing Director and Head of Corporate Credit Risk and Senior Credit Officer, Asia, Managing Director and Head of Credit Risk, Asia, and General Manager CCRM, Head of Credit Risk ING Group reporting to Chief Risk Officer. He is the Director of the Bank effective 21-Jan-2010. Mr. Staal was also the Director of our Bank from October 2003 to September 2005. Mr. Peter Staal is the Regional Head Asia, America's and UK, ING Retail & International, ING Bank N V responsible for international operations of ING in Wholesale Banking in these regions and for the ING shareholdings in notably Asian universal banking operations in India, Thailand and China.</p>
Independent Directors:	
Mr. Arun Thiagarajan Part-time Chairman	<p>Mr. Arun Thiagarajan is the Part Time Chairman of the Bank effective 09-Aug - 2010. He holds a Masters Degree in Engineering from Royal Institute of Technology, Stockholm, Sweden in 1968. He is a post graduate in Business Administration & Information Systems from Uppsala University, Sweden and also attended the Advanced Management Programme of the Harvard Business School.</p> <p>He started his career with Asea AB Vasteras, Sweden in 1969. He became Managing Director of Flakt India Limited, Calcutta in 1975. In 1984, he was recalled to Asea to</p>

	<p>head their Indian operations in Bangalore. With the merger of Asea, Sweden and Brown Boveri, Switzerland in January 1998 and absorption of Flakt India in the organization, he was appointed as Deputy Managing Director of Asea Brown Boveri Limited at Bangalore. In 1994 he became the Managing Director and Country Manager of the Company. He joined the IT sector as Vice – Chairman, Wipro Limited in 1999 heading the Wipro Infotech Group. He joined Hewlett – Packard India Private Limited as President effective 1st January, 2001 and retired in July 2002.</p> <p>He has been earlier Chairman of Southern Region and Karnataka State Committees of the Confederation of Indian Industry (CII). He was also the Chairman of CII National Committees on IT and Quality. He was also the Chairman of WeP Peripherals Limited.</p>
Mr. Aditya Krishna	<p>Mr. Aditya Krishna is a Director of our Bank effective 21-Dec-2006. He holds a Masters Degree in Economics from St.Stephens College, New Delhi and MBA in Finance & Marketing from North Eastern University, Boston,USA. He worked with Chase Manhattan Bank N.A, New York from 1985 to 1987 and was responsible for cash management products including pricing decisions, institutional sales and sales to large corporate customers.</p> <p>He was with Citibank, New York, USA, as a member of the Business Analysis Department of the Credit Card Business and specifically handled the Insurance Products area. He moved up to the position of Vice President –Credit Director & Financial Controller –Citibank, N A India.</p> <p>He was the Founder Promoter of Nation Wide Finance Limited and was the Managing Director of the Company from 1995 to 2001. He is also the Founder Promoter of Saksoft Limited, which was incorporated in 2000 and is presently its Managing Director & Member.</p>
Mr. Santosh Ramesh Desai	<p>Mr. Santosh Ramesh Desai graduated in Economics from Vadodara University and obtained his post-graduation in Business Administration from IIM Ahmedabad.</p> <p>He has over 21years of expertise in Advertising and has been strategically involved in building key brands for a range of local and multinational clients. He is currently the Managing Director and CEO of Future Brands Ltd. Before taking up this assignment, he was the President of McCann-Erickson, one of India’s premier advertising agencies. He is also a regular writer on contemporary Indian society and on subjects related to Marketing in leading business and general interest publications including a weekly column in The Times of India – ‘City City Bang Bang’. He is the Director of the Bank with effect from 29-Apr-2008.</p>
Mr. Vikram Talwar	<p>Mr. Vikram Talwar is a Director of our Bank effective 20-Dec-2010. Mr. Talwar on completing his MBA in 1970 from IIM Ahmedabad, started his career with Bank of America in San Francisco and during his 26 years career at the Bank, he held several senior management positions in over 9 countries in Asia. He was amongst the youngest Senior Vice Presidents’ of the Bank in 1991 when he was named the CEO of the Bank’s extensive Indian operations that were among the largest global businesses of the bank in terms of profitability. Mr. Talwar left Bank of America in 1996 and for the next 2 years he worked with Ernst & Young Consulting in New York. He was assigned as the CEO and Managing Director at Ernst & Young Consulting, India and was also Ernst & Young’s Asia Director for its Global Operate Business (Outsourcing). In 1999, Mr. Talwar founded EXL Service Holdings Inc, a leading global Business Process Outsourcing Company, in the US. He was the CEO of the Company till May 2008 when he was elevated to the position of Executive Chairman of the Board.</p>

V. Group Companies

Subsidiaries of the Bank

ING Vysya Financial Services Limited (IVFSL)

Date of incorporation:

ING Vysya Financial Services Limited (formerly The Vysya Bank Leasing Ltd and thereafter Vysya Bank Financial Services Limited) was incorporated on 4th February, 1987. The name of the company has been changed from “The Vysya Bank Leasing Limited” to “The Vysya Bank Financial Services Limited” effective from 7th January 2002 and thereafter as “ING Vysya Financial Services Limited” effective from 21st July 2003. Originally, Karur Vysya Bank (KVB) was the second major equity stakeholder and now KVB does not hold any stake in IVFSL. IVFSL is now a 100% subsidiary of ING Vysya Bank Limited (IVBL).

Stake of the Bank:

During the year ended 31st March 2004, the Company has reduced its Equity Share Capital from Rs.8,84,51,000/- consisting of 88,45,100 shares of Rs.10/- each fully paid to Rs.2,21,12,750/- consisting of 88,45,100 shares of Rs.2.50 each fully paid and the same has been confirmed by the High Court of Karnataka, Bangalore vide its order dated 22nd October 2003.

Even after reduction of capital, the entire paid up capital of the company amounting to Rs. 2.21 crore is held by ING Vysya Bank Limited as on 31/03/2011.

Main Activities:

ING Vysya Financial Services Limited (IVFSL) is a wholly owned subsidiary of the Bank with the main object of carrying on business of non-fund / fee based activities of marketing and distribution of various financial products / services of IVBL / other companies, apart from recovery of the old lease rentals due to the company. Further, it continues to provide the services to the parent company, ING Vysya Bank Ltd., as may be required from time to time on a non-exclusive contract basis.

Turnover:

Income - Rs. 4,110.63 lakhs for the year ended 31/03/2011.

Associate Company of the Bank

ING Investment Management (India) Private Limited (IIMPL)

Date of incorporation:

IMPL was incorporated on April 6, 1998. The Certificate of Registration from SEBI, to conduct the mutual fund (ING Mutual Fund) activity in India was granted to the Company on February 11, 1999. The Certificate of Registration from SEBI, to conduct the Portfolio Management activity in India was granted to the Company on October 16, 2002. The same was renewed till October 15, 2011.

Stake of the Bank:

As on March 31, 2011, ING Vysya Bank Ltd. is not holding any equity shares in IIMPL.

Major equity stakeholders:

Nationale Nederlanden Interfinance BV, a part of ING Groep (45.91% of paid-up Equity share capital), Hathway Investments Pvt. Limited (39.75% of paid-up Equity share capital) and Kirti Equities Pvt. Ltd. (14.34% of paid-up Equity share capital).

Main Activities:

Asset Management Activity and Portfolio Management Activity.

Turnover:

Total Income - INR 737.90 million (Audited) for the year ended 31/03/2011.

VI. Penalties & pending litigations

No penalties have been imposed by SEBI under the Act or any of its rules or regulations against the Portfolio Manager, any company associated with Portfolio Manager, the Directors or key personnel of the Portfolio Manager during the last three years. No penalties have been imposed against the Portfolio Manager, by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors in the last three years.

No penalties have been imposed on the Portfolio Manager for any economic offence or violation of any securities laws.

There are no pending material litigation/legal proceedings incidental to the business of the Portfolio Manager against the Portfolio Manager or key personnel. There are no pending criminal cases against the Portfolio Manager or key personnel.

There are no instances of any deficiency in the systems and operations of the Portfolio Manager, which SEBI or any other regulatory agency has specifically observed.

During the last three years, there are no instances of any inquiries / adjudication proceedings initiated by SEBI against the Portfolio Manager or its Directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its Directors, principal officer or employee, under the Act or rules or regulations made there under except the following:

- ⇒ During November 2006, SEBI passed disgorgement order on the Bank for failure / negligence in adherence to the Know Your Customer (KYC) norms by SEBI. As per the order, Bank faced a liability of Rs.5,548 thousands. The Bank preferred an appeal before Securities Appellate Tribunal (SAT). The SAT observed that the disgorgement order was passed though the guilt of the Bank was not established and that none of the parties were given a hearing nor was it established that the Bank had indeed benefited from the ill gotten gains. Hence, on these grounds the SAT stayed the SEBI's disgorgement order on 11th January 2007 and finally set aside the order through its decision dated 22nd November 2007.
- ⇒ Pursuant to the above, an enquiry proceeding was initiated under SEBI (PHEEOIP), Regulations, 2002. A show cause notice was issued on the Bank, which was replied to and hearings were held. Subsequently, SEBI has accepted our consent proposal and settled the matter by passing a consent order dated 17 February 2009. An amount of Rs 4 lakh was paid as "settlement charges" as per the consent order.

VII. Services offered

A. Non-Discretionary Portfolio Management Service

Under this service, the Portfolio Manager will provide the client a comprehensive advisory package designed to help the client in his investment decisions. Under, this service, the client will handle his funds and take his own investment decisions based on the Portfolio Manager's research reports and proposals. Such research reports will provide independent recommendations, corporate details and reasons to invest in equity, debt and mutual funds.

Moreover, the Portfolio Manager's investment professionals will help the client to restructure his portfolio as per his investment objectives.

The following are the characteristics of this Services:

- **Investment decision** – The client will have total discretion to handle his own portfolio.
- **Size of Portfolio** – The client shall commence with a minimum corpus of Rs. 5,00,000 (Rupees five lacs) and will need to develop a portfolio of Rs.50,00,000 (Rupees fifty lakhs) over a period of 2 months.
- **Bank and Demat account** – The Portfolio Manager will help the client to open a bank account and a demat account in the client's name. The client's share broking account will be activated simultaneously.
- The Portfolio Manager will act only on investor's instructions.
- The Portfolio Manager will also monitor the portfolio and make suggestions.

B. Advisory Services

The Portfolio Manager will advise the Clients on:

- Restructuring existing portfolio
- Timing of fresh investments
- New investments opportunities.

C. Support Services

- The Portfolio Manager would make suitable arrangements for client to take care of their banking and custody needs.
- Fees would be payable directly by the client to the concerned service provider.
- The Portfolio Manager also offers administrative and other complementary services arising out of and/or incidental to the investments made under the Services.

D. Investment Objective

The primary objective of the Services is to generate returns and capital appreciation over a long period of time from a portfolio of Securities through Advisory services. Depending on the risk profile of the client, the Portfolio

Manager will recommend the investment pattern to be adopted by the client. However, since this is a non-discretionary service, the final decision on the investment will be entirely on the client.

E. Investment Pattern

Consistent with the objective of the Services and subject to Regulations, the Portfolio Manager will recommend the client to make investments in any of the Securities as defined hereinabove.

The Securities could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The Securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals and invest in derivatives, including transactions for the purpose of hedging and portfolio rebalancing, through a recognized stock exchange.

Subject to Regulations, the asset allocation pattern may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the investment patterns are only indicative and not absolute and that they can vary substantially depending upon the perception of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Clients. Such changes in the investment pattern will be for short term and defensive considerations.

VIII. General Risk Factors

1. Investments in Securities are subject to market risks and Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives of the Services will be achieved.
2. The Portfolio Managers is not responsible or liable for any loss resulting from the operation of the Services.
3. The Portfolio may be affected by the changes in the interest rates prevailing for fixed income securities and volumes of trading.
4. The Portfolio may be affected by settlement periods and transfer procedures.
5. The liquidity of the investments is inherently restricted by trading volumes in the Securities of companies in which the Services offered.
6. Clients under the Services are not being offered any guaranteed/assured returns.
7. The Portfolio Management Services is subject to risk arising from the investment objective, investment strategy and asset allocation.
8. The Portfolio Management Services is subject to risk arising out of non-diversification.
9. Past performance of the Portfolio Manager does not indicate its future performance.

IX. a) Client Representation (as on 31/03/2011)

Category of Clients	No. of Clients	Funds Advised (Rs. in Crores)	Discretionary/Non Discretionary
Associated/Group Companies	NIL	NIL	N.A
Others	1089	1328.19	Non-Discretionary
Total	1089	1328.19	

Financial Performance of the Portfolio Manager from Portfolio Management Services segment

(Rs in thousands)

<u>Details</u>	<u>Income*</u> (Rs.)	<u>Expenditure</u> (Rs.)	<u>Net Profit</u> (Rs.)
1 st April 2007 to 31 st March 2008	171675	86547	85128
1 st April 2008 to 31 st March 2009	134262	119167	15095
1 st April 2009 to 31 st March 2010	111070	104534	6536
1 st April 2010 to 31 st March 2011	134134	122194	11940

* Excludes Inter department / Branch adjustments based on Strategic Business Unit concept adopted by the Bank.

b) Related party transactions

Related parties where control exists –

- ◆ ING Vysya Financial Services Limited - wholly owned subsidiary of the Bank.

Related parties with significant influence and with whom there are transactions during the year ended 31/03/2011:

- ◆ ING Bank N.V. and its branches

- ◆ ING Vysya Bank Staff Provident Fund
- ◆ ING Vysya Bank Staff Gratuity Fund
- ◆ ING Vysya Bank Superannuation Fund
- ◆ ING Vysya Bank (Employees) Pension Fund
- ◆ Key Management Personnel – Mr.Shailendra Bhandari – Managing Director & Chief Executive Officer

The above list does not include the related parties, which are having transactions with the Bank by way of deposit accounts.

(Rs. in thousands)

Items / Related Party	Related Parties where control exists	Related Parties with significant influence and with whom there are transactions during the year	Key Management Personnel	Total
Investments in Tier I Bonds	- (-)	Maximum 1,201,612 (1,005,302) Outstanding 1,126,132 (1,005,302)	- (-)	Maximum 1,201,612 (1,005,302) Outstanding 1,126,132 (1,005,302)
Investments in Tier II Bonds	- (-)	Maximum 10,000 (10,000) Outstanding 10,000 (10,000)	- (-)	Maximum 10,000 (10,000) Outstanding 10,000 (10,000)
Investment in Upper Tier II Bonds	- (-)	Maximum 3,623,533 (3,031,546) Outstanding 3,395,919 (3,031,546)	- (-)	Maximum 3,623,533 (3,031,546) Outstanding 3,395,919 (3,031,546)
Deposits kept with Bank including lease deposit	Maximum 71,304 (89,990) Outstanding 30,435 (35,956)	Maximum 588,470 (912,120) Outstanding 587,841 (556,165)	- (-)	Maximum 659,774 (1,002,110) Outstanding 618,276 (592,121)
Deposit kept with other banks	- (-)	Maximum 1,164,120 (1,818,565) Outstanding 14,831 (19,575)	- (-)	Maximum 1,164,120 (1,818,565) Outstanding 14,831 (19,575)
Investment	Maximum 20,988 (20,988) Outstanding 20,988 (20,988)	- (-)	- (-)	Maximum 20,988 (20,988) Outstanding 20,988 (20,988)
Borrowing	- (-)	Maximum 19,446,300 (13,963,900) Outstanding 19,446,300 (9,895,575)	- (-)	Maximum 19,446,300 (13,963,900) Outstanding 19,446,300 (9,895,575)
Call Borrowing	- (-)	Maximum 917,600 (628,600) Outstanding - (-)	- (-)	Maximum 917,600 (628,600) Outstanding - (-)
Lending	- (-)	Maximum 3,225,960 (-) Outstanding 1,783,800 (-)	- (-)	Maximum 3,225,960 (-) Outstanding 1,783,800 (-)
Interest paid	1,286 (564)	1,664,586 (297,504)	- (-)	1,665,872 (298,068)
Interest received	- (-)	588,126 (11)	- (-)	588,126 (11)
Charges Paid	- (-)	269 (335)	- (-)	269 (335)
Interest accrued but not due [payable]	638 (508)	58,169 (15,693)	- (-)	58,807 (16,201)
Interest accrued but not due [receivable]	- (-)	16 (-)	- (-)	16 (-)
Dividend Received	5,528 (-)	- (-)	- (-)	5,528 (-)
Purchase and sale of securities	- (-)	491,185 (-)	- (-)	491,185 (-)
Rendering of services	- (7)	- (-)	- (-)	- (7)
Receivable from rendering	- (-)	- (-)	- (-)	- (-)

of services				
Reimbursement received	- (-)	6,520 (1,613)	- (-)	6,520 (1,613)
Reimbursement paid	- (764)	22,010 (31,313)	- (-)	22,010 (32,077)
Receiving of services	407,918 (295,613)	- (-)	- (-)	407,918 (295,613)
Receiving of services – outstanding	47,560 (34,042)	- (-)	- (-)	47,560 (34,042)
Contribution to employee welfare funds – Paid	- (-)	932,915 (316,214)	- (-)	932,915 (316,214)
Contribution to employee welfare funds – Payable	- (-)	725,119 (790,757)	- (-)	725,119 (790,757)
Managerial remuneration	- (-)	- (-)	14,969 (7,644)	14,969 (7,644)
Bank Guarantees received	- (-)	1,928,942 (-)	- (-)	1,928,942 (-)
Bank Guarantees issued	- (-)	- (4,314,403)	- (-)	- (4,314,403)
Derivative transactions - notional outstanding	- (-)	Maximum 84,396,702 (79,457,481) Outstanding 82,385,030 (71,839,393)	- (-)	Maximum 84,396,702 (79,457,481) Outstanding 82,385,030 (71,839,393)
Forward Transactions	- (-)	Maximum 52,336,653 (44,436,632) Outstanding 11,516,484 (23,829,744)	- (-)	Maximum 52,336,653 (44,436,632) Outstanding 11,516,484 (23,829,744)
Premium received	- (-)	3,442 (2,199)	- (-)	3,442 (2,199)
Premium paid	- (-)	15,865 (14,053)	- (-)	15,865 (14,053)
Commission received	- (-)	11,119 (12,835)	- (-)	11,119 (12,835)
Gain / Loss(-) on Liquidation	- (-)	-133 (19,117)	- (-)	-133 (19,117)
Invocation of Guarantee	- (-)	- (1,411,485)	- (-)	- (1,411,485)
Repayment of Guarantee	- (-)	- (1,411,485)	- (-)	- (1,411,485)
Guaranteed Interest	- (-)	- (10,799)	- (-)	- (10,799)
Profit / exchange difference on remittance	- (-)	- (24,219)	- (-)	- (24,219)

During the year 2010 – 11, 700 thousands (Previous Year: Nil) number of stock options under “ESOS 2010” scheme have been issued to the MD & CEO.

(Previous year’s figures are given in parentheses. Related Party transactions provided above are as per audited Balance Sheet of the Bank).

X. Fees And Expenses applicable

The fees payable by the Client shall be as follows:

Portfolio Advisory Charges	Fixed Fee, payable quarterly (based on the overall relationship with Portfolio Manager).
Equity Transaction Charges for purchases/sales:	Transaction Charges: Subject to a maximum of 1% of the value of the transaction. Inclusive of brokerage.
Derivatives Transaction Charges	Futures → 0.10% per side with a minimum of Rs.100/- per trade. Options → Rs.100/- per lot.
Mutual Fund Transaction Charges	Upto 1.25% on the amount of Investment (based on the overall relationship with Portfolio Manager).
Stamp duty and service charges	Actuals. Currently at 0.25% of the current value of the shares (for physical shares only).
Demat Charges	Demat Charges – As levied by the Depository.
Service Tax	As applicable from time to time for the service provided.

Custody Charges	Rs.10,000/- per annum charged annually for physical custody of shares and bonds.
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Other costs which shall be debited to the Client's account include, but are not restricted to:

- ⇒ Bank Charges
- ⇒ Transfer Stamp Charges
- ⇒ Custodian Fees
- ⇒ Clearing Fee, Stock Exchange Fee & SEBI Turnover Fee
- ⇒ Legal & Audit Fees (including CA Certification charges)
- ⇒ Long Distance courier and call charges, if any, specifically made on behalf of the Client
- ⇒ Out of pocket expenses incurred directly in respect of Client's business by the Custodian or the Portfolio Manager.

XI. Taxation Benefits

The various tax benefits available to the client will depend on the nature of investments, period of holding and the status of the client. Further they also depend on the tax laws existing at the time of investment and exit. In view of the same, clients are advised to consult their own tax consultants.

XII. Accounting policies

The Services envisage Non-discretionary portfolio management and hence, the portfolio transactions per se will not be reflected in the books of the Portfolio Manager. However, the Fee based income of the Portfolio Manager will be accounted based on the guidelines issued from time to time by Reserve Bank of India / Securities Exchange Board of India / Institute of Chartered Accountants of India.

XIII. Investor Services

A. Name of the Investor Relations Officers:

Location	Address	Name	Contact details
Mumbai	ING Vysya Bank Limited Private Banking Division 6 th Floor, Plot C-12, G - Block Bandra Kurla Complex, Bandra (East) Mumbai- 400 051	Mr. Shailendra Sharma	022-33095619 022-33095612
Delhi	ING Vysya Bank Limited Private Banking Division E-221, East of Kailash New Delhi - 110 065	Mr. Manoj Pandey	011-66230710 011-66230704
Bangalore	ING Vysya Bank Limited Private Banking Division "ING Vysya House", No 22, M.G. Road Bangalore 560001	Ms. Amrita Menon	080-25005019 080-25005017
Kolkatta	ING Vysya Bank Limited Private Banking Division 4/1, Middleton Street, Sikkim House Kolkatta – 700071	Mr. Mahadeb Roy	033-22896292 033-22896293
Hyderabad	ING Vysya Bank Limited Private Banking Division 8-2-120/76/1/B, Road No.2 Ashoka Hi Tech Chambers, Banjara Hills Hyderabad – 500034	Mr. Sachin Khanna	040-40115056 040-40115053
Chennai	ING Vysya Bank Limited Private Banking Division St. Thomas Junior Seminary, No.149, Santhome High Road, Santhome, Chennai – 600 004	Ms. Kirana Anand	080 - 25005017

B. Grievance redressal and dispute settlement mechanism:

The Portfolio Manager has constituted a Private Banking Grievance Redressal Cell ("PBGRC"). All correspondence to PBGRC shall be addressed to:

Private Banking Grievance Redressal Cell, ING Vysya Bank Limited, Corporate Office, No. 22, M.G. Road, Bangalore - 560001.

Mechanism:

The Portfolio Manager shall endeavor to handle any complaints of Clients in the following manner:

The Client shall send a written complaint addressed to the PBGRC. On receipt of the complaint, the PBGRC on a best efforts basis shall resolve the complaint, within 30 days.

In the event the complaint is not resolved within 30 days, the Client and the Portfolio Manager or any person designated by the Portfolio Manager shall endeavor to resolve the complaint by mutual dialogue.

Place: Bangalore

Sd/-

SHAILENDRA BHANDARI
MANAGING DIRECTOR & CEO

Sd/-

ARUN THIAGARAJAN
DIRECTOR & PART-TIME CHAIRMAN

Certificates**FORM C**

Securities and Exchange Board of India (Portfolio Manager) Regulations, 1993.
(Regulations 14)

Portfolio Manager**ING Vysya Bank Limited**

22, M G Road, Bangalore 560001
Telephone No 080-25005021
Facsimile No 080-25005024
Email: samirb@ingvysyabank.com

We confirm that:

1. the Disclosure Document dated 31/03/2011 forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time;
2. the Disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management Scheme;
3. the Disclosure Document has been duly certified by Mr. IVSVB PANCHAJANYAM, (Registration No 021180) Partner, M/s. SRI ANAND ASSOCATES, (independent chartered accountants) having their office at 63, 2nd Cross, Y. Ramachandra Road, Gandhinagar, Bangalore 560 009, on 3rd October 2011 (copy of the certificate enclosed).

**SAMIR BIMAL**

Principal Officer

ING Vysya Bank Limited

22, MG Road, Bangalore-560001

Date: 20/10/2011

Place: Bangalore

☎ : 2228 5747
4151 3746

SRI ANAND ASSOCIATES

CHARTERED ACCOUNTANTS

63, Sri Y. Ramachandra Road, 2nd Cross, Gandhinagar, BANGALORE - 560 009.
E-mail : panandss@rediffmail.com

CERTIFICATE

We have verified the contents of the Disclosure Document dated 31st March 2011, of ING Vysya Bank Limited, (the Bank), a Banking Company, having its registered office at No.22, M.G.Road, Bangalore – 560 001 with respect to its Portfolio Management Scheme. The relevant documents and records of the Bank have been verified by us considering the fact that the Bank will act only as a Non Discretionary Portfolio Manager under its Portfolio Management Scheme.

In our opinion and to the best of our knowledge and belief and according to the information and explanations furnished to us the contents disclosed in the said Disclosure Document are true, fair and adequate for the Portfolio Management Scheme of the Bank.

For **SRI ANAND ASSOCIATES**
CHARTERED ACCOUNTANTS



(I.V.S.V.B. Panchajanyam)
Partner
Membership No.21180

Place: Bangalore
Date: 03.10.2011

BRANCH OFFICE : # 1109, 10th Main Road, Gokulam 3rd Stage, Mysore - 570 002. Ph : 0821-4245040