RELIANCE ON THIS PRIVATE PLACEMENT MEMORANDUM FOR THE PURPOSE OF BUYING THE SHARES REFERRED TO HEREIN MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED.

PRIVATE AND CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

JASMINE INDIA FUND


PRIVATE OFFERING OF PARTICIPATING SHARES OF US$ 0.01 IN SUCH CLASSES AS MAY BE CREATED FROM TIME TO TIME

DATED 14 JULY 2016

PRIVATE PLACEMENT MEMORANDUM NO.:_________________

SUPPLIED TO RECIipient: ________________________________
NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY PERSON. PLEASE DIRECT ANY ENQUIRIES TO THE ADMINISTRATOR.

THE PARTICIPATING SHARES OFFERED HEREBY HAVE NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY ANY REGULATORY AUTHORITY OF ANY COUNTRY OR OTHER JURISDICTION, NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM IS INTENDED SOLELY FOR THE USE OF THE PERSON TO WHOM IT HAS BEEN DELIVERED FOR THE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT BY THE RECIPIENT IN THE SHARES DESCRIBED HEREIN. IT IS NOT TO BE REPRODUCED IN ANY FORM OR MANNER NOR IS IT TO BE DISTRIBUTED OR DISCLOSED TO ANY OTHER PERSONS (OTHER THAN PROFESSIONAL ADVISERS OF THE PROSPECTIVE INVESTOR).
IMPORTANT NOTICE

This Confidential Private Placement Memorandum (“PPM”) is submitted in connection with a private placement of different classes of Participating Shares, to be offered from time to time, of Jasmine India Fund (“the Fund” or “the Company”) to a limited number of potential investors who are Expert Investors and not resident in India, Mauritius (other than holders of Global Business Licence in Mauritius) and the United States of America. This PPM must be read in conjunction with the Constitution of the Fund and the Subscription Agreement.

The offering contemplated in this PPM is not, and shall not under any circumstances be construed as, a public offering of the Participating Shares described herein.

The Fund is incorporated in Mauritius and holds a Category 1 Global Business Licence issued by the Financial Services Commission (“FSC”) of Mauritius. This PPM has been filed with the FSC in order to obtain an authorization to be an Expert Fund, but will not be filed with or approved or disapproved by any other regulatory authority of any other country or any other jurisdiction, nor has any such regulatory authority, including the FSC, passed upon or endorsed the merits of this offering.

This PPM is confidential and intended solely for the use of the person to whom it has been delivered and solely and exclusively for the purpose of evaluating a possible investment in the Participating Shares described herein and is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective investor receiving this document) or used, in whole or in part, without the consent of the Directors. By accepting delivery of this PPM, you agree to the foregoing, and agree to return this PPM (and any accompanying documentation) to the Fund if you do not purchase the Participating Shares in the Fund.

The value of the investments of the Fund, which may be designated in any currency, may rise or fall due to global market conditions and exchange rate fluctuations of individual currencies. Prospective investors should be aware that the price of Participating Shares and the income from them can go down as well as up and they may not realize their initial investment. There is no assurance that the investment objectives of the Fund will actually be achieved. Your attention is drawn to the Section 12 titled “RISK FACTORS”.

An investment in the Fund is only available for Expert Investors.

Investors in the Fund are not protected by any statutory compensation arrangements in Mauritius in the event of the Fund’s failure.

An investment in the Fund is only suitable for investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to bear any loss which might result from such investment. Prospective investors should not treat the contents of this PPM as advice relating to the investment or legal or taxation matters. It is recommended that, prospective investors consult their stockbroker, bank manager, legal adviser or other professional adviser to understand the contents of this PPM.

No person has been authorised to issue any advertisement or to give any information, or to make
any representations in connection with any offering, subscription or sale of Participating Shares, other than those contained in this PPM and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Fund. Neither the circulation and/or delivery of this document nor the allotment or issue of Participating Shares shall under any circumstances create any implication that there has been no change in the financial position or affairs of the Fund since the date hereof.

Statements made in this PPM are based on the law and regulations of Mauritius as currently in force and are subject to changes in such law and regulations. This PPM does not constitute an offer to sell or a solicitation of an offer to buy the Participating Shares in the Fund in any state or other jurisdiction where, or to any person or entity to whom, it is unlawful to make such offer or solicitation or where the registration or other legal requirements of that state or jurisdiction have not been complied with.

The Directors of the Fund, whose names appear in Section 4.1.1, accept responsibility for the information contained in this PPM. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this PPM is in accordance with the facts and does not omit anything likely to affect the import of such information. Unless otherwise indicated herein, the opinions expressed in this document are those of the Directors. No person has been authorised to give any information or to make any representation concerning the Fund other than the information contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorised by the Fund.

The statements and information contained in this PPM have been compiled as of 19th July 2016, unless otherwise stated herein, from sources believed to be reliable. Neither the delivery of this PPM nor any offer, allotment or issue of any Participating Shares shall under any circumstances create any implication or constitute a representation that the information given in this PPM is correct as of any time subsequent to the date hereof.

The information in this Memorandum is qualified in its entirety by the agreements and documents referred to herein and by the Constitution. Copies of the PPM and the Constitution of the Fund together with a copy of the Global Business Licence issued by the FSC are available for inspection at the registered office of the Fund.
SELLING RESTRICTIONS

MAURITIUS

THE PUBLIC OF THE REPUBLIC OF MAURITIUS IS NOT INVITED TO SUBSCRIBE FOR ANY SHARES IN THE COMPANY AND RESIDENTS OF MAURITIUS SHALL NOT HOLD ANY SHARES IN THE COMPANY OTHER THAN HOLDERS OF CATEGORY 1 GLOBAL BUSINESS LICENCE AND MEETING THE CRITERIA OF AN EXPERT INVESTOR.

INDIA

THIS PPM MAY NOT BE DISTRIBUTED DIRECTLY OR INDIRECTLY IN OR TO RESIDENTS OF INDIA AND THE PARTICIPATING SHARES ARE NOT BEING OFFERED AND MAY NOT BE SOLD DIRECTLY OR INDIRECTLY IN INDIA OR FOR THE ACCOUNT OF ANY RESIDENT OF INDIA. NO INVESTMENT MAY BE MADE IN THE FUND FROM MONIES SOURCED FROM INDIA, DIRECTLY OR INDIRECTLY.

GENERALLY

GENERALLY, THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFERING OF SHARES MAY BE RESTRICTED IN CERTAIN JURISDICTIONS. THE INFORMATION CONTAINED IN THIS MEMORANDUM IS FOR GENERAL GUIDANCE ONLY, AND IT IS THE RESPONSIBILITY OF ANY PERSON OR PERSONS IN POSSESSION OF THIS MEMORANDUM AND WISHING TO MAKE APPLICATION FOR SHARES TO INFORM THEMSELVES OF AND TO OBSERVE, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR SHARES SHOULD INFORM THEMSELVES AS TO LEGAL REQUIREMENTS ALSO APPLYING AND ANY APPLICABLE EXCHANGE CONTROL REGULATIONS AND APPLICABLE TAXES IN THE COUNTRIES OF THEIR RESPECTIVE CITIZENSHIP, RESIDENCE OR DOMICILE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.


ADDRESS: THE FINANCIAL SERVICES COMMISSION
54 CYBERCITY,
EBENE, MAURITIUS
TELEPHONE: +230 403 7000
FACSIMILE: +230 467 7172
ADDITIONAL NOTICES

THE FSC HAS ISSUED A CATEGORY 1 GLOBAL BUSINESS LICENCE TO THE FUND TO OPERATE AS A COLLECTIVE INVESTMENT SCHEME. IT MUST BE UNDERSTOOD THAT IN GIVING THIS AUTHORISATION, THE FSC DOES NOT VOUCH FOR THE FINANCIAL SOUNDNESS OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THE FUND.

THIS PPM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF POTENTIAL EXPERT INVESTORS INTERESTED IN A POSSIBLE INVESTMENT IN THE FUND AND ANY REPRODUCTION OR DISTRIBUTION OF THIS PPM IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE FUND IS STRICTLY PROHIBITED.

THIS PPM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE PARTICIPATING SHARES OF THE FUND FROM ANY PERSON OTHER THAN THE FUND. NO PERSON, OTHER THAN SUCH PERSON, RECEIVING A COPY OF THIS PPM MAY TREAT THE SAME AS CONSTITUTING AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE PARTICIPATING SHARES IN THE FUND DESCRIBED HEREIN.

THE FUND RESERVES THE RIGHT TO WITHDRAW OR MODIFY THIS OFFERING AT ANY TIME PRIOR TO THE ACCEPTANCE OF SUBSCRIPTIONS FROM INVESTORS.

INVESTMENT IN THE FUND INVOLVES SIGNIFICANT RISK AND IS SUITABLE ONLY FOR INVESTORS OF SUBSTANTIAL NET WORTH WHO MEET THE EXPERT INVESTOR CRITERIA (AS DEFINED IN THIS PPM) WHO HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE HIGH RISKS AND LACK OF LIQUIDITY INHERENT TO AN INVESTMENT IN THE FUND WHICH MAY NOT PROVIDE ANY IMMEDIATE CASH RETURN. NO ASSURANCE CAN BE GIVEN THAT THE FUND’S INVESTMENT OBJECTIVE WILL BE ACHIEVED OR THAT INVESTORS WILL RECEIVE A RETURN OF THEIR CAPITAL.

THE INFORMATION ON TAXATION CONTAINED IN THIS PPM IS A SUMMARY OF CERTAIN TAX CONSIDERATIONS BUT IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL TAX CONSIDERATIONS AND IMPLICATIONS ARISING OUT OF THIS PPM OR SUBSCRIPTION TO THE PARTICIPATING SHARES. THE CONTENTS OF THIS PPM ARE NOT TO BE CONSTRUED AS INVESTMENT, LEGAL, OR TAX ADVICE. INVESTORS SHOULD CONSULT THEIR OWN COUNSEL, ACCOUNTANT, OR INVESTMENT ADVISOR AS TO:

(A) THE LEGAL REQUIREMENTS WITHIN THEIR OWN JURISDICTIONS FOR THE PURCHASE, HOLDING, REDEMPTION OR OTHER DISPOSAL OF THE PARTICIPATING SHARES;

(B) ANY FOREIGN EXCHANGE RESTRICTIONS AND REQUIREMENTS TO BE COMPLIED WITH; AND
THE INCOME AND OTHER TAX CONSEQUENCES THAT MAY APPLY IN THEIR OWN COUNTRIES RELEVANT TO THE PURCHASE, HOLDING, REDEMPTION OR OTHER DISPOSAL OF PARTICIPATING SHARES.

THIS PPM IS QUALIFIED IN ITS ENTIRETY BY THE CONSTITUTION OF THE FUND (AS AMENDED FROM TIME TO TIME), AND IN THE EVENT OF ANY CONFLICT ARISING BETWEEN ANY STATEMENT MADE HEREIN AND ANY PROVISION OF THE CONSTITUTION OF THE FUND, THE CONSTITUTION OF THE FUND SHALL PREVAIL.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN ASSESSMENT OF THE FUND AND THE TERMS OF THE OFFERING AS WELL AS THE ADVICE FROM THEIR OWN REPRESENTATIVES, INCLUDING THEIR OWN LEGAL ADVISERS AND ACCOUNTANTS, AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING THE FUND AND AN INVESTMENT THEREIN AND INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED OR ENDORSED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PPM.

PARTICIPATING SHARES IN THE FUND ARE ILLIQUID AS THEY ARE UNLISTED AND ARE NON-READILY REALISABLE SECURITIES. YOUR ABILITY TO REDEEM YOUR INVESTMENT IN THE FUND MAY BE SEVERELY IMPAIRED.

THE LEVELS AND BASES OF TAXATION AND ANY RELEVANT RELIEFS FROM TAXATION REFERRED TO IN THIS PPM CAN CHANGE. ANY RELIEFS REFERRED TO ARE THE ONES WHICH CURRENTLY APPLY AND THEIR VALUE DEPENDS UPON THE CIRCUMSTANCES OF EACH INDIVIDUAL INVESTOR.

THE FUND IS NOT SUBJECT TO ANY INVESTMENT GUIDELINES OF ANY REGULATORY BODY WHICH IMPOSE PRUDENTIAL REQUIREMENTS TO LIMIT RISK. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF ANY OF THE CLASSES WILL BE ACHIEVED. THE RESULTS OF INVESTMENT MAY VARY SUBSTANTIALLY BETWEEN THE CLASSES.

AS IS TRUE OF ANY INVESTMENT, THERE IS A RISK THAT AN INVESTMENT IN ANY CLASS OF PARTICIPATING SHARES MAY BE LOST ENTIRELY OR IN PART AND AN INVESTMENT IN THE FUND IS ONLY SUITABLE FOR INVESTORS WHO ARE AWARE OF AND UNDERSTAND THE RISKS INVOLVED AND ARE ABLE TO WITHSTAND THE LOSS OF THEIR INVESTED CAPITAL. PROSPECTIVE INVESTORS ARE REFERRED TO SECTION 12 FOR A SUMMARY OF CERTAIN OF THE RISKS INVOLVED. IF YOU ARE IN ANY DOUBT ABOUT THE SUITABILITY OF INVESTING IN THE FUND, YOU ARE URGED TO CONSULT WITH YOUR ATTORNEY/SOLICITOR, ACCOUNTANT OR FINANCIAL ADVISER.

AN INVESTMENT IN ANY CLASS OF THE FUND IS NOT INTENDED TO BE A
COMPLETE INVESTMENT PROGRAMME FOR ANY INVESTOR AND
PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WHETHER AN
INVESTMENT IN ANY OF THE CLASSES OF SHARES IS SUITABLE FOR THEM IN
LIGHT OF THEIR OWN CIRCUMSTANCES AND FINANCIAL RESOURCES.

THE INFORMATION IN THIS CONFIDENTIAL PPM IS QUALIFIED IN ITS
ENTIRETY BY THE AGREEMENTS AND DOCUMENTS REFERRED TO HEREIN, IN
RELATION TO ANY CLASS AND BY THE CONSTITUTION OF THE FUND, COPIES
OF WHICH ARE AVAILABLE FROM THE ADMINISTRATOR UPON REQUEST.

THE DISTRIBUTION OF THE PPM AND THIS OFFERING FOR PARTICIPATING
SHARES OF THE FUND MAY BE RESTRICTED IN CERTAIN JURISDICTIONS. THE
ABOVE INFORMATION IS FOR GENERAL GUIDANCE ONLY AND IT IS THE
RESPONSIBILITY OF THE PROSPECTIVE INVESTOR AND ANY PERSON OR
PERSONS IN POSSESSION OF THE PPM AND WISHING TO SUBSCRIBE FOR THE
PARTICIPATING SHARES OF THE FUND TO INFORM THEMSELVES OF, AND TO
OBSERVE, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT
JURISDICTION. PROSPECTIVE APPLICANTS FOR THE PARTICIPATING SHARES
OF THE FUND SHOULD INFORM THEMSELVES AS TO ANY APPLICABLE LEGAL
REQUIREMENTS, EXCHANGE CONTROL REGULATIONS AND TAXES IN THE
COUNTRIES OF THEIR RESPECTIVE CITIZENSHIP, RESIDENCE OR DOMICILE.
THE INFORMATION ON TAXATION CONTAINED IN THE PPM IS A SUMMARY OF
CERTAIN TAX CONSIDERATIONS BUT IS NOT INTENDED TO BE A COMPLETE
DISCUSSION OF ALL TAX CONSIDERATIONS.

FORWARD LOOKING STATEMENTS

THE PPM CONTAINS STATEMENTS WHICH CONTAIN WORDS OR PHRASES
INCLUDING "WILL", "AIM", "WILL RESULT", "POSSIBLE", "LIKELY",
"BELIEVE", "PROPOSE", "EXPECT", "WILL CONTINUE", "ANTICIPATE",
"ESTIMATE", "INTEND", "PLAN", "CONTEMPLATE", "SEEK TO", "FUTURE",
"OBJECTIVE", "GOAL", "SHOULD", "PROJECT", "WILL PURSUE", AND SIMILAR
EXPRESSIONS OR VARIATIONS OF SUCH EXPRESSIONS, THAT ARE "FORWARD-
LOOKING STATEMENTS". ANY PROJECTIONS OR FORWARD-LOOKING
STATEMENTS OR OPINIONS CONTAINED IN THE PPM CONSTITUTE ESTIMATES
BY THE BOARD, BASED UPON SOURCES DEEMED TO BE RELIABLE, BUT THE
ACCURACY OF THIS INFORMATION IS NOT GUARANTEED NOR SHOULD YOU
CONSIDER THE INFORMATION ALL-INCLUSIVE. BY THEIR NATURE, CERTAIN
FORWARD LOOKING STATEMENTS ARE ONLY ESTIMATES AND COULD BE
MATERIALLY DIFFERENT FROM WHAT ACTUALLY OCCURS IN THE FUTURE. AS
A RESULT, ACTUAL FUTURE GAINS AND LOSSES COULD MATERIALLY DIFFER
FROM THOSE THAT HAVE BEEN ESTIMATED.

CONFIDENTIALITY

THE PPM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PERSONS
INTERESTED IN A POSSIBLE INVESTMENT IN THE FUND. THE RECIPIENT OF
THE PPM AND ANY OTHER RELATED DEEDS AND DOCUMENTS (TOGETHER, “INFORMATION DOCUMENTS”) SHALL MAINTAIN UTMOST CONFIDENTIALITY REGARDING THE CONTENTS OF THE INFORMATION DOCUMENTS. THE INFORMATION DOCUMENTS ARE FOR THE CONSIDERATION OF THE PERSON TO WHOM THEY ARE ADDRESSED TO AND THE RECIPIENT SHALL NOT REPRODUCE OR DISTRIBUTE THE INFORMATION DOCUMENTS, IN WHOLE OR IN PARTS, OR MAKE ANY ANNOUNCEMENT IN PUBLIC OR TO ANY THIRD PARTY REGARDING THE CONTENTS OF THE INFORMATION DOCUMENTS WITHOUT THE CONSENT OF THE FUND. THE RECIPIENT, HOWEVER, SHALL NOT BE LIABLE FOR DISCLOSURE OR USE OF ANY INFORMATION CONTAINED IN SUCH INFORMATION DOCUMENTS WHERE THE SAME IS REQUIRED TO BE DISCLOSED BY LAW OR REGULATION OR PURSUANT TO LEGAL PROCESS.

PROSPECTIVE INVESTORS WHO DO NOT WISH TO PURSUE THIS INVESTMENT ARE ASKED TO RETURN THIS PPM AND ANY ACCOMPANYING DOCUMENTATION AT ONCE TO THE FUND AT THE FOLLOWING ADDRESS:

Jasmine India Fund  
C/o Globefin Management Services Ltd  
1st Floor, Anglo-Mauritius House,  
Intendance Street, Port-Louis, Mauritius  
Email: jasmineindiafund@globefin.mu  
Fax: + 230 2086258
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1. DIRECTORY

Auditors

DFK- r.c partners
Junction of Business Hub,
Block B,
Calebasses Branch Road,
Calebasses, Mauritius

Bank

AfrAsia Bank Limited
Port Louis,
AfrAsia Bank Limited,
Bowen Square,
10, Dr Ferriere Street,
Port Louis
Tel : +230 208 5500
Fax : +230 213 8850

Custodian
Mauritian Custodian

AfrAsia Bank Limited
Port Louis,
AfrAsia Bank Limited,
Bowen Square,
10, Dr Ferriere Street,
Port Louis
Tel : +230 208 5500
Fax : +230 213 8850

Indian Custodian

Kotak Mahindra Bank Ltd
Kotak Infiniti, 6th Floor,
Zone IV Building No. 21, Infinity Park
Off Western Express Highway,
General A K Vaidya Marg,
Malad (E), Mumbai, 400 097

Directors

1. Mr. Chetan Jitendra Parikh
2. Mr. Jean-François Legrigore
3. Mrs. Manesha Soowamber
4. Ms. Ushmah Ramphul

Indian Regulatory matters

Reserve Bank of India (“RBI”),
Ministry of Commerce and Industry,
Ministry of Finance,
Foreign Investment Promotion Board (“FIPB”), which is an entity within the Ministry of Finance
Securities and Exchange Board of India (“SEBI”).
<table>
<thead>
<tr>
<th><strong>Legal Advisors on matters of:</strong></th>
<th><strong>Mauritian Law</strong></th>
<th><strong>Indian Law</strong></th>
</tr>
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<tbody>
<tr>
<td>As to Mauritian Law</td>
<td><strong>Mardemootoo Solicitors</strong></td>
<td><strong>Desai Desai Carrimjee &amp; Mulla</strong></td>
</tr>
<tr>
<td></td>
<td>Jamalacs Building</td>
<td>Advocates, Solicitors &amp; Notary</td>
</tr>
<tr>
<td></td>
<td>Vieux Conseil Street,</td>
<td>81, Free Press House,</td>
</tr>
<tr>
<td></td>
<td>Port Louis, Mauritius</td>
<td>215, Free Press Journal Marg,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nariman Point,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mumbai – 400 021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Manager</strong></th>
<th><strong>Jolene Asset Management</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C/o Globefin Management Services Ltd,</td>
</tr>
<tr>
<td></td>
<td>1st Floor, Anglo-Mauritius House,</td>
</tr>
<tr>
<td></td>
<td>Intendance Street, Port Louis, Mauritius</td>
</tr>
</tbody>
</table>

| **Mauritian Laws:**             | **The Mauritius Companies Act 2001,** |
|---------------------------------|**The Financial Services Act 2007,** |
|                                 |**The Securities (Collective Investment Schemes And Closed – End** |
|                                 |**Funds) Regulations 2008 issued under The Securities Act 2005)** |

| **Principal/Registered Office of** | **Globefin Management Services Ltd** |
| **the Fund**                      | 1st Floor, Anglo-Mauritius House, |
|                                  | Intendance Street, Port-Louis, Mauritius |
|                                  | Email: jasmineindiafund@globefin.mu |
|                                  | Fax : + 230 2086258 |
2. DEFINITIONS

Capitalized terms used in this document and otherwise not defined herein shall have the meanings specified to them in the Constitution of the Fund unless the context otherwise requires. Further, in addition to the terms defined elsewhere in this PPM, whenever used in this PPM, unless repugnant to the meaning or context thereof, the following words and terms shall have the meanings set forth below:

“Act” The Mauritius Companies Act No. 15 of 2001 as may be amended from time to time.

“Administration Agreement” The Administration, Registrar and Secretary Agreement between the Fund and the Administrator, as amended from time to time.

“Administrator” or “Registrar” or “Secretary” Globefin Management Services Ltd., the administrator of the Fund, and includes such subsequent administrator, registrar or secretary as may be appointed by the Fund from time to time to provide administrative, registrar and/or secretarial services to the Fund.

“Applicable Law” All applicable statutes, enactments, laws, ordinances, bye-laws, rules, regulations, guidelines, notifications, notices, and/or judgments, decrees, injunctions, awards, writs or orders of any court, statutory or regulatory or taxation authority, tribunal, arbitral tribunal, board or stock exchange in any applicable jurisdiction, as may be in force and effect during the subsistence of this PPM.

“Article(s)” The Article(s) of the Constitution of the Fund.

“Board” The Board of Directors of the Fund.

“Business Day” Any day (except Saturdays, Sundays, public holidays and such other day as the Directors may determine) on which banks in Mauritius or such other places as may be decided by the Directors from time to time, are open for normal business.

“Base Net Asset Value” The greater of: (i) the initial offer price per Share; and (ii) the highest Net Asset Value per Share in effect immediately after the end of any previous Calculation Period.

“Calculation Period” The financial year during which the Performance Fee is calculated.

“Class” A class of Participating Shares in the Fund created in
accordance with Article 11 of the Constitution, and the reference to the term “Class” in this PPM shall mean any or all Sub-Classes of such Class, as the context may require.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Class Assets”</td>
<td>In relation to any Class, the assets of the Fund attributable to that Class comprising assets acquired from the proceeds of the issue of Participating Shares of that particular Class, reserves (including retained earnings, and capital reserves) and all other assets attributable to that Class.</td>
</tr>
<tr>
<td>“Class Liabilities”</td>
<td>A liability of the Fund attributable to a Class.</td>
</tr>
<tr>
<td>“Class Share”</td>
<td>A Participating Share of whatever Class, the proceeds of which issue are comprised in the Class Assets attributable solely to the Class in respect of which the Class Share was issued.</td>
</tr>
<tr>
<td>“Custodian”</td>
<td>AfrAsia Bank Limited (Mauritian Custodian)/ Edelweiss Custodial Services Limited (Indian Custodian) or such other Custodian as may be appointed by the Board from time to time.</td>
</tr>
<tr>
<td>“Custodian Agreement”</td>
<td>The custody agreement between the Fund and the Custodian.</td>
</tr>
<tr>
<td>“Dealing Day”</td>
<td>In relation to any Class, such day or days as the Directors may determine, as being a day on which the Participating Shares may be issued and/ or redeemed.</td>
</tr>
<tr>
<td>“Directors”</td>
<td>The directors of the Company for the time being, or, as the case may be, the directors assembled as a Board in a meeting or as a committee of the Board.</td>
</tr>
<tr>
<td>“Duties and Charges”</td>
<td>All stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other fees, duties and charges whether in connection with the acquisition, purchase, sale or disposal of Investments or the creation, issue, sale, exchange or purchase of Participating Shares or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value of the relevant Class.</td>
</tr>
</tbody>
</table>
“Expert Investor”  An investor who makes an initial investment on his own account of no less than US$100,000; or a sophisticated investor as defined in the Securities Act 2005 of Mauritius or any similarly defined investor in any other securities legislation.

“FPI”  A Foreign Portfolio Investor registered with SEBI under the FPI Regulations.

“FPI Regulations”  SEBI (Foreign Portfolio Investors) Regulations, 2014.

“Fiscal Year”  The Fund’s fiscal year-end being 31 December each year.

“FSC”  The Financial Services Commission of Mauritius.


“Functional Currency”  The currency in which the Fund maintains its books and records and its financial statements, being U.S. Dollars.

“Hurdle Rate”  In respect of a Share is an amount equal to 10 per cent per annum, non-cumulative of the Base Net Asset Value per Share of that Class.

“India”  The Republic of India.

“Initial Offer Period”  The period determined by the Directors for a Class of Participating Shares, during which such Participating Shares are offered for subscription at a fixed price.

“Initial Offer Price”  US $ 0.01 nominal value per Participating Share in the relevant Class during the Initial Offer Period and payable in full on application.

“Key Man Event Date”  Has the meaning ascribed to that term in Section 5.8 of this PPM.

“Management Fee”  The management fee, as may be charged by the Fund, as set out in this PPM for any particular Class and which shall accrue only to the holders of the Management Shares, and
which will be distributed, subject to the solvency test, to the holders of the Management Shares.

"Management Share"  
A share in the capital of the Fund of US $ 1.00 nominal value designated as the Management Share and having the rights provided for under the Constitution and as summarised in this PPM.

“Mauritius”  
The Republic of Mauritius.

“Mauritius Law”  
The Laws of the Republic of Mauritius.

“Meeting”  
A meeting of the Shareholders held in accordance with the Constitution.

“Net Asset Value” or “NAV”  
In relation to any Class, the amount determined pursuant to Article 18 of the Constitution as being the value of the assets of such Class less the liabilities attributable to that Class.

“Net Asset Value per Share”  
The net asset value per Participating Share of a of a Class, calculated in accordance with the provisions of Article 18.6 of the Constitution on each Valuation Day and rounding off the resultant amount to the nearest six decimal places.

“Participating Share”  
A non-voting, redeemable participating of US $ 0.01 nominal value each in the Fund, issued as a Participating Share and having the rights as set out in the Constitution. In this document, the term “Participating Share” shall include all Classes of Participating Shares except when referred to in their separate Classes.

“Placement Fee”  
The fee payable by the Fund to placing agents and/or sub-distributors, in relation to the placement of Participating Shares as set out in Section 8.5.

“PPM”  
This confidential private placement memorandum.

“Qualified Holder”  
Any Person (being over the age of 18), corporation or entity who is an Expert Investor other than (i) a United States Person as per the Applicable Laws; (ii) any person, corporation or entity which cannot acquire or hold Participating Shares without violating laws or regulations applicable to it; or (iii) any person, corporation or entity resident in India or who is or is controlled by a person resident in India (for the purposes of this certification, a “controller” means any person or group of persons (acting
pursuant to any agreement or understanding (whether formal or informal, written or otherwise)) who: (a) is/are entitled to exercise, or control the exercise of a majority or more of the voting power of an entity, or (b) holds or is otherwise entitled to a majority or more of the economic interest in an entity, or (c) who in fact exercises control over an entity and “control” means the ability to appoint a majority or more of the directors of an entity, or the capacity to control decision-making, directly or indirectly, in relation to the financial, investment and/or operating policies of an entity in any manner. Provided that, in the case only where an entity’s investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to be such entity’s controller for the purposes of this representation by reason only of it being able to control decision-making in relation to the entity’s financial, investment and/or operating policies; (iv) any person, corporation or entity whose holding of shares, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered; (v) any person, corporation or entity whose holding of Participating Shares, in the opinion of the Directors, does not conform with the requirements of the PPM and the Constitution; (vi) a custodian, nominee or trustee for any person or entity described in (i) to (vi) above.

“Redemption Price” The price at which Participating Shares will be redeemed, calculated in accordance with the provisions of Article 20.2 (g) of the Constitution.

“Redemption Request” A notice given in the format prescribed in Subscription Agreement, for the redemption of Participating Shares in accordance with Article 20.2 of the Constitution.

“Register of Shareholders” The register of Shareholders in the Fund.

“SEBI” The Securities and Exchange Board of India


“Share” Includes a Participating Share and the Management Share and any share in the capital of the Fund as may be issued from
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Shareholder”</td>
<td>A person who is registered as the holder of Shares in the Register of Shareholders for the time being kept by or on behalf of the Fund.</td>
</tr>
<tr>
<td>“Sub-Class” or “Sub-Series”</td>
<td>A sub-class of a Class of Participating Shares of the Fund.</td>
</tr>
<tr>
<td>“Subscription Agreement”</td>
<td>The agreement to be entered into between the Fund and the Shareholder.</td>
</tr>
<tr>
<td>“US dollars” or “US$”</td>
<td>The lawful currency of the United States of America for the time being in force.</td>
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</tbody>
</table>
| “United States Person”        | Subject to Applicable Laws and to such changes as the Directors shall notify to applicants for Participating Shares or transferee of Participating Shares, (a) any natural person who is a citizen or resident of the United States; (b) any partnership or corporation organised or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a US Person as defined in subparagraphs (a) and (b) herein; (d) any trust of which any trustee is a US Person as defined in subparagraphs (a) and (b) herein; (e) any agency or branch of a foreign entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or, if an individual, resident in the United States; or (h) any partnership or corporation (i) organised or incorporated under the laws of any foreign jurisdiction and (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons estates or trusts; United States Person does not include (a) a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or, if an individual, resident in the United States; (b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (i) an executor or administrator of the estate who is not a US Person has sole or
shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by foreign law; (c) any trust of which any professional fiduciary acting as trustee is a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; or (e) any agency or branch of a US Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

**“Valuation Day”**

In relation to a Class, such day as the Directors may determine as being a day on which the Net Asset Value shall be calculated.
3. **THE FUND**

3.1 **Jurisdiction of the Fund**

**Jasmine India Fund** is a company incorporated under the laws of Mauritius on 24\textsuperscript{th} May 2016 as a public company limited by shares, licensed by the FSC as a Category 1 Global Business Licence company ("GBC1") under the Financial Services Act 2007 and authorised as a collective investment scheme under the Securities Act 2005. The Fund’s licence is renewable as in June of each year provided that the Fund complies with the conditions attached to the licence and pays its licence fees within the prescribed period. The Fund is authorised by the FSC to be an Expert Fund under the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, issued under the Securities Act 2005 of Mauritius.

The Fund will obtain a tax residency certificate from the Mauritius Revenue Authority and hence should be able to avail of the benefit of the India-Mauritius Double Tax Avoidance Treaty ("Mauritius Treaty"), and other treaties as appropriate. As a Mauritian tax resident, the Fund would under the Mauritius Treaty be entitled to receive from India, distribution proceeds from the disposal of Indian securities without being subject to payment of any capital gains tax in India. Further information is set out under **Section 9** titled "Tax Considerations" of this Memorandum. Please also refer to the risk factors pertaining to taxation mentioned under the **Section 12** titled "Risk Factors".

Any dispute, controversy or claim arising out of the Fund’s constitution and the Subscription Agreements to be executed by each Subscriber, or the breach, termination or invalidity thereof shall be settled by international arbitration under the International Arbitration Act 2008 (referred to as the IAA). The provisions of the First Schedule to the IAA shall apply to the arbitration. The arbitration shall be conducted pursuant to the rules set out in the IAA. The number of arbitrators shall be one. The juridical seat of arbitration shall be Mauritius. The language to be used in the arbitral proceedings shall be the English language.

3.2 **Capital Structure of the Fund**

Depending upon whether suitable investor interest is identified, and subject to prior approval of SEBI and the FSC, the Fund may create different Classes of Participating Shares for the purpose of investing in Indian securities, provided that each such Class meets the broad based criteria as prescribed by SEBI or all the Classes have a common portfolio and the Fund as a whole meets the broad based criteria. Each such Class of Participating Shares may have different terms and conditions attached to them. Each Class of Participating Shares may be further sub-divided into any number of classes which shall be known as a "Sub-Series" or "Sub-Class" of that Class. The Class Assets and Class Liabilities of each Class shall be kept separate and separately identifiable from Class Assets and Class Liabilities attributable to other Classes. Subject to applicable law the rights, privileges and liabilities of a holder of Participating Shares shall be in relation to that Class Share only and to no other Class.
Shareholders of a Class shall have no control over the management of the investments of that Class, however, the Board may, from time to time, consult with the Shareholders in respect of that Class’s investments.

The terms and conditions of any offering of any other Class of Participating Shares will be contained in a document related to each such offering, or may be communicated in such other manner as the Directors may determine from time to time. The relevant documentation, in prescribed format wherever applicable, in connection with each additional Class of Participating Shares to be created by the Fund must be submitted to the FSC and SEBI for its prior approval.

In the Fund, the principles adopted by the Board relating to the payment of the Redemption Price or other distributions are applied to each Class in isolation, subject to the Fund and the Class satisfying the Solvency Test (as defined in the Act). Payments of Redemption Price and other distributions may only be paid out of the assets of the Class Assets pertaining to the Class in respect of which the relevant Participating Shares were issued. To the extent permissible, assets of a Class of the Fund will only be available to meet liabilities of creditors of the Fund who are creditors in respect of the relevant Class. See Section 12 titled “RISK FACTORS” for liabilities in relation to a multi-class company.

The assets, liabilities, income, expenditure and taxation attributable to each Class with respect to investments made pursuant to the PPM and future Share offerings will be applied to an account (or book entry) maintained for each Class subject to Applicable Law. The assets so held in respect of each Class will be applied solely in respect of that Class except to the extent that expenses of the Fund that are not directly attributable to a specific Class shall be allocated among each Class at the discretion of the Directors. The Net Asset Value of each Class will be calculated separately and Participating Shares of a particular Class will be redeemed at the Net Asset Value per Share of that Class at the relevant time. For limitations of such a corporate structure as regards the liabilities of the Fund and the relevant Classes, see Section 12 titled “RISK FACTORS” for cross class liability.

3.3 The Fund’s compliance with the requirements of the FSC

(i) The Fund shall only conduct such business or activity, being business or activity permissible under the laws of Mauritius and those of the jurisdiction where the business or activity is being carried out. Where such business requires any license, authorisation, permission or consent (however described), the business must not be undertaken until same has been obtained;

(ii) The Fund shall keep at its registered address a copy of such business license/authorization/ permission or consent (however described) obtained from any other Authority in relation to the conduct of its activities;

(iii) The Fund shall forthwith notify the FSC of any material change in its purpose and/or working principle;

(iv) The Fund shall ensure that any director, manager or senior officers appointed are fit and proper and that the FSC is notified forthwith of such appointments;
(v) Where in the usual course of business a director or manager or senior officer is asked to resign or removed, the licensee shall forthwith inform the FSC of the resignation/removal and shall include a description of the circumstances surrounding such request for resignation and removal;

(vi) The Fund shall at the request of the FSC remove a director or a manager or senior officer from office, if those persons are not, in the opinion of the FSC, fit and proper;

(vii) The Fund should adopt, enforce and re-assess on an annual basis, its anti-money laundering and combating financing of terrorism framework;

(viii) The Fund shall not be discharged from its responsibilities upon any delegation or outsourcing arrangement;

(ix) Notwithstanding any delegation or outsourcing agreement, all books and records of the services/transaction delegated or outsourced shall be made available for inspection by the FSC at the latter’s request even though the books and records are kept at the delegate’s office;

(x) The Fund shall at all times have a Management Company as Secretary;

(xi) The Fund will be required to forthwith notify the FSC whenever a resolution for winding up on receipt of a petition for winding up;

(xii) The Board shall devise and set up appropriate corporate governance measures for the sustainability of the Fund and shall review and re-assess these measures from time to time;

(xiii) The Fund shall provide the FSC with:-

(a) The constitutive documents of the scheme, the scheme documentation and the investment plans and the operational agreements concerning the management, custodians, advisors and other participants in the scheme, and inform it of any material charges and modification in the documents;

(b) A copy of any authorization/permission/consent required from any supervisory body in relation to the conduct and implementation of the scheme.
4. FUND MANAGEMENT AND ADMINISTRATION

The operations of the Fund will be structured with the objective of maintaining leading standards of business ethics, corporate governance and transparency of operations, and will be effected through its Board of Directors.

4.1 The Board of Directors

The property, business and affairs of the Fund will be managed and controlled under the direction of the Fund’s Board. The Board will consist of at least three (3) directors who will be Mauritius resident directors and one (1) non-resident director.

The Board will be constituted such that at all times, there will always be a quorum for meetings to be conducted in Mauritius in terms of the Fund’s Constitution.

The Board’s primary function will be direction and supervision of the business and affairs of the Fund. The Board shall meet as often as necessary, but shall meet no less than twice a year, to review the operations, administrative affairs and the investments of the Fund.

Meetings of the Board may also be held by tele-conferencing which will always be checked by one of the directors who is a resident of Mauritius.

The Annual General Meeting of the Fund will be held annually in Mauritius.

The Board may exercise all such powers and do all such acts and things on behalf of the Fund as permitted under Mauritius Law and the Constitution of the Fund. In particular, the Board will be tasked with establishing the investment strategy and policy of the Fund and with undertaking periodic reviews thereof.

4.1.1 Board of Directors

The Board will comprise of 4 members whose names and brief biographies are as follows:

1. Mr. Chetan Jitendra Parikh

Chetan Parikh is a Founder of Jeetay Investments Private Limited, a portfolio management firm registered with SEBI. He holds an MBA in Finance from the Wharton School of Business (where he graduated with distinction in the top 2% of the class) and a BSc in Statistics & Economics from University of Bombay (Economics record holder in Bombay University). He also serves as visiting faculty at Jamnalal Bajaj Institute of Management Studies (University of Bombay) for the MBA course. His writings have been published in Business Standard, Business World, The Economic Times and Business India. His work can also be read at www.capitalideasonline.com. He acts as a guide to the team on business issues with his terrific insight in to businesses as a value investor.
Chetan was rated amongst India’s best investors by Business India magazine. He is also the co-promoter of capitalideasonline.com, a well-regarded investment website. He is currently associated with Jaguar Advisors DMCC.

2. **Mr. Jean-François Legrigore**

He has over 12 years’ experience working in the Global Business sector in Mauritius dealing with set up and day-to-day administration of companies and trust. Jean-François started his career at the local representative firm of Arthur Andersen as a Consultant. He then moved to a medium sized firm involved in providing Management services to clients with interest in Sub-Saharan Africa mainly as well as clients involved in international trading transactions. Jean-François has also been actively involved in advising clients on structuring through Mauritius as well as providing tax and other advice. Jean-François holds a Masters in International Trade and International Affairs from the Toulouse University in France.

3. **Mrs. Manesha Soowamber**

She is the Manager responsible for the accounting department within Globefin Management Services Ltd. She started her career at the representative of Arthur Andersen in Mauritius. She worked for that organization from 2000 to 2005 and during that period she and the team reporting to her, were responsible for the administration and preparation of accounts for a portfolio of clients involved in the Global Business sector in Mauritius. For 3 years subsequently, Manesha was a team leader at Standard Bank Trust in Mauritius within the outsourced business section. In that capacity she was responsible for all the bookkeeping and accounting of all Jersey (Channel Islands) based clients of the Standard Bank Offshore Trust Group. During that period, Manesha was also seconded to the Funds Department of the Standard Bank Group in Jersey where she was responsible for the bookkeeping and preparation of accounts for several client groups of Standard Bank. She also undertook Funds Administration and Accounting roles in Mauritius. Manesha is a Fellow of the Association of Chartered Certified Accountants (UK).

4. **Ms. Ushmah Ramphul**

She holds a degree in BSc (Hons) Accounting with Information Systems from the University of Mauritius and is partly qualified ACCA. Ushmah has over 6 years’ experience in the offshore sector in Mauritius, gained from her previous roles. She joined Trident Trust Company (Mauritius) Ltd. in 2009 and also worked in the Fund department at Cim Fund Services Ltd for 3 years. Ushmah also held the post of Accounts Manager in the offshore sector. She is well versed with the reporting of Financial Statements in compliance with the regulatory framework and has knowledge on Funds’ valuations. Ushmah is currently working as the Fund Accountant at Hypnos Advisers and Managers Limited.
4.2 Administrator, Registrar and Company Secretary

The Administrator is incorporated in Mauritius and is licensed and regulated by the FSC as a Management Company to, *inter alia*, provide company management and administration services to global business companies.

The Fund has entered into an Administration Agreement with the Administrator to act as the Administrator and Registrar, and Company Secretary to the Fund, and to provide administration services to the Fund and on its behalf for each Class of Shares created and that may be created by the Board. The Administrator will perform various administrative, registrar and company secretarial services for the Fund, including:

(i) The day-to-day administration of the Fund and calculation of the Net Asset Value of the Participating Shares of each Class of the Fund on the relevant Valuation Day or such other days as the Directors may determine;

(ii) maintaining the register of Shareholders of the Fund and generally performing all actions related to the issuance and transfer of Participating Shares and the safe-keeping of certificates, if any;

(iii) performing all acts related to the redemption and/or purchase of the Participating Shares;

(iv) maintaining a record of dividends declared, if any, and dividends paid;

(v) on behalf of the Fund, dealing with and replying to all correspondence and other communications addressed to the Fund in relation to the replacement or transfer of Participating Shares;

(vi) providing guidance to the Board relating on its duties, responsibilities and powers;

(vii) informing the Board of all legislation and any operations of the Fund including meetings of the shareholders and the Board;

(viii) ensuring that the minutes of all meetings of shareholders and directors are properly recorded, and that all statutory registers are properly maintained;

(ix) certifying in the annual financial statements, that the Fund has filed with the Registrar of Companies all such returns as are required under the Act;

(x) ensuring the tax filings of the Fund with the tax authorities in Mauritius;

(xi) performing all other incidental services necessary to its duties, which duties shall be set out in the Administration Agreement.

The Administrator shall also be responsible to carry out the due diligence on the investors in the Fund.

The Administration Agreement provides that the Administrator and its affiliates, employees and directors shall not be liable to the Fund or its Shareholders for any act or omission, in the course of, or in connection with, the services rendered by it under the Administration Agreement or for any loss or damage which the relevant Classes of the Fund may sustain or suffer as a result of, or in the course of, the discharge by the
Administrator of its duties pursuant to the Administration Agreement provided that such loss or damage is not occasioned by the gross negligence, wilful default or fraud of the Administrator. The Administrator’s liability in these instances is limited. The Administration Agreement also contains provisions for the indemnification of the Administrator and its affiliates, employees and directors by the Fund for all liabilities, losses, costs or expenses arising in connection with the performance of its services, other than such losses resulting from the gross negligence, wilful default or fraud on the part of the Administrator and its affiliates, employees and directors. The Administrator’s liability in the event of a breach of its contractual duties is limited to the amount of its annual fees and remuneration.

As a result of its other activities, the Administrator may have conflicts of interest in allocating time, services and functions among the Fund and other business ventures. See Section 15 titled “POTENTIAL CONFLICTS OF INTEREST.”

See Section 8 titled “FEES, CHARGES AND EXPENSES” herein for a description of the fees payable to the Administrator pursuant to the Administration Agreement.

4.3 Custody

The Fund is authorised to appoint custodians, brokers, banks, clearing associates, depositaries, future commission merchants, introducing brokers, counterparties and other financial institutions and intermediaries (collectively, the “Custodian”) from time to time, in accordance with the extant applicable laws, including the provisions of the FPI Regulations, and which will be appointed on such terms and conditions as may be agreed upon.

The Fund is not obligated to maintain its relationship with the Custodian for any minimum period of time and may discontinue such relationship and engage a new or additional custodians without further notice to the Shareholders.

Mauritian Bank and Custodian: AfrAsia Bank Limited

AfrAsia Bank Limited (the “Custodian”) will act as custodian for the Fund in Mauritius. The Custodian’s activities in Mauritius comprise of banking, corporate and fiduciary services. The Fund reserves the right, in its discretion, to change the custodian arrangements described above including, but not limited to, the appointment of additional custodian(s).

Indian Custodian: Kotak Mahindra Bank Ltd (KMBL)

Kotak Mahindra Bank Ltd (KMBL) is one India’s leading financial institutions, offering complete financial solutions that encompass every sphere of life. From commercial banking, to stock broking, to mutual funds, to life insurance, to investment banking, to custodial services – the Kotak Group caters to the diverse financial needs of individuals and corporate.
KMBL commenced its custodial services operations in December 2006. As of now there are 270+ custody accounts opened of which 80+ are domestic accounts (includes PMS schemes, AIFs and Venture Capital Funds) and 180+ are foreign accounts which includes FII/ sub-accounts and FDI/ FVCI accounts. Our total assets under custody are over INR 99,000 crores.

The Group, as on March 31 2015, has a net worth of over INR 22,000 crores and employs more than 40,000 people in its various businesses and has a distribution network of branches, franchisees, representative officers and satellite offices across 370 cities and towns in India and offices in New York, London, Dubai, Abu Dhabi, Singapore and Mauritius. The Group Services around 12 million customer accounts.

4.4 Indemnification

The Fund’s Board, and the Administrator, the Manager and their respective officers, directors, employees, agents and representatives are indemnified by the Fund and are exculpated from liability to the Fund and the Shareholders to the fullest extent permissible by law for any actions taken in good faith, provided that the losses to be indemnified or the liability to be exculpated was not the result of gross negligence, wilful misconduct or fraud.

4.5 Conflict of Interest

The services of the Administrator, the Manager and the Directors are not exclusive and each such person is free to render similar services to other persons so long as the services to be performed by it are not impaired thereby and to retain for its own use and benefit all fees or moneys payable thereby. Should a conflict of interest arise in relation to the Fund and the Manager, the Directors will endeavour to ensure that it is resolved fairly.
5. STATED CAPITAL AND INITIAL OFFERING

5.1 The Fund’s Stated Capital

The Fund will have a stated capital which shall consist of the total of all amounts received by the Fund or due and payable to the Fund in respect of the issue of the Management Shares and the Participating Shares issued, and calls thereon. The stated capital will vary upon the issue and redemption of Shares.

The Fund has issued 100 (one hundred) Management Shares of at a price of US$ 1.00 each to the Manager, Jolene Asset Management. The Management Shares of the Fund shall be issued exclusively to such person as may be approved by a resolution of the Board and, save as provided for in the Constitution of the Fund or in the Act, the Management Shares shall be the only Shares of the Fund carrying voting rights.

The Fund intends to issue, from time to time, an unspecified number of non-voting, redeemable Participating Shares. Any Participating Shares issued during the Initial Offer Period will be issued at such price as specified in Section 5.2 below. Any Participating Shares issued after the Initial Offer Period will be issued at the Net Asset Value per Share of the particular Class as on the relevant Dealing Day.

The Fund may, in its sole discretion create different Classes of Participating Shares on such terms and conditions as it deems fit without the consent of or notice to the existing Shareholders and after taking necessary approvals of the FSC and SEBI in prescribed format, if applicable. The exception to this is where the rights attached to any existing Class of Shares are to be varied/affected by the issue of such other Class or Classes of Participating Shares ranking in priority thereto, in which event the consent of the holders of the particular affected Classes will be sought in accordance with the Applicable Law. Each such Class created shall be required to comply with the broad based criteria as prescribed by SEBI or if all Classes have a common portfolio, then, the broad based criteria is to be met by the Fund. In addition, the Fund may, insofar as it is permitted by Mauritian Law, redeem or purchase any Class of the Participating Shares and increase or reduce its stated capital pursuant to its Constitution.

The net proceeds from the sale of a particular Class of Participating Shares will be invested by the Fund in accordance with the Fund’s investment policy. The expenses of offering and issuing the Participating Shares shall be borne by the Fund. See the Section 8 titled “FEES, CHARGES AND EXPENSES”.

5.2 Initial Offering

The Fund proposes to offer an unspecified number of Participating Shares at an initial offer price of US$ 0.01 each during the Initial Offer Period that is to be fully paid-up on subscription.
The minimum initial investment for each investor to any Class of Participating Shares is US$ 100,000. Investments of lesser amounts may be accepted at the sole discretion of the Board provided that this does not breach regulations 78 to 81 of the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, issued under the Securities Act 2005 of Mauritius. The minimum additional subscription shall be US $50,000 or such lower amount as the Directors may determine from time to time.

The terms and the manner of subscription to each additional Class of Shares created by the Board shall be as more specifically set out in the Subscription Agreement. If the subscription fees are payable they will be set out in the Subscription Agreement.

The Company may admit new Shareholders, as of the first business day of each calendar month, on 30 days’ prior written notice to the Company.

5.3 Eligible Investors

Each Shareholder must represent and warrant to the Fund that, inter alia, he/it is a Qualified Holder and has the full power and authority to acquire Participating Shares without violating Applicable Laws. The Fund will not knowingly offer or sell Participating Shares to any investor who is not an Expert Investor or an investor who is resident of India or an investor that uses monies sourced from India for purpose of its investment in the Fund or to whom such offer or sale would be unlawful, or to any investor who, by investing in the Fund, would commit a breach of the laws and regulations relating to the prevention of money laundering in his jurisdiction, or in Mauritius.

5.4 Form of Participating Shares

Participating Shares will be issued in inscribed form. Entry in the Register of Shareholders is prima facie evidence of the title to the Participating Shares.

5.5 Rights Attaching to the Shares

5.5.1 Management Shares

The Management Shares shall have the following rights:

- a. Voting rights in any Meeting;
- b. Management Shares shall not be redeemable;
- c. Right to such dividends as may be declared by the Board, provided that such dividend is paid out of the profits that are attributable to the Management Shares and not attributable to any Class; and
- d. In a winding up the entitlement only to receive an amount equal to its par value in accordance with Article 48 of the Constitution. In the event that there are insufficient assets to enable such payment in full to the holder of the Management Shares, no recourse shall be had to any other assets of the Fund.
5.5.2 Participating Shares

The Participating Shares shall have the following rights:

a. No right to receive notice of any Meeting and no voting rights except in case of a modification or variation of rights of that specific Class;

b. Shall be entitled to such distributions as may be declared by the Board;

c. In a winding up the rights set out in Article 48 of the Constitution; and

d. Participating Shares will be redeemable at the option of the Shareholder or the Fund.

The rights, privileges and liabilities of a holder of Participating Shares shall be in relation to the specific Class of Participating Shares he holds, and to no other Class.

5.6 Procedure for Applications

Subscription for Participating Shares may be made during the Initial Offer Period at an initial offer price of US$ 0.01 nominal value each. After the Initial Offer Period has expired in respect of the relevant Class of Participating Shares, the relevant Class of Participating Shares may be subscribed to at the Net Asset Value per Share on the relevant Dealing Day and subject to the terms contained in this PPM for that Class of Participating Shares and the corresponding Subscription Agreement.

Upon acceptance by the Fund of the application during the Initial Offer Period, the Shareholder shall be allotted such number of fully paid up Class of Shares that shall be equal to the Shareholder’s investment, net of all bank charges, divided by the initial offer price per Participating Share.

In the event of applications for Participating Shares after the Initial Offer Period, the Shareholder shall be allotted such number of fully paid up Class Shares that shall be equal to the Shareholder’s investment, net of all bank charges, divided by the Net Asset Value per Share on the relevant Dealing Day.

Application for Participating Shares should be made by completing and signing the Subscription Agreement, and additional subscriptions by existing Shareholders post their initial subscription, should be made by completing and signing the Additional Subscription Form. The Subscription Agreement or the Additional Subscription Form, as the case may be, should then be emailed or faxed to the Administrator at the address listed in the Directory, at least 7 Business Days prior to the relevant Dealing Day or such shorter period as may be decided by the Directors of the Fund, from time to time. Cleared funds must be received in the Fund’s bank account at least 5 Business Days prior to the relevant Dealing Day.

Payment for Participating Shares must be effected by wire transfer only to the bank account detailed in the relevant Subscription Agreement.
The Fund has the right to accept or reject (in whole or part) any application for Participating Shares. In case the application is rejected, the applicant will be informed, without any reason being ascribed and any application monies received by the Fund will be returned without payment of interest and net of all bank charges and any other outgoings in respect thereto, by wire transfer to the applicant’s bank account, at the applicant’s risk and expense. Applicants should be aware of the risks associated with sending faxed applications and that the Administrator accepts no responsibility for any loss caused due to the non-receipt of any email or fax.

Duly completed original applications received and accepted by the Dealing Day are unconditional and irrevocable. Shares will be held in inscribed form and a confirmation will be sent to the applicant upon receipt of cleared funds, the properly completed Subscription Agreement /Additional Subscription Form and acceptance of such funds by the Fund. Applications received less than 2 Business Days prior to a Dealing Day or a shorter period, as may be decided by the Directors of the Fund, from time to time, will be held in an account and treated as an application for the next Dealing Day. Payment may also be made in cash equivalents and securities, subject to the approval of the Directors.

Applicants subscribing for a Class of Shares are advised that the Participating Shares are issued subject to the provisions of the Fund’s Constitution, the terms and conditions in this PPM, and the provisions of the Subscription Agreement.

As part of the Fund’s and the Administrator’s responsibility for the prevention of money laundering, the Fund and/or the Administrator shall require a detailed verification of the applicant’s identity and the source of payment for the Participating Shares.

The Fund and/or the Administrator reserves the right to request such information as it considers necessary to verify the identity of the applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Fund and/or the Administrator may refuse to accept the application and all subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided.

No Redemption Request will be entertained unless the original Subscription Agreement/Additional Subscription Form is received by the Administrator. Shareholders should be aware of the risks associated with sending documentation in this manner and that the Administrator will not be held responsible in the event of non-receipt of any documents sent by email or fax.

**Sharing of Confidential Information**

In the Subscription Agreement, each Shareholder agrees that the Fund, or the Administrator may disclose to each other or to any regulatory body in any jurisdiction, including jurisdictions outside of the U.S. or the European Economic Area, copies of the
Shareholder’s Subscription Agreement and any information concerning the Shareholder provided by the Shareholder to the Fund, or the Administrator. No such disclosure will be treated as a breach of any restriction on the disclosure of information imposed on such person by law or otherwise.

5.7 Procedure for Redemptions

Participating Shares shall be redeemed in accordance with Applicable Law (Companies Act 2001 of Mauritius (Act No. 15 of 2001)), the Constitution and in accordance with the procedures set out in this PPM, unless otherwise specified in the relevant Subscription Agreement for each Class. Only fully paid up Participating Shares may be redeemed. Partial redemption of Shares may also be effected.

Subject to any lock-in period Shares may be redeemed at the request of a holder of such Shares at a Redemption Price per Share determined by reference to the Net Asset Value per Share (after deduction of any applicable redemption fee and accrued Performance Fees) as of the Dealing Day upon at least thirty (30) Business Days or such other notice period as may be determined by the Directors from time to time. Shares will be redeemed in US Dollars, except in the case of a suspension of calculation of the Net Asset Value (when redemptions will be delayed), all redemption requests will, save at the discretion of the Directors be irrevocable. There is normally a single price for the issue and redemption of Shares (i.e. Net Asset Value per Share). However, at the time of redemption, if the price of the Share and the total amount of the transaction cannot be determined because the NAV has not been calculated as yet, the Redemption Price will be based on an estimated value of the Share pending the final determination. When the calculation of the NAV is final, the Administrator may re-adjust the number of Shares in the Class following any over/under payment of the estimated Redemption Price. The Directors may in exceptional circumstances adjust the redemption proceeds in the interest of fairness among shareholders. Prior written notice to the Administrator in the form of the Request for Redemption attached to this PPM, unless redemptions have been suspended and subject to certain restrictions. Such notice will not be accepted unless in writing sent either by (i) mail or (ii) fax (with the original to follow by mail) to the following address:

Jasmine India Fund
C/o Globefin Management Services Ltd
1st Floor, Anglo-Mauritius House,
Intendance Street, Port-Louis, Mauritius
Email : jasmineindiafund@globefin.mu
Fax : + 230 2086258

If a shareholder holds Shares acquired on more than one subscription date at the time of a request for the redemption of any Shares, then the amount of such redemption shall be allocated among all Shares held on a “first-in, first-out” basis by reference to the respective subscription dates for such Shares. Shares also may be redeemed at such other times on such terms and conditions as the Directors, acting in their sole and absolute discretion, may decide. Redemption requests received by the Administrator less than the specified notice period prior to the relevant Dealing Day will be deemed deferred until the end of the next
relevant Dealing Day and at the Redemption Price applicable on that particular day. Neither the Fund nor the Administrator will accept any responsibility for any loss as a result of the non-receipt of any redemption request sent by facsimile transmission. Where a redemption request is sent by facsimile transmission, the Fund may not release the redemption proceeds to the redeeming shareholder until such time as the original redemption request and Subscription Agreement is received by the Administrator.

The redemption request should quote the Shareholder Account Number, the number and class of Shares the Shareholder wished to redeem and the name in which the Shares are registered. If Shares are held in certificated form, the Share Certificate together with the duly signed redemption instruction (which includes the instruction on the reverse of the Share Certificate) must be received by the Administrator on/prior to the relevant Dealing Day.

The Administrator may issue provisional contract notes confirming the details of the redemption such as the date and time of the transaction, the title and class of the share, the number of shares redeemed, the price paid/received, the estimated value of the share and transaction, the stamp duty if any and the amount of commission charged by it.

Where the Directors or the Manager decides to recommend the winding up of the Fund, the Fund will commence liquidation of its holdings in order to partially or fully redeem all outstanding Shares prior to the formal commencement of winding up proceedings.

Redemption requests, once received, are irrevocable unless the Directors, in their sole and absolute discretion, after consultation with the Administrator, allow an investor to withdraw a redemption request. The minimum redemption amount is US$ 25,000 and no redemption that applies to less than all of a shareholder’s Shares can result in the shareholder owning Shares after giving effect to the redemption with an aggregate Net Asset Value of less than US$ 100,000 unless such requirement is waived by the Directors. If the number of the Shares to be redeemed is not specified, a redemption request will be assumed to apply to all the Shares held by that shareholder.

The maximum Net Asset Value of Shares that may be redeemed on any monthly redemption date is 20% of the Net Asset Value of the Fund, unless such limitation is waived by the Directors in their sole discretion. In the event that timely requests for redemption as of any particular monthly redemption date are received by the Administrator with respect to Shares having an aggregate Net Asset Value of more than 20% of the Net Asset Value of the Fund, the Fund may limit the redemption of Shares to 20% of the Net Asset Value of the Fund. Each redeeming shareholder’s redemption request will be decreased pro rata based on the ratio of the Net Asset Value of the Shares requested to be redeemed by such shareholder to the aggregate Net Asset Value of all Shares requested to be redeemed on such monthly redemption date. The remainder of each such shareholder’s redemption request will be deferred until the next monthly redemption date, when redemptions will be subject to the same limitation. Unless redemptions have been suspended or redemption payments have been delayed, an initial redemption payment will
generally be made within Ten (10) Business Days of the applicable redemption date in an amount equal to 70% of the Net Asset Value of the redeemed Shares determined as of the end of the month immediately preceding the month during which such redemption date falls. Unless redemptions have been suspended or redemption payments have been delayed, the remaining balance will generally be paid within thirty (30) Business Days after completion of the statutory audit. In the event that the Net Asset Value of the redeemed Shares as of such redemption date is less than the amount previously paid to a redeeming shareholder with respect thereto, the shareholder will be obligated to refund the difference between the Net Asset Value of the redeemed Shares and the amount of redemption payment received. All redemption proceeds will be paid in U.S. Dollars as by wire transfer to an account held in the name of the shareholder from which the subscription price was paid. Prospective shareholders should be aware that the relevant redemption price will be based on unaudited accounts.

At the time of each redemption of any Participating Shares, the Fund as a whole would have to meet the Solvency Test. In the event that the Fund does not meet the Solvency Test, then redemption of Participating Shares of a particular Class would not be possible. The Fund will satisfy the Solvency Test under the Act where the Fund is able to pay its debts as they become due in the normal course of business and the value of its assets is greater than the value of its liabilities.

**Exchange Rules**

Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for the Fund to liquidate positions and, accordingly, could expose the Fund to losses. Similarly, the Directors have the right to suspend or limit redemptions when, in their opinion, the Fund's net assets are not sufficiently liquid to fund redemptions.

**Distributions/Redemptions in Cash or Kind**

The Fund is not required to distribute cash or other property to the Shareholders, and the Fund does not intend to make any such distributions. Notwithstanding the foregoing, the Fund may, in its discretion, settle redemptions in-kind.

**5.8 Compulsory Redemptions and Key Man Event policy**

The Directors have the right to require a compulsory redemption of some or all of the Participating Shares of any Class held by a Shareholder at the price per Participating Share equal to the then prevailing Net Asset Value per Share of the relevant Class, at any time and for any reason, in accordance with the Constitution.

In particular, the Directors may compulsorily redeem in the following circumstances:

a. if such Shareholder either no longer qualifies as a Qualified Holder or has failed to comply with any anti-money laundering requirements in Mauritius or abroad;
b. if any law has been passed renders it illegal or, in the reasonable opinion of the Directors, impracticable or inadvisable to continue the Company;

c. if in the reasonable opinion of the Directors, the holders continued shareholding would for any reason cause the Company any regulatory, pecuniary, legal, taxation or administrative disadvantage; or

d. if such Shareholder has requested a partial redemption which would cause the aggregate holding owned by such Shareholder following such redemption to decline below the minimum holding as was applicable to such Shareholder (if any) or below the minimum holding applicable to that Class (if any).

Compulsory redemptions will be made at the Net Asset Value per Share of the relevant Class within two (2) Business Days of such notice issued to the Shareholder, at the discretion of the Directors.

A “Key Man Event Date” will be deemed to occur as of the date on which the investment advisors appointed by the Fund’s Manager are discharged from their duties and/or responsibilities, for any reasons.

Shareholders will be notified in writing of the occurrence of a Key Man Event Date as soon as practicable, and in any event within two (2) Business Days of such Key Man Event Date. Notwithstanding any other provision of this PPM to the contrary, in connection with the occurrence of a Key Man Event Date, Shareholders shall be entitled to redeem some or all of their Participating Shares, and shall make such election by submitting notice thereof to the Fund as soon as practicable after receiving notice of the Key Man Event Date. The Fund shall take all reasonable steps to liquidate investments for the purpose of satisfying redemption requests submitted pursuant to this provision in a manner that is most favourable to redeeming Shareholders. The redemption proceeds shall be fully paid to the Shareholder as soon as reasonably practicable, but in any event no later than 30 calendar days after the Fund’s receipt of the Shareholder’s redemption notice under normal circumstances. For the avoidance of doubt, there shall be no fees or penalties associated with a redemption following a Key Man Event Date, and redemption fees, if any, will not apply in connection with the distribution of such proceeds.

5.9 Temporary Suspension of Dealings and Valuation

The Fund’s Constitution provides that the Directors, acting unanimously, may declare a temporary suspension of the determination of the Net Asset Value of a Class or Classes and the sale, allotment, issue or redemption of the Participating Shares in the events set out under Article 19 of the Constitution.

5.10 Determination of Net Asset Value

Under the overall supervision and direction of the Directors, the Administrator will calculate the Fund’s Net Asset Value, the Net Asset Value of each Class and the Net Asset Value per Share of each Class, in each case, as of the relevant Valuation Day. The Net Asset Value of each Class shall be the value of all the assets less all the liabilities
attributable to that Class. Where the Fund has created a Sub-Series, the Net Asset Value and Net Asset Value per Share shall be calculated in relation to that Sub-Series as if reference herein to a Class was reference to a Sub-Series.

The assets of the Fund will be valued in accordance with International Financial Reporting Standards.

The assets of each Class shall be deemed to include:

a. all cash in hand, on loan or on deposit, or on call including any interest accrued thereon, owned or contracted for by the Fund on behalf of the Class concerned;
b. all bills, demand notes, promissory notes and accounts receivable, owned or contracted for by the Fund on behalf of the Class concerned;
c. all bonds, time notes, shares, stocks, debentures, debenture stock, subscription rights, warrants, futures, options and other investments and securities owned or contracted for by the Fund on behalf of the Class concerned other than rights and securities issued by it;
d. all stock and cash dividends and cash distributions to be received by that Class and not yet received by it but declared payable to stockholders on record on a date on or before the day as of which the Net Asset Value of that Class is being determined;
e. all interest accrued on any interest-bearing securities owned by that Class except to the extent that the same is included or reflected in the principal value of such security;
f. all other Investments of the Class;
g. the expenses of the Class in so far as the same have not been written off; and
h. all other assets of the Class of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.

The assets of each Class shall be valued as follows:

a. securities traded on a stock exchange or other regulated market are to be valued generally at the last known traded price or last traded price quoted on the relevant exchange or market on the relevant Valuation Day;
b. unlisted equity securities will be valued initially at cost and thereafter with any reduction or increase in value (as the case may be) as the Directors shall in their discretion deem appropriate in the light of the circumstances;
c. unlisted securities (other than equities) for which there is an ascertainable market value are to be valued generally at the last known transacted price or last transacted price dealt on the market on which the securities are traded on the relevant Valuation Day;
d. unlisted securities (other than equities) for which there is no ascertainable market value will be valued at cost plus interest (if any) accrued from purchase to (but excluding) the relevant Valuation Day plus or minus the premium or discount (if any) from par value written off over the life of the security;
e. any value otherwise than in US dollars shall be converted into US dollars at the market rate (whether official or otherwise) which the Directors shall in their discretion deem
appropriate to the circumstances having regard inter alia to any premium or discount which they consider may be relevant and to the costs of exchange;

f. the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such deduction or discount as the Directors may consider appropriate to reflect the true value thereof;

g. the value of units or other security in any unit trust, mutual fund, investment corporation, or other similar investment vehicle or collective investment scheme shall be derived from the last prices published by the managers thereof on the relevant Valuation Day;

h. notwithstanding the foregoing, the Directors may permit some other method of valuation to be used if they consider that such valuation better reflects the fair value; and

i. for the purpose of valuing the assets of the Class as aforesaid the Directors may with due care and in good faith rely upon the opinions of any persons who appear to them to be competent to value assets of any class or classes by reason of any appropriate professional qualification or of experience of any relevant market.

Notwithstanding the foregoing, where at the time of any valuation any asset of the relevant Class has been realised or contracted to be realised there shall be included in the assets of the Class in place of such asset the net amount receivable by the Class in respect hereof provided that if such amount receivable is not payable until some future time after the time of any valuation the Directors may make such allowance as they consider appropriate.

The liabilities of the Class shall be deemed to include all its liabilities and such provisions and allowances for contingencies (including tax) payable by the Class but not liabilities represented by Participating Shares of another Class of the Fund. In determining the amount of such liabilities, the Directors may calculate any liabilities of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

The Net Asset Value per Share in a Class shall be calculated by dividing the Net Asset Value of the Class by the number of Participating Shares in issue in that Class rounding off the resultant amount to the nearest four decimal places.

Any calculations made pursuant to these provisions shall be made by or on behalf of the Directors and shall (except in the case of manifest error) be binding on all persons.

None of the Directors, the Fund or the Administrator shall be liable for any loss or damage caused to any person, where any price or valuation, used in good faith in connection with the above procedure and methodology of valuation, proves to be an incorrect or an inaccurate estimate or inaccurate determination of the price or value of any part of the property of the Fund.
5.11 Registration and Transfer of Shares

Shares are issued in inscribed form and the Fund shall not issue bearer shares. The Company Secretary will maintain a Register of Shareholders, containing the names and addresses of the Shareholders of each Class for the previous seven (7) years, and the Company Secretary’s entry in the share register is prima facie evidence of ownership of such Shares. Certificates representing Shares will only be issued upon written request by the Shareholder to the Administrator.

Shareholders of the Fund may not sell, transfer or assign any interest in the Fund without the prior written consent of Directors of the Fund. The Directors have absolute discretion as to whether or not to permit a transfer of a Shareholder’s interest in the Fund. Any permitted transfers of Shares must be made by instruments in writing in the statutory form and are permitted only in exceptional circumstances and with the prior written consent of the Directors, which consent may be withheld at the discretion of the Directors without the need for assigning any reason. Any transferee of Shares is required to furnish the same information and complete the same documents that would be required in connection with a direct subscription including, without limitation, being required to complete a Subscription Agreement, in order for a transfer application to be considered by the Directors. In case of violation of applicable ownership and transfer restrictions, the Directors may decline to recognise and register any transfer of Shares.
6. INVESTMENT POLICY

6.1 Investment Objective and Strategy

The Fund, through each Class of Participating Shares, shall invest in accordance with the general investment policy and investment objectives described herein for such Class and in accordance with the Applicable Law.

6.1.1 Investment Objective and Strategy

The Fund will principally invest in publicly traded Indian securities and seek to maximize investor capital with a margin of safety by investing in (i) high quality, free cash flow generating businesses at reasonable prices or (ii) securities trading at values materially lower than their fair values. Thus the objective would be to achieve high absolute rates of return while minimizing risk of permanent capital loss.

The Fund will have a diversified portfolio of equities and equity derivatives, listed, quoted or traded on any stock exchange or over the counter (OTC) market (subject to applicable laws/requirements) primarily but not restricted to India and neighbouring Asian countries and through investment in American Depository Receipts (ADRs) and/or Global Depository Receipts representing securities of Indian/Asian companies.

The assets of the Fund, as stated earlier, will be invested principally but not restricted to equity and debt securities and equity related instruments such as convertible bonds and warrants listed on one or more stock exchanges in India or elsewhere.

The Fund may also invest in securities of listed companies on non Indian exchanges that are materially affected by the growth and development of the Indian economy. However the Fund may also invest in neighbouring Asian countries including, but not limited to, Nepal, Sri Lanka or Bangladesh.

The Fund may also invest in rated and unrated bonds and other fixed interest securities, commodities, currencies, money market instruments, options and futures and other derivatives including but not limited to these instruments. Additionally, the Fund may also invest in precious metals such as gold which may include the actual commodity.

The portfolio is expected to consist primarily of listed equity and equity related securities including ordinary and preference shares, convertible shares, warrants and options to purchase or sell ordinary or preference shares. Investment may also be made in shares of collective investment schemes, including closed-ended funds. Investments may also be made in companies which conduct a significant proportion of their business in India, but whose shares are listed elsewhere and in Global Depository Receipts.

The Fund may also, subject to Indian regulations, invest in unlisted securities issued by the types of Fund described above.
Subject to Indian regulations and consents, the Fund’s investments in India may also take the form of partnerships, management participations, joint ventures and other forms of non-corporate investments, although no such investments are currently anticipated.

The Fund may leverage its capital when the Manager believes that the use of leverage may enable the Fund to achieve a higher rate of return without taking undue risk. The Fund seeks to invest primarily in instruments which, in its view, have reasonable liquidity but may also invest in less liquid instruments, but only where forecast returns on a given situation are deemed by it to be high relative to those available in more liquid instruments. The Fund may pledge its assets in order to borrow additional funds. The Fund may also deploy its capital with options, futures contracts, short sales, swaps, forwards and other derivative instruments.

The Fund will seek to limit its gross exposure through borrowing and leverage to 200 per cent of the total net asset value of the Fund.

The Fund may also utilize hedging techniques as opportunities dictate, so as to seek a reduction of risk.

There can be no guarantee that the Fund will achieve its investment objectives.

6.1.2 Investment Policy

The Directors have overall responsibility for investment policy and authority to select service providers, pursuant to which the Fund has entered into the Management Agreement with the Manager, who has been given the responsibility to manage the assets of the Fund in accordance with the investment strategy set out in this section.

The Fund will employ research-based, fundamentals driven stock selection process. The investment universe will be largely Indian high quality listed companies with free cash flow generating characteristics. An attempt would be made to buy such companies at a discount to their conservatively determined intrinsic value, although such discounts may not be always available, in which case the purchase of a high quality business would be made at a fair price. The rest of the investment universe would be opportunistically arrived at from mid-cap companies trading at significant discounts to intrinsic worth. The attempt in all cases would be to understand the reasons for the market's mispricing and the likelihood of the mispricing being corrected. This is in consonance with the investment objective of attaining returns whilst minimizing the chances of permanent capital loss.

The investment horizon is three to five years. The belief is that short-term market movements can be volatile and that the market may recognize mispricing only in the medium to long term. Hence the emphasis would be on understanding the corporate strategy and the resultant cash flows from a three to five year perspective.
The Fund Manager will not limit its investment to certain sectors. The Fund Manager shall evaluate any sector or asset class where a conservative estimate of intrinsic value is determinable with a reasonably high probability and will invest if the security is available with a reasonable margin of safety. The Fund Manager will have an investment committee comprising of 2 persons, Mr Chetan Jitendra Parikh and Ms. Ushmah Ramphul and shall rely on experts to give market information.

The research team shall undertake extensive work to arrive at estimates of expected cash flows, asset values and earnings.

The research team shall source information from public databases, quarterly and annual filings, meetings with managements, competitors, vendors and other industry participants, industry experts, trade journals, brokers and bankers. The Fund believes that a disciplined approach to investing with a margin of safety will deliver consistently above average returns and safeguard against permanent loss of capital irrespective of the state of the market.

6.1.3 Investment Methodology

The Fund believes that the following steps are essential ingredients of the investment process:

1. Opportunity Identification: The research team shall identify opportunities through a number of ways. The team has numerous models and screens to filter investment opportunities within the framework of the investment philosophy. The team has enormous contacts and professional relationships. This gives the team many opportunities consistent with the investment philosophy.

2. Analysis: The research team shall undertake intensive financial and qualitative analysis on companies once an opportunity is identified. The research team has substantial experience in determining the intrinsic value of companies across sectors. Multiple valuation metrics including discounted cash flow analysis, price to earnings, dividend discount model, price to sales, price to book, price to replacement cost of assets and comparative analysis are used to arrive at the valuation of the investment opportunities.

Other than financial analysis, the team extensively meets associates of the Company to understand the opportunity better. These include vendors, customers, middle management, bankers, competitors, large stakeholders and senior management. This would help the team arrive at a more accurate estimate of intrinsic value and also exit an investment if unfavourable events arise or the team’s original calculation of intrinsic value is wrong.

3. Investment Allocation: Once the intrinsic value is arrived at, the Fund Manager shall decide on the allocation which the security will have in the Fund. While no single security usually accounts for more than 15 per cent of the Fund, the Fund Manager
shall reach the allocation based on a host of factors including liquidity, valuation, catalysts and predictability of terminal value.

Depending on the valuation of the broader market, a call would be taken between cash and equity allocation. Shorting will rarely be done, except in special situations.

6.1.4 Investment Committee

The Investment Committee will be responsible for making all investment recommendations, which recommendations will be presented to the Board of Directors of the Fund who will have responsibility for making all investment decisions. Specifically, the Investment Committee will:

1. Originate and Recommend potential investments to the Fund;
2. Scrutinise and evaluate all proposed investments and divestments;
3. Advise on the management of the investment portfolio.

The Investment Committee will meet at such frequency as may be deemed appropriate and such meetings will primarily be held in or chaired from Mauritius.

The members of the Investment Committee shall initially comprise of Mr. Chetan Jitendra Parikh and Ms. Ushmah Ramphul. Other members may be added from time to time following a decision of the Board of the Fund.

6.1.5 Investment Process

Investors must recognize that there are inherent limitations on all descriptions of investments due to the complexity, confidentiality and subjectivity of such processes. In addition, the description of virtually every strategy must be qualified by the fact that investment approaches are continually changing, as are the market conditions of the jurisdictions invested in by the Fund. Finally, it shall be in the sole discretion of the Fund to pursue additional strategies to meet the Fund’s investment objective.

6.2 Borrowing of Cash and Securities and Certain Loans

The Fund shall only borrow temporarily if required to fund redemption requests. No other borrowings shall be made by the Fund unless approved by the Board.

After giving effect to any borrowing transaction, the outstanding amount of all borrowings of the Fund must neither exceed 200 per cent of the Fund’s NAV at the time of the borrowing nor be outstanding for more than thirty days, unless specified otherwise.

As at the date of this Memorandum, the Fund has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and
liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

6.3 Plan of Distribution and Use of Proceeds; Cash Equivalents

The net proceeds of the offering contemplated in this PPM will be invested in the manner and in accordance with the policies set forth in this Section. The Fund may, without limitation, hold cash or invest in cash equivalents for short-term investments. In the event that the Board determines that there is not sufficient good value in any securities suitable for investment of the Fund’s capital, all such capital may be held in cash and cash equivalents.

6.4 Investment restrictions

The Board of Directors may from time to time specify the investment restrictions, or amend the existing investment policy, as may be considered necessary or desirable for the efficiency of the operations of the Fund or for any Class of investments or for effecting the strategy of investments of any Class or for conforming to regulatory restrictions. The Fund’s investments may be further constrained by any restrictions in Applicable Laws including any applicable Indian regulations.

Different restrictions may be imposed by the Board of Directors in respect of different Classes of Participating Shares based on the risk profile and investment strategy of each Class.

The Board shall from time to time assess the investment policies and objectives of the Classes, and shall have the authority to change the investment policies and objectives with a view to improving the potential returns to the investors over the life of the respective Classes and to comply with Applicable Law. The Fund shall keep the investors informed of any material change in the investment objectives and policies from time to time.

Changes in the investment portfolio of the Fund will not have to be effected merely because of breach of any of the limits of the Fund as a result of any appreciation or depreciation in value, sale of a security, redemption or by reason of the receipt of any right, bonus or benefit in the nature of capital or of any scheme or arrangement for amalgamation, reconstruction or exchange or by reason of any other action affecting every holder of the relevant investment.
7. DISTRIBUTIONS

It is the intention of the Board not to make distribution of net income by way of dividends in the normal course. Net income will, therefore, effectively be reflected in Net Asset Value. However, the Directors may declare dividends with respect to any Class of Participating Shares in their discretion. Any such dividends declared may reduce the NAV of that Class of Participatory Shares. Any dividends, repayments or other money payable in cash in respect of the Participating Shares may be paid by telegraphic transfer to the bank account from which the subscription monies originated, unless otherwise agreed to by the Board. No payments shall be made to third party bank accounts.
8. FEES, CHARGES AND EXPENSES

Below is a summary and overview of the costs, charges and expenses that may be incurred by the Fund.

8.1 Organisation and Establishment Expenses

The Fund will treat its organisational costs and expenses in accordance with the International Financial Reports Standards (“IFRS”), the internationally recognized accounting standards adopted by the Fund. The Fund and for each Class of Shares issued, will be responsible for all of the necessary expenses of its establishment and operation including, without limitation, fees in respect of borrowed moneys, the cost of maintaining the Fund’s registered office, the Fund’s registrar of companies fees, licence fees, brokerage commissions, legal and auditing expenses, secretarial, accounting, fund administration, income tax, investment-related consultants and other service provider expenses, investment related travel costs, expenses incurred with respect to the preparation, duplication and distribution to the Shareholders and prospective Shareholders of Fund offering documents, annual reports and other financial information and similar ongoing operational expenses. Fees and expenses that are identifiable with a particular Class will be charged to that Class in computing its Net Asset Value. Other fees and expenses will be charged to the Fund as a whole or otherwise in the discretion of the Board.

8.2 Management Fees

8.2.1 Management Fees

The Fund shall charge (and which shall be attributable to the Management Shares, and which shall be distributed, subject to the solvency test, to the holders of the Management Shares), in relation to each Class, a Management Fee.

The Fund will pay a monthly management fee in arrears to the Manager of 1.5% per annum of the NAV as at the relevant Valuation Day. The Management Fees shall be payable in U.S Dollars.

8.2.2 Performance Fees

Over and above the Management fees, The Manager may be entitled to receive a fee (a “Performance Fee”) which shall depend upon the performance of the Class Shares of the Fund. The Performance Fee is calculated for each Share Class and is charged on a Share by Share Basis with a view that each Share is charged a Performance Fee depending upon its performance. The main purpose behind this method of calculation is to check and make sure that:

(i) any Performance Fee paid to the Manager is charged only to those Shares which outperformed the Adjusted Base Net Asset Value;
(ii) all Shareholders within the same Share Class have the same amount of capital per Share at risk in the Fund; and

(iii) all Shares of the same Share Class have the same Net Asset Value per Share.

In order to calculate the Performance Fee for each Share Class, each period of twelve months ending on the last Dealing Day in each fiscal year (a “Calculation Period”) shall be considered.

The first Calculation Period for each Share Class will be the period that starts on the Business Day immediately following the Dealing Day on which the Net Asset Value is first calculated for the Share Class (the “First Dealing Day”) and shall come to end on the last Dealing Day of the fiscal year in which the First Dealing Day occurs (the “First Calculation Period”).

With respect to each Calculation Period for each Class Share, a Performance Fee equal to 15 per cent of the amount, if any, by which the performance of the Net Asset Value per Share during that period has gone beyond the Base Net Asset Value as at the end of the previous Calculation Period, as increased by the Hurdle shall be received by the Manager.

A Performance Fee as determined for each Share Class in respect of a Calculation Period shall be payable notwithstanding any losses experienced by the Fund or the Share Class in any subsequent Calculation Period.

In the event of termination of the Subscription Agreement before the last Dealing Day in any fiscal year, it shall be deemed that the date of the termination were the end of the Calculation Period and the Performance Fee for each Share Class in respect of the then-current Calculation Period will be calculated and paid accordingly.

Any redemption of Class Shares by a Shareholder before the closure of a Calculation Period shall result in crystallisation of the Performance Fee so attributable to these Shares and the said fee shall be paid to the Manager by deducting the Performance Fee due, out of the redemption proceeds payable to the redeeming Shareholder.

In the event of a redemption occurring during a Calculation Period, or if a Calculation Period is less than one full year, the Hurdle being an annualised figure, will apply relative to the duration of the relevant period. Further, the Hurdle will also apply relative to the duration of the relevant period in making adjustments arising from equalization (as described below).

The Hurdle applies distinctly to each Calculation Period and shall not be cumulative across Calculation Periods.

As mentioned above, the Hurdle Performance shall be non-cumulative and it shall be applicable only to the relevant Performance Period. Thus it is clear that the Performance Fee shall not be payable if the increase in the Net Asset Value per Share of a Hurdle Share
Class for a Performance Period is less than the Hurdle Performance for the relevant Performance Period and such underperformance will not be adjusted with subsequent Performance Periods.

**Adjustments arising from equalisation**

In the event of a Shareholder subscribing for a Class Share and the Net Asset Value per Share of the relevant Share Class is other than the Base Net Asset Value as increased by the Hurdle for the applicable Dealing Day (the “Adjusted Base Net Asset Value”) for that Share Class, the following adjustments shall be carried out in order to reduce the prejudices that could otherwise result to the Shareholder or to the Manager and further this would ensure that Performance Fee is applied fairly across all Shareholders in that Share Class without considering their entry and exit from the Fund.

**A. Equalisation Deficit** If the subscription of the Shares of a Share Class takes place at a time when the Net Asset Value per Share of that Share Class is less than the Adjusted Base Net Asset Value of that Share Class, the difference between the Net Asset Value per Share at the date of subscription (the “Subscription Net Asset Value”) for the Share Class and the Adjusted Base Net Asset Value for such Share Class shall be considered and accounted as an equalisation deficit (“Equalisation Deficit”). In such an event, a shareholder shall pay a Performance Fee for any subsequent relative appreciation in the Net Asset per Share of those Shares above the Subscription Net Asset Value as increased by the Hurdle for the relevant Calculation Period that reduces such Equalisation Deficit and also any relative appreciation of the Net Asset per Share of those Shares above the Adjusted Base Net Asset Value.

For any relative increase in the value of those Shares that reduces the Equalisation Deficit, the Performance Fee will be charged when the relevant Calculation Period(s) ends and a sufficient number of the Shareholder’s Shares of the relevant Share Class shall be redeemed as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 15 per cent of the Equalisation Deficit extinguished (a “Performance Fee Redemption”). A performance fee shall be paid to the Manager from the Fund by taking into account the aggregate Net Asset Value of the Class Shares so redeemed. The main object and purpose behind employing the Performance Fee redemption is to ensure that Fund maintains a Uniform Net Asset Value per share for each Share Class. For Shareholder’s remaining Shares of the Share Class, any relative appreciation in the Net Asset Value per Shares of those Shares above the Adjusted Base Net Asset Value of that Share Class will be charged a Performance Fee in the normal manner described above.

**B. Equalisation Credit** If a subscription is made by a Shareholder for a share at a time when the Net Asset Value per Share of that Share Class is greater than the Adjusted Base Net Asset Value of that Share Class, the Shareholder will be required to pay an amount in excess of the Subscription Net Asset Value per Share of that Share Class (“Equalisation Credit”). The objective behind paying Equalisation Credit is to account for the fact that the Subscription Net Asset Value per Share of that Share Class has been reduced to reflect an
accrued Performance Fee to be borne by existing Shareholders of the same Share Class as at the date of subscription and serves as a credit against Performance Fees that might otherwise be payable by the Share Class but that should not be charged to the Shareholder making the subscription because they have not benefited from favourable performance in relation to such Shares. For calculating ‘Equalisation Credit’, 15 per cent of the difference between the Subscription Net Asset Value per Share of the Share Class before accrual for the Performance Fee and the Adjusted Base Net Asset Value of that Share Class, which is equivalent to the Performance Fee per Share accrued with respect to the other Shares of that Share Class shall be taken into account.

The maximum Equalisation Credit for each Shareholder on any Dealing Day is the Equalisation Credit payable on the date of subscription plus the Hurdle (as applied since the date of subscription) as of that Dealing Day (the “Maximum Equalisation Credit”).

The additional amount invested as the Equalisation Credit will be at risk in the Fund and shall vary according to the performance of the Share Class subsequent to the issue of the relevant Class Shares but shall in no event exceed the Maximum Equalisation Credit.

In the event of Net Asset Value per Share of the Share Class subsequently depreciating below the Subscription Net Asset Value per Share of such Share Class as increased by the Hurdle for the relevant Calculation Period (the amount of such depreciation being the “Depreciation Amount”), an amount equal to 15 per cent of the Depreciation Amount (calculated before accrual for the Performance Fee) shall be liable to be deducted from Equalisation Credit.

If there is any relative appreciation in the Net Asset Value per Share of the Share Class subsequently, any reduction in the Equalisation Credit made earlier shall be recaptured and adjusted, but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

While closing each of the Calculation Period, if the Net Asset Value per Share is more than the Adjusted Base Net Asset Value of the Share Class, such portion of the Equalisation Credit equal to 15 per cent of such excess as multiplied by the number of Shares of Class Shares subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Share Class for the Shareholder at the Net Asset Value per Share. Until the Equalisation Credit (as it may have appreciated or depreciated in the Fund after the original subscription for Shares of that Share Class was made) has been fully applied, additional Shares of the Share Class will continue to be subscribed for in this way at the end of each Calculation Period.

If there is any further relative appreciation of the value of the Shares above the Adjusted Base Net Asset Value of that Share Class, then a Performance Fee will be charged in the normal manner described above.
If before the Equalisation Credit has been apportioned fully a Shareholder redeems its Class Shares, then such Shareholder shall be entitled to receive additional redemption proceeds equal to the Equalisation Credit then remaining, multiplied by a fraction, the numerator of which is the number of Class Shares being redeemed and the denominator of which is the number of Class Shares held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

8.3 Directors’ remuneration

(a) Each Director will receive a fixed annual fee for serving in such capacity. The fee will be paid by the Fund. The Directors shall be entitled to reimbursement from the Fund for all reasonable out-of-pocket expenses incurred by them in the discharge of their obligations as a director of the Fund.

(b) Any Director may also act in a professional capacity as provided for by law and he or his firm will be entitled to be remunerated for such services.

8.4 Fees of the Administrator

For performing and supervising the performance of corporate and administrative services necessary for the operation and administration of the Fund and for acting as Registrar and Company Secretary, the Administrator will receive its customary monthly fee for each Class. This fee will be paid monthly in arrears.

The Administrator will also be reimbursed for all reasonable out-of-pocket expenses agreed to in advance with the Fund.

8.5 Placement Fees

The Directors have the right to appoint placing agents and/or sub-distributors, relating to placement of Participating Shares to bring about a wider distribution of the Participating Shares. Such intermediaries shall be entitled to a Placement Fee and which may be payable upfront and be borne by the Investors. The Placement Fees shall be upto 1% of the NAV on a one time basis.

8.6 Redemption Fee

The Fund shall not charge any Redemption Fee on any redemption of any Class Shares i.e. the Redemption Fee is Nil.

8.7 Appointment and Fees of the Investment Advisor

The initial investment advisor of the Fund shall be Jeetay Investments Private Limited and shall be appointed by the Fund’s Manager. The investment advisor will receive a Fee which shall be paid by the Manager.
8.8 Other Fees and Operating Expenses

The Fund will bear all other expenses incidental to its operations and business, including

(i) fees and charges of custodians;
(ii) fees and charges of stockbrokers;
(iii) interest and commitment fees on loans and debit balances;
(iv) income taxes, withholding taxes, transfer taxes and other governmental charges and duties;
(v) fees of the Fund’s Administrator, legal advisers and independent auditors;
(vi) Directors’ fees and expenses;
(vii) the cost of maintaining the Fund’s registered office;
(viii) the cost of printing and distributing this PPM, any other marketing cost and any subsequent information memorandum or other literature concerning the Fund and subscription materials and any reports and notices to Shareholders;
(ix) postage, telephone and facsimile expenses;
(x) consultant and other services provider expenses deemed desirable in the sole discretion of the Directors;
(xi) the costs incurred in connection with any listing of the Shares, if such listing is deemed desirable by the Shareholders;
(xii) Bank change(s) and remittance charge(s);
(xiii) Currency hedging charges, if any;
(xiv) the cost of insurance premiums (if any), including, without limitation, the cost of director and officer liability insurance policies;
(xv) the Fund’s annual registration fee and licence fee payable to the registrar of companies and FSC, respectively; and
(xvi) all similar ongoing operational expenses.

Each Director of the Fund who is not an officer or employee of the Administrator or related companies may receive fees from the Fund for serving in such capacity. All Directors will receive reimbursement of reasonable travel (provided such travel is undertaken at the request of the Fund and the costs are agreed in advance with the Fund) and other reasonable costs incurred in connection with their services. The other fees and operating expenses referred to above that are identifiable with a particular Class will be charged against that Class in computation of its Net Asset Value. Other fees and expenses will be apportioned between all the Classes in such manner as the Directors in their discretion deem just and equitable.
9. TAX CONSIDERATIONS

9.1 Taxation

The taxation of income and capital gains of the Fund and of Shareholders is subject to the fiscal laws and practices of Mauritius, countries where investments are envisaged by the Fund and of the jurisdiction in which Shareholders are resident or otherwise subject to tax. The provisions under any applicable double taxation treaty may also be relevant. The following summary of certain relevant tax provisions is based on current law and practice and does not constitute legal or tax advice. The relevant tax provisions are subject to change.

Prospective investors should consult their own professional advisers on the relevant taxation considerations applicable towards acquisition, holding and disposal of Participating Shares and the receipt of distributions. The Fund, it’s Directors, the Administrator, and their advisers accept no responsibility for any loss suffered by any investor as a result of current, or changes in, taxation law and practice.

9.2 Mauritius Tax Considerations

The Fund

The Fund holds a GBC 1 licence and as a tax resident is governed by the Income Tax Act 1995. Under the current tax laws, the Fund shall be taxed at 15% in Mauritius on its net chargeable income. However, the Fund will be allowed a credit for foreign tax on its foreign source income against its tax liability. If no written evidence is presented to the Director General of the Mauritius Revenue Authority ("MRA") showing the amount of foreign tax charged, the amount of foreign tax will nevertheless be conclusively presumed to be equal to 80% of the Mauritius Tax chargeable with respect to that income resulting in an effective tax rate of 3%.

Currently, no capital gains tax is payable in Mauritius in respect of the Fund's realised investments. Dividends and redemption proceeds paid by the Fund to the Shareholders would be exempt in Mauritius from any withholding tax. As the Fund meets all the prerequisites for the issue of a Tax Residence Certificate ("TRC") and its investments will principally be undertaken in India, the Fund has sought and expects to obtain a TRC issued by the Director General of MRA to accede the Mauritius Treaty. The TRC when issued will be valid for a period of one year and is renewable annually provided the Fund adheres to the undertakings that the Board has given to the FSC and the MRA.

There can, however, be no assurance that the Mauritius Treaty will continue to be in full force and effect during the existence of the Fund or that the Fund will continue to enjoy the benefit of the tax treaties.
Shareholders

Shareholders will not be subject to any form of Mauritian tax on redemption of Participating Shares and payment of dividend by the Fund.

9.3 India Tax Considerations

9.3.1 Taxation of investors in India

Investors who are considered as non-residents in India for tax purposes will not be subjected to Indian taxation on gains realised from withdrawals from the Fund provided that the proceeds are paid outside India. Investors will also not be subjected to Indian wealth tax on their Capital Contribution.

9.3.2 Taxation of the Fund in India

The Indian tax implications for the income earned by the Fund from Indian portfolio companies are set out below. The implications are based on the presumption that the Fund could have income in the form of capital gains, dividends and interest. The Indian Income-tax Act, 1961 contains special provisions for Foreign Portfolio Investors (FPI). The Fund is expected to register in India as an FPI and would therefore be entitled to the special tax provisions.

Income

a) Dividends paid by an Indian company on which Dividend Distribution Tax ("DDT") has been paid are exempt from tax in the hands of the shareholders. Thus, any dividends distributed by the Indian portfolio companies will not be subjected to tax in India in the hands of the Fund, provided DDT at the rate of 15% (plus applicable surcharge and education cess) on the distributable surplus is paid as per the provisions of section 115-O of the Indian Income-tax Act, 1961. Similarly, income distributed on units of mutual funds is also not taxable in India in the hands of unitholders. Certain types of funds are required to pay DDT while other types of funds are not required to pay DDT. In either case, the unitholder does not have any tax liability in respect of the income received from the mutual fund.

b) Interest received before 1st July 2017 in respect of borrowing under a loan agreement or on long-term infrastructure bonds made in foreign currency will be taxed at an effective rate of 5% (plus applicable surcharge and education cess).

c) Interest received before 1st July 2017 on rupee denominated bonds of an Indian company or on government securities will also be taxed at an effective rate of 5% (plus applicable surcharge and education cess).
d) Any other Interest will be taxed at an effective rate of 20% (plus applicable surcharge and education cess).

e) Capital Gains

The treatment of capital gains for Indian tax purposes depends on whether or not the Tax Treaty applies, and where it does not apply, the treatment varies between the different classes of investors.

Where the Tax Treaty applies, capital gains resulting from the sale of Indian securities (whether listed or unlisted) including shares on conversion of foreign currency convertible bonds, sale of shares underlying Global Depository Receipts (GDRs) issued by Indian companies and transactions in derivatives will not be subject to tax in India.

If the Tax Treaty does not apply, the treatment for the Fund being an FPI is as follows:

i. Capital gains from sale of equity shares and equity oriented units on which STT has been paid and held for a period of more than 12 months would be exempt from tax.

ii. Capital gains from sale of non-equity oriented units held for a period of more than 36 months would be liable to tax @ 10% (plus applicable surcharge and education cess).

iii. Capital gains from sale of equity shares and equity oriented units on which STT has been paid and held for a period of not more than 12 months would be liable to tax @ 15% (plus applicable surcharge and education cess).

iv. Capital gains from sale of non-equity oriented units held for a period of not more than 36 months would be liable to tax @ 30% (plus a 2% surcharge on the amount of tax plus a 3% education cess on the total of the tax and surcharge).

v. Derivative Instruments are considered at par with other securities and the tax treatment on transfer of derivatives would be as given in above clauses.

The amount of tax is calculated on the gross amount of interest without reducing the expenses incurred, if any.

The purchase and sale of equity shares, units of equity oriented funds and the sale of derivatives on a recognised stock exchange in India and the sale of units of equity oriented fund to the Mutual Fund will be subject to a Securities Transaction Tax (“STT”) as discussed in para 9.3.4 below.

9.3.3 Minimum Alternate Tax

Under the provisions of the Indian Income Tax Act (“ITA”), where the tax liability of a company is less than 18.5% of its book profits (including long-term capital gains arising on the sale of equity shares or units of equity oriented funds on a recognised stock exchange in India or sale of units of equity oriented fund to the Mutual Fund, on which STT has been paid, which are otherwise not taxable), the company is liable to pay Minimum Alternate Tax (“MAT”) at 18.5% (plus applicable surcharge and education cess). The difference
between the MAT and the tax under the normal provisions of the ITA is allowed as a credit to be set-off against tax under the normal provisions of the ITA for a period of 10 years.

Previously, there was a debate whether these provisions will apply to a foreign company not having a permanent establishment in India. In the amendments made by the Finance Act, 2015 it is clarified that the MAT provisions will not be applicable to the capital gains of a foreign company (which would include an FPI) from transactions in securities.

9.3.4 Securities Transaction Tax

The Fund will be liable to pay STT on the purchase and sale of equity shares, units of equity oriented funds and on the sale of derivatives where such transaction is entered on a recognised stock exchange in India and on the sale of units of equity oriented fund to the Mutual Fund. STT is levied on the transaction value at the following rates:

a. 0.1% on the delivery based purchase of equity shares in a company and nil for units of equity oriented funds on a recognised stock exchange in India;

b. 0.1% on the delivery based sale of equity shares in a company and 0.001% for units of equity oriented funds on a recognised stock exchange in India;

c. 0.025% on the sale of equity shares in a company or units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled otherwise than by the actual delivery or transfer of shares or unit;

d. 0.001% on the sale of units of equity oriented fund to the Mutual Fund;

e. 0.010% on the sale of futures on a recognised stock exchange in India;

f. 0.017% on the sale of an option in securities;

The amount of STT paid is not allowable as a deduction while computing capital gains.

9.3.5 Characterisation of income

With effect from 1st April 2014, any Indian security held by an FPI would be classified as capital asset and accordingly the gains/losses from the disposal of such assets would constitute capital gains/loss in their hands. These investors would not be considered to have business income as far as transactions in securities are concerned.

9.3.6 Stamp Duty

The Shares of the Fund would not be liable to stamp duty in India. The transfer deed for
shares of the Indian companies purchased by the Fund may be liable to applicable stamp duty in India (i.e. on the share certificates) if the same are not in dematerialized form.

9.3.7 General Anti-Avoidance Rule (GAAR)

GAAR had been first introduced in the Direct Tax Code in 2009. Thereafter, the Direct Tax Code has been abandoned but after several amendments, the said provisions have been introduced into the Income-tax Act, 1961 and would come into force from Financial Year 2017-18. The objective of GAAR is to prevent abuse of tax treaties and other provisions for the purpose of evading taxes in India.

The regulation will allow Indian tax officials to deny tax benefits to tax payers if a transaction is found to be without any commercial purpose other than tax avoidance. The GAAR provisions are untested as they have not yet come into force. As and when the same come into force, it is possible that the Indian tax authorities may examine the structure of the Fund with a view to ruling out the possibility of the investors / promoters using the Fund to avoid/evade tax liability in India through the favourable tax treaty between India and Mauritius or in any other manner. Investors may consult their tax advisors in order to understand the GAAR provisions in detail and how the same would impact their investment in the event that they are applied by the Indian tax authorities to the Fund’s investment in Indian securities.

Prospective investors are urged to consult their own tax advisors with respect to their own tax situations and the tax consequences in respect of their investment in the Funds.
10. LEGAL AND REGULATORY CONSIDERATIONS

Mauritius

10.1 General

The Fund was incorporated in the Republic of Mauritius as a public company with limited liability under the laws of the Republic of Mauritius. It holds a Category 1 Global Business Licence issued by the FSC and expects to obtain a tax residence certificate from the Mauritius Revenue Authority. The Fund’s objects, as set out in its Constitution, include the making of investment business. The choice of Mauritius as the preferred jurisdiction was reached after considering its economic and political stability and its business friendly environment. Mauritius also has excellent links with Africa and Asia in particular with India. Its booming financial services sector provides an optimum environment for foreign investment and is an appropriate jurisdiction for pooling funds of various potential investors in the Fund due to convenience, comfort and accessibility including time zone management.

Exchange control laws and regulations have been suspended in Mauritius since 1994 and in any case, the Fund is a Global Business Company and therefore not subject to any exchange control restrictions in Mauritius. Any payments made to or by the Fund are therefore not restricted by the exchange control regulations.

However, the Fund will have to comply with the exchange control regulations of the countries where the investments are envisaged.

10.2 Anti-Money Laundering

Mauritius

To ensure compliance with the Financial Intelligence and Anti-Money Laundering Act 2002 and the Code on the Prevention of Money Laundering and Terrorist Financing (“Code”) issued by the FSC, the Administrator will require an applicant for Participating Shares to provide certain information and documents for the purpose of verifying the identity of the applicant, the source of funds and obtain confirmation that the application monies do not represent directly or indirectly, the proceeds of any crime. The request for information may be reduced where an applicant is a regulated financial services business based in Mauritius or in an equivalent jurisdiction (i.e. subject to the supervision of a public authority) or in the case of public companies listed on recognized stock exchanges, as set out in the Code.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided. Investors should note specifically that the
Administrator reserves the right to request such information as may be necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds will be paid. Redemption proceeds will not be paid to a third party account.

Each applicant for Participating Shares acknowledges that the Administrator shall be held harmless against loss arising as a result of a failure to process or delay in processing an application for Participating Shares or redemption request if such information and documentation as requested by the Administrator has not been provided in full with sufficient detail by the applicant.

The Administrator may, at any time, request such additional information as may be required to comply with the Fund’s reporting obligations in Mauritius and abroad.

India

10.3 General

Certain Indian governmental approvals, including approvals from SEBI or the central government may be required before the Fund can make investments in accordance to its investment policy. The Fund already has FPI registration, being the primary requirement for making investment in Indian listed debt and equity securities. The Fund will operate under Indian laws and securities regulations. If policy announcements or regulations are made subsequent to this offering, which require retrospective changes in the structure or operations of the Fund, these may adversely impact the performance of the Fund.

Any investigations of, or actions against the Fund initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment activities of the Fund.

10.4 Foreign Investment - Overview

Foreign investors may invest in Indian companies through a variety of avenues.

Regulatory bodies

Several entities regulate foreign investment in India, including the Reserve Bank of India (“RBI”); the Ministry of Commerce and Industry; the Ministry of Finance; the Foreign Investment Promotion Board (“FIPB”), which is an entity within the Ministry of Finance and the Securities and Exchange Board of India (“SEBI”). The RBI issues many of the most important regulations applicable to Shareholders pursuant to the Foreign Exchange Management Act, 1999 (“FEMA”), and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident outside India) Regulations, 2000 (the “FEMA Regulations”).
Avenues of foreign investment

Foreign investments in Indian companies are governed by the Government of India’s policy on foreign investment (the “Foreign Investment Policy”), and by Indian exchange control regulations as set out under the Foreign Exchange Management Act, 1999, (the “FEMA”), as amended from time to time, the regulations and notifications made thereunder.

Foreign investment is classified into (a) FDI and (b) FPI.

10.5 Foreign Direct Investments

The Fund may, choose to, in future, invest in India under the foreign direct investment (“FDI”) route.

The Government of India, pursuant to its liberalization policy, set up the Foreign Investment Promotion Board (“FIPB”) to regulate all FDI into India. FDI means investment by way of subscription and/or purchase of securities of an Indian company by a non-resident investor. FIPB approval is required for investment in certain sectors, such as petroleum (other than refining), defence and strategic industries and for investment in certain other circumstances. Also, the following investments would require the prior permission of the FIPB:

* investments in excess of specified sectoral caps;
* investment being more than 24% in the equity capital of units manufacturing items reserved for small scale industries; and
* investment in industries for which industrial licensing is compulsory.

The Government has indicated that in all cases where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of Indian companies.

The Government has set up the Foreign Investment Implementation Authority (“FIIA”) in the Department of Industrial Policy and Promotion. The FIIA has been mandated to (i) translate FDI approvals into implementation, (ii) provide a pro-active one-stop after care service to foreign investors by helping them obtain necessary approvals, (iii) sort out operational problems and (iv) meet with various Government agencies to find solutions to foreign investment problems and maximizing opportunities through a partnership approach.
10.6 Investment by FPIs

**Background**

The provisions governing portfolio investment in an Indian company are set out in Schedule 2 of the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 under the Portfolio Investment Scheme (“Portfolio Investment Scheme”). The FPI Regulations replace the existing SEBI (Foreign Institutional Investor) Regulation, 1995 (FII Regulations) and the Qualified Foreign Investors (QFI) framework, and the same are effective from January 7, 2014.

**Who is an FPI**

An FPI has been defined to mean a person who satisfies the prescribed eligibility criteria and has been registered under FPI Regulations. All existing FIIs and QFIs are to be merged into one category called FPI.

**Registration**

- FPI registration is to be undertaken and granted by Designated Depository Participants (DDPs) on behalf of SEBI.
- Registration is to be granted within 30 days of application, subject to requisite information being provided.
- Registration will be permanent unless suspended or cancelled.

**Categories of FPI**

- Category I FPIs include Government and Government-related investors such as central banks, Governmental agencies, sovereign wealth funds and international or multilateral organizations or agencies.
- Category II FPIs include:
  - appropriately regulated broad based funds such as mutual funds, investment trusts, insurance/reinsurance companies;
  - appropriately regulated persons such as banks, asset management companies, investment managers/advisors, portfolio managers;
  - broad based funds that are not appropriately regulated but whose investment manager is appropriately regulated. However, the investment manager of such broad based fund should be registered as a Category II FPI and should undertake that it shall be responsible and liable for all acts of commission and omission of all its underlying broad based funds and other deeds and things done by such broad based funds under these regulations.
− university funds and pension funds; and

− university-related endowments already registered with SEBI as FIIs or sub-accounts.

• Category III FPIs include all others not eligible under Category I and II FPIs such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.

**Broad-based Fund**

“Broad based fund” has been defined to mean a fund, established or incorporated outside India, which has at least twenty investors, with no investor holding more than forty-nine percent of the shares or units of the fund. Provided that if the broad based fund has an institutional investor who holds more than forty nine percent of the shares or units in the fund, then such institutional investor must itself be a broad based fund.

For ascertaining the number of investors in a fund, direct investors as well as underlying investors shall be considered. Only investors of entities which have been set up for the sole purpose of pooling funds and making investments shall be considered for the purpose of determining underlying investors.

**Investment conditions and restrictions**

Portfolio Investment Scheme an FPI may purchase the shares or convertible debentures or warrants of an Indian company through registered brokers on registered stock exchanges in India and subject to certain conditions and ceilings acquire shares/ convertible debentures through offer/ private placement. However, the total holding of an FPI cannot exceed 10 percent of the total paid up equity capital or 10 percent of the paid up value of each series of convertible debentures issued by an Indian company and the total holding by all the FPIs cannot exceed 24 percent of paid-up equity capital or paid up value of each series of debentures. Shares or convertible debentures acquired both through the primary as well as the secondary market need to be taken into consideration while computing the ceiling on holdings of an FPI, however, the ceiling will not include investment made by an FPI through offshore funds, global depository receipts and Euro convertible bonds.

With effect from February 03, 2015, FPIs are only permitted to invest in corporate bonds with a minimum residual maturity of three years. FPIs shall not be permitted to invest in liquid and money market mutual fund schemes. There will be no lock-in period for such investments; FPIs are permitted to sell the securities to domestic investors.

**Types of securities:**

A foreign portfolio investor shall invest only in the following securities, namely:
- Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India;
- Units of schemes floated by a collective investment scheme;
- Derivatives traded on a recognized stock exchange;
- Treasury bills and dated government securities;
- Commercial papers issued by an Indian company;
- Rupee denominated credit enhanced bonds;
- Security receipts issued by asset reconstruction companies;
- Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time;
- Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector;
- Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as ‘Infrastructure Finance Companies’ by the Reserve Bank of India;
- Rupee denominated bonds or units issued by infrastructure debt funds;
- Indian depository receipts; and
- Such other instruments specified by the Board from time to time.

**Debt Securities:**

The expression “debt securities” shall include dated Government securities, commercial paper, treasury bills, listed or to be listed corporate debt, units of debt oriented mutual funds, unlisted non-convertible debentures / bonds in the infrastructure sector, security receipts issued by asset reconstruction companies or any other security, as specified by the Board from time to time. There are overall limits prescribed for investment in debt securities, depending on nature of security (i.e. government or otherwise) and an FPI can invest in debt securities only after applying or bidding for these limits, depending on its availability. There may be cost attached to bidding these limits (auction of limits is undertaken after 90 percent of overall debt limits in that category is exhausted), which is factor of demand and supply. The debt allocation mechanism that is in place for FIIs / QFIs will also be followed for FPIs. There is time limit of 15 days to utilize the limits applied / bid and time limit of 5 days for reinvestment of limits applied / bid.

**General Obligations and Responsibilities**

- The FPI shall:
  - comply with the provisions of SEBI (Foreign Portfolio Investor) Regulations 2014, as far as applicable;
  - as and when required, submit any information, record or documents in relation to activities carried out;
  - subject itself to Indian laws, rules, regulations and circulars issued from time to time;
- in case of any changes in structure or beneficial ownership of FPI, bring to the same to the notice of its DDPs;
- abide by the specified code of conduct;
- report the transactions entered on a daily basis;
- not render any investment advice about any security in the public accessible media, unless a disclosure of his interest including long or short position in the said security has been made while rendering such advice;

- Every FPI shall maintain and preserve the true and fair books of accounts, records and documents and shall intimate to its depository, the location where the same are maintained.

- Every FPI shall preserve the aforesaid books of accounts, records and documents for the minimum period of five years.

- FPI board may *suo moto* or on receipt of any complaint from one or more person, appoint an inspecting authority to undertake the inspection of books of accounts, records and documents.

*Offshore Derivative Instruments (ODIs)*

- An FPI that is regulated and registered as Category I or Category II FPI can issue ODIs to entities that are regulated by appropriate foreign authority (i.e. any person that is regulated / supervised and licensed by a foreign central bank or by a securities or futures regulator in any foreign country or state.

- An FPI shall issue ODIs only to those subscribers which do not have opaque structure(s), as defined under FPI Regulations and after full compliance of KYC norms.

- FPI Regulations clarify that investment restrictions applicable to FPIs shall also apply to ODI subscribers. For this purpose, two or more ODI subscribers having common Beneficial Owner (BO) shall be considered together as a single ODI subscriber, in the same manner as is being done in the case of FPIs. Further, where an investor has investments as FPI and also holds positions as an ODI subscriber, these investment restrictions shall apply on the aggregate of FPI investments and ODI positions held in the underlying Indian Company. In other words, the investment as FPI and positions held as ODI subscriber will be clubbed together with reference to the said investment restrictions.

- FPIs which issue ODIs shall put in place necessary systems to ensure compliance with applicable law and make periodic filings, as prescribed, with SEBI.
10.7 Takeover Code

Under the provisions of the Takeover Code, any acquirer (meaning a person who, directly or indirectly, acquires or agrees to acquire shares or voting rights in a company or acquires or agrees to acquire control over a company, either by himself, or through, or with any person acting in concert) who acquires aggregating to 5% or more of the shares of a listed public Indian company is required to notify to the company at its registered office and each of the stock exchanges on which the shares of such company are listed about its aggregate shareholdings and voting rights within two (2) days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition of shares or voting rights.

Furthermore, the acquirer holding 5% or more of the shares or voting rights in a company is required to inform the company at its registered office and the stock exchange about any change in its holdings representing 2% or more of the shares or voting rights of the company within two days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition or disposal of shares or voting rights.

Upon the acquisition of 25% or more of shares having voting rights, or an acquisition of control of the company (by himself or by persons acting in concert with him), whether direct or indirect, the purchaser / acquirer is required to make an open offer to the other shareholders offering to purchase at least 26% of all the outstanding shares of the company at a minimum offer price as determined pursuant to the provisions of the Takeover Code. Further, under the provisions of the Takeover Code, any existing shareholder of a listed public Indian company, holding 25% or more but less than maximum permissible non-public shareholding in the company is entitled to acquire an additional 5% of the shares or voting rights of the company in any financial year ending March 31, without making a public offer for such an acquisition. Provided such additional acquisition of shares or voting rights shall not exceed the maximum permissible non-public shareholding in the company. For purposes of determining the quantum of acquisition of additional voting rights of 5% gross acquisitions alone shall be taken into account regardless of any intermittent fall in shareholding or voting rights whether owing to disposal of shares held or dilution of voting rights owing to fresh issue of shares by the company.

The Takeover Code also defines indirect acquisition or control. This is defined as the ability to exercise or direct the exercise of voting rights which would otherwise attract the obligation of making a public announcement of an open offer. The threshold point for such indirect control or ability to control is where the proportionate net assets or sales turnover or market capitalization of the target company as a percentage of consolidated net assets value or sales turnover or enterprise value for the entity or business being acquired, respectively, is in excess of 80% on the basis of recent audited financial statements. In such a case, such indirect acquisition would be deemed to be a direct acquisition of the target company for the purposes of the Takeover Code and the obligations relating to timing, pricing and other compliance requirements for the open offer relating to direct acquisition shall apply accordingly.

The open offer for the acquisition of a further minimum of 26% of shares of the company
or such other percentage as prescribed under the Takeover Code has to be made by way of a public announcement on the date of agreeing to acquire shares or voting rights in, or control over the company.

**Mandatory offer:** The initial trigger for a mandatory offer under the Takeover Code 2011 is the entitlement to exercise 25% of the voting rights in a target company (“**Initial Trigger**”). Shareholders holding between 25% and 75% of a target company are now able to consolidate their shareholding by way of a 5% acquisition in each financial year. This 5% acquisition may be made through negotiated transfers, preferential allotments or on market transactions. The calculation of the 5% limit will be by way of an aggregation of the gross acquisitions.

**Voluntary Offer:** The Takeover Code 2011 provides a distinct regime for voluntary offers to public shareholders. Only existing shareholders holding between 25% and 75% of the voting rights in a target company are permitted to make a voluntary offer to the public shareholders (“**Voluntary Offer**”). All acquirers holding less than 25% will need to acquire shares in the target company on the stock exchanges or under a negotiated agreement and trigger the mandatory offer obligations set out above. The minimum offer size of the voluntary offer is 10% and the maximum is such that the aggregate shareholding of the acquirer does not exceed 75%.

**Delisting:** In cases where an acquisition results in the public shareholding in the target company being reduced to below the limits specified in the listing agreement entered into with the stock exchanges by the company at the time of listing, any further acquisition of shares of such company must comply with the Delisting Regulations. The Takeover Code specifies distinct delisting threshold limits for companies whose initial listing requirement of minimum public shareholding was 25% and those for which it was 10%, thereby providing distinct “Delisting Thresholds” of 75% and 90%, respectively. If the shares acquired in the tender offer do not cause the acquirer to breach the applicable Delisting Threshold, then no delisting or divesting is required. If purchases made pursuant to the required tender offer cause the acquirer to breach an applicable Delisting Threshold, the target company has to come back into compliance with the applicable Delisting Threshold within the time period specified in the Delisting Regulations.

However, no company can be shall apply for and no recognised stock exchange shall permit delisting of equity shares of a company, (a) pursuant to a buyback of equity shares by the company; or (b) pursuant to a preferential allotment made by the company; or (c) unless a period of three years has elapsed since the listing of that class of equity shares on any recognised stock exchange; or (d) if any instruments issued by the company, which are 4 convertible into the same class of equity shares that are sought to be delisted, are outstanding. Additionally, irrespective of any acquisition of shares (such as through indirect takeovers), no acquirer may take control of a target company unless it has first made a tender offer to acquire a specified percentage of the shares in such company in accordance with the Takeover Code 2011. The Takeover Code 2011 provides that an acquirer whose shareholding exceeds the maximum permissible non-public shareholding, pursuant to an open offer under the Takeover Code 2011, shall not be eligible to make a
voluntary delisting offer under the Delisting Regulations, unless a period of twelve months has elapsed from the date of the completion of the offer period.

The Delisting Regulations set out the framework for: (i) voluntary delisting (i.e., where a company seeks to delist its equity shares from any or all of the recognised stock exchanges on which its shares are listed); and (ii) compulsory delisting (i.e., where a recognised stock exchange orders the delisting of the equity shares of a company on any ground prescribed in the rules promulgated pursuant to the Securities Contract (Regulation) Act, 1956, as amended, or any successor thereto). The important changes introduced by the Delisting Regulations include:

(i). The voluntary delisting of equity shares requires the approval of the Board of Directors and at least 2/3 of the public shareholders of the company; and
(ii). In the event of a successful delisting, the remaining public shareholders may tender their shares at the delisting price discovered through the “reverse book building” process within a period of one year from the date of delisting and the escrow account of the Promoter can only be closed after the expiration of this one-year period.

As per Regulation 21 of the Securities Contracts (Regulation) Rules, 1957 (inserted by the Securities Contracts (Regulation) (Amendment) Rules, 2008, w.e.f. 10.06.2009), the Government has set out the grounds on which the equity shares of a company may be compulsorily delisted by a recognised stock exchange. The grounds include, inter alia: (i) the company having incurred losses during the preceding three consecutive years and having a negative net worth; and (ii) trading in the securities of the company having been suspended for a period of more than six months.

10.8 Insider Trading

The Indian Insider Trading Regulations prohibit an insider from dealing, either on its own behalf or on behalf of any other person, in the securities of a company listed on any stock exchange when in possession of unpublished price sensitive information. The insider is also prohibited from communicating, counselling or procuring any unpublished price sensitive information while in possession of such information. Regulation 2(g) of the Indian Insider Trading Regulations defines “insider” as any person who (i) is a connected person or (ii) is in possession of or having access to unpublished price sensitive information. Regulation 2(n) defines “unpublished price sensitive information” as information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to information related to the following: (i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, demergers, acquisitions, delistings, disposals and expansion of business and such other transactions; (v) changes in key managerial personnel; and (vi) material events in accordance with the listing agreement. “Connected person” means (i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with
its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access; (ii) the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established: (a) an immediate relative of connected persons specified in clause (i); or (b) a holding company or associate company or subsidiary company; or (c) an intermediary or an employee or director thereof; or (d) an investment company, trustee company, asset management company or an employee or director thereof; or (e) an official of a stock exchange or of clearing house or corporation; or (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or (g) a member of the board of directors or an employee, of a public financial institution; or (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or (i) a banker of the company; or (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest.

Every promoter, key managerial personnel and director of every company whose securities are listed on any recognized stock exchange, shall disclose his holding of securities as specified in the Indian Insider Trading Regulations.

Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

On a continuing basis, Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified. Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

10.9 **Money Laundering**

The Prevention of Money Laundering Act, 2002 (the “PMLA”), which came into force on 1 July 2005, embodies India’s legislative commitment to the elimination and prevention of money laundering. The main objects of PMLA are (i) the prevention and control of activities concerning money laundering and (ii) the confiscation of property derived or involved in money laundering.
Under the PMLA, a person is guilty of an offence of “money laundering” if that person “directly or indirectly attempts or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming as per PMLA (Amendment) Act 2012 it as untainted property”. The term “proceeds of crime” has been defined under the PMLA to mean property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to an offence listed in the schedule to the PMLA.

Pursuant to the coming into force of the PMLA and the rules enacted thereunder, an FPI is required to maintain a record of all transactions having value of more than Rupees one million. An FPI is also required to appoint a principal officer who is obligated to report suspicious transactions and cash transactions above Rupees one million to the director of the Financial Intelligence Unit set up by the Ministry of Finance. Further, in terms of the relevant rules, FPIs are required to formulate and put in place an anti-money laundering policy based on the guidelines issued by SEBI in this regard. Accordingly, the Fund may furnish such information to SEBI or RBI as may be necessary for it to fulfil its obligations under the PMLA and rules including provision of any information as may be sought by the Financial Intelligence Unit. By subscribing to the Fund, the investors consent to the disclosure by the Fund and/or the Administrator and/or the Fund Manager of any information about them, to the Financial Intelligence Unit and regulators in India including SEBI and RBI, upon request, in connection with money laundering and similar matters under PMLA.

The Prevention of Money Laundering (Amendment) Bill, 2013 received Presidential assent on January 3, 2013. The amendment act proposes to enlarge the definition of ‘money-laundering’ to include concealment, acquisition, possession and use of proceeds of crime as criminal activities and to remove the existing limit of INR 500,000 in fine. It provides for attachment and confiscation of the proceeds of crime even if there is no conviction so long as it is proved that money-laundering has taken place and the property in question is involved in the crime. It proposes sweeping changes to the PMLA to introduce procedures relating to attachment and confiscation of property to give greater powers to the investigating agencies to prevent money laundering. The Government is also likely to bring in more reporting entities and a new category of offences with cross-border implications. The changes are in line with recommendations of the Global Financial Action Task Force, an inter-governmental policy-making body, with a mandate to establish international standards for combating money laundering and terror financing.

THE ABOVE IS ONLY A BRIEF AND GENERAL SUMMARY OF VARIOUS LEGAL AND REGULATORY CONSIDERATIONS AND CONSEQUENCES IN MAURITIUS AND INDIA. THE LEGAL AND REGULATORY PROVISIONS SUMMARISED ABOVE MAY UNDERGO CHANGES FROM TIME THIS PPM IS PRINTED. INVESTORS ARE URGED TO CONSULT THEIR OWN ADVISORS IN THIS REGARD.
11. ACCOUNTS AND INFORMATION

The Fund’s fiscal year end is 31st December.

The annual meeting of the Shareholders of the Fund shall be held every year at the registered office of the Fund or at any other place in Mauritius as may be specified by the notice of the meeting. However it is to be noted that Participating Shares have no right to receive notice of any Meeting and no voting rights except in case of a modification or variation of Class rights.

Special meetings of Shareholders shall be in accordance with the Constitution of the Fund at such time and place in Mauritius as may be specified by the notice of the meeting.

Notice of any Meeting of Shareholders shall be mailed by registered letter to each registered Shareholder entitled to receive notice of the Meeting, at least 14 days prior to the meeting or sent by electronic means and would be taken to have been received by the Shareholder on the date that it is transmitted.

Shareholders will be sent a copy of the Fund’s annual report and audited financial statements, prepared in accordance with IFRS, within 90 days of the end of the period to which they relate and not less than 14 days before the annual meeting. Semi-annual report and unaudited financial statements for the Fund may be sent to Shareholders within 90 days of the end of the period to which they relate.
12. RISK FACTORS

Investment in the Fund entails a high degree of risk and could result in substantial losses. Therefore, investment in the Fund should only be undertaken by investors of substantial means who can withstand a loss of their entire investment and are capable of evaluating and bearing such risks. Prospective investors should give careful consideration to the following risk factors and must rely upon their own examination, and ability to understand the nature of this investment, including the risks involved, in evaluating the merits and suitability of an investment in the Fund. The Fund cannot provide assurance that it will be able to achieve its investment objective or that investors will receive a return of their capital or returns thereon. The Fund is a highly speculative investment and is not intended as a complete investment program. It is designed only for persons who are able to risk losing their investment in the Fund and who have limited need for liquidity. Further, investment results may vary substantially on a quarterly or annual basis.

The following does not purport to be a comprehensive summary of all of the risks associated with an investment in the Fund. Additional risks and uncertainties not presently known to the Fund, or that it currently deems immaterial, may also have an adverse impact on the Fund’s prospects and business. The following are only certain risks to which the Fund is subject and that the Board wishes to encourage prospective investors to discuss in detail with their professional advisers. If any of the following risks actually occur, the business, financial condition or operations of the Fund could be materially adversely affected, the market price of the Participating Shares could decline and investors could lose all or part of their investment in the Participating Shares.

New Enterprise; Potential of Loss

The Fund is an enterprise with no operating history. Accordingly, an investment in the Fund entails a high degree of risk. There can be no assurance that the Fund will achieve its investment objective or that the strategies described herein will be successful. Given the factors that are described below, there exists a possibility that an investor could suffer a substantial loss as a result of an investment in the Fund.

Investments in Listed Securities

The Fund will make investments in listed securities. The fluctuation in the market price of listed securities of the portfolio companies is likely to have a direct bearing on the value of the Fund’s investment. Securities markets in India are smaller, less liquid, and more volatile than securities markets in more developed countries. The Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in securities, limitation on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory
bodies, which in some cases may have had a negative effect on the market sentiment. There can be no assurance that such problems, which affect the market price and liquidity of securities, will not occur in the future. This risk could also impact the portfolio companies that expect to be listed on a recognised stock exchange as a means of creating liquidity for the Fund and its investors.

**Loss of FPI Registration**

The Fund shall be registered with SEBI as a foreign portfolio investor under the FPI Regulations. There is no assurance that continued registration will be allowed. If for any reason, the Fund’s registration as a foreign portfolio investor is cancelled, the Fund could be forced to redeem its investments, and such forced redemption could adversely impact the investments made by the Fund (investing in its capacity as a foreign portfolio investor) and thereby the interests of the investors in the Fund.

**Prior approval of SEBI required for any change in structure/ constitution/ addition of classes.**

On 7 April 2010, SEBI issued revised instructions which expressly prohibit use of entities set-up as Protected Cell Companies (“PCCs”)/ Segregated Portfolio Companies (“SPCs”) at any level for registration as a FPI. Also, entities set-up as Multi Class Vehicles (“MCVs”) shall qualify for registration only if certain stringent restrictions are complied with which inter alia include that common portfolios shall be allocated across various share classes and it shall be broad based or if portfolios are segregated for each distinct share class, then each such share class shall satisfy the broad based criteria. Further, issuance of any new class would require a prior SEBI approval. Though the instructions were applicable to applications filed with SEBI after 7 April 2010, SEBI vide its circular dated 15 April 2010 provided for applicability of the instructions on existing FPIs. Thus, the Fund would be required to seek prior approval from SEBI for issuing any new class of Participating Shares to the investors, which could adversely affect the flexibility of the Fund for issuance of any new class of Participating Shares.

Further, please note that redemption by existing Shareholder may put a limitation on fresh investments by the relevant class of Participating Shares which fails to satisfy the broad based criteria as prescribed by SEBI. In the event, a particular class of Participating Shares does not fulfil the broad based criteria; the Fund may be forced to redeem the outstanding Participating Shares.

Any investigations of, or actions against, the Fund or any of its shareholders initiated by the SEBI or any other Indian regulatory authority may impose a ban of the investment and trading activities of the Fund.
Risks associated with investments in Mutual Funds

The Fund may invest in units of mutual funds registered with SEBI. Investments in schemes of mutual funds are subject to market risks and there is no assurance or guarantee that the objectives of the scheme will be achieved. Further, any investment in mutual funds is also subject to any risk factors outlined in the offer document of the mutual fund and an adverse performance of a mutual fund scheme in which the Fund has made investments could adversely impact the Fund’s performance and Net Asset Value for a particular Class of Shares.

Returns Profile

Given that the investment objective of the Fund is to achieve long-term capital appreciation and that distributions to the Shareholders and redemptions of Participating Shares shall be made following the realization of the underlying investment, investments in the Fund are illiquid. The timing of profit realization is highly uncertain. Losses are likely to occur early, while successes often require a long maturation. Since the Fund may only make a limited number of investments and since many of the Fund’s investments may involve a high degree of risk, poor performance by a few of the investments could have a serious adverse affect on the returns of the investors.

Reliance on Key Personnel

All decisions with respect to the investment of the Fund’s capital will be made by the Board. Shareholders will have no right or power to take part in the management of the Fund. As a result, the success of the Fund for the foreseeable future will depend largely upon the financial skills of the aforementioned individuals and their ability to source, select, complete and realize appropriate investments. Accordingly, no purchase of the Participating Shares should be made unless prospective investors are willing to entrust all aspects of the management and investments of the Fund to the Board. However, no assurance can be given that the Board of the Fund will be successful in identifying or consummating economically attractive investments in a timely manner.

No Current Income

The Fund’s investment policies should be considered speculative, as there can be no assurance that the Board’s assessments of the short-term or long-term prospects of investments will generate a profit. In view of the fact that the Fund will probably not pay dividends, an investment in the Fund is not suitable for investors seeking current income for financial or tax planning purposes.

No Assurance on Investment Returns

The Board’s task of identifying and evaluating investment opportunities, managing such investments and realising a significant return for the investors is challenging. Many
organizations operated by person of competence and integrity have been unable to make, manage and realise such investments successfully. There is no assurance that the Fund will be able to invest its capital on attractive terms or generate returns for its investors. Any inaccuracy of assumptions, failure to satisfy certain financial requirements and the occurrence of any unforeseen events could impair the ability of a company, whether listed or unlisted, to realise project values and cash flows.

**Risk of Early Losses**

If the Fund begins trading under market conditions which result in substantial early losses, the risk of the Fund having to terminate its trading will be substantially increased. The Fund could experience substantial cash flow difficulties if its assets were to be depleted early, particularly in view of the charges to which the Fund is subject. The Fund may commence trading operations at an unpropitious time resulting in significant initial losses.

**Trading Risks**

The success of the Fund's investment activities will depend on the Board's ability to identify and exploit price discrepancies in corporate events. Identification and exploitation of such opportunities involves uncertainty. No assurance can be given that the Board will be able to locate investment opportunities or to correctly exploit price discrepancies in corporate events. A reduction in the pricing inefficiency of corporate events in which the Fund will seek to invest will reduce the scope for the Fund's investment strategies. In the event that the perceived mispricing underlying the Fund's positions were to fail to converge toward, or were to diverge further from, relationships expected by the Board, the Fund may incur a loss. The Fund’s investment strategies will be designed to be relatively non-correlated with respect to the movements in equity markets in general. However, depending upon the investment strategies employed and market conditions, the Fund may be adversely affected by unforeseen events involving such matters as political crises, changes in currency exchange rates, interest rates, forced redemptions of securities or acquisition proposals. The Board believes that the Fund's investment program and risk management techniques moderate these risks.

**Competition**

The securities industry is extremely competitive. The Fund will be competing with other investors having similar investment objectives including many of the larger investment banking firms, financial companies and other venture capital or private equity funds which have substantially greater financial resources than the Fund has, substantially greater numbers of research staff and more securities traders than the Fund has.

There can be no assurance that the Fund will succeed in finding investments on similar or more favourable terms in comparison to its competitors. Such competition may have an adverse effect on the ability of the Fund to successfully utilize the total commitments as well as on the length of time required for the same. Moreover, these investments are not free from
risk and may be subject to the liquidation risk of the issuing entities.

Although the Board has already identified a number of investments for the Fund and the Fund is actively pursuing these investment opportunities, there may not be a sufficient number of high-quality investment opportunities available for the Fund to invest in, given the highly competitive market conditions.

**Reliance on Certain Information**

The Fund may elect to invest in securities on the basis of information and data filed by the issuers of such securities with SEBI or made directly available to the Fund by the issuers of the securities and other instruments or through sources other than the issuers. Although the Board evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, the Board is not in a position to confirm the completeness, genuineness or accuracy of such information and data and makes no representation and gives no warranty in that regard.

**Concentration of Investments**

From time to time and subject to Applicable Laws and regulations, a significant portion of the Fund's capital may be concentrated in a particular security, industry, market or country. Should such security, industry, market or country become subject to adverse financial conditions, the Fund's capital shall not be afforded the protection otherwise available through greater diversification of its investments.

**Exchange Rules**

Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for the Fund to liquidate positions and, accordingly, could expose the Fund to losses. Similarly, the Directors have the right to suspend or limit redemptions when, in their opinion, the Fund's net assets are not sufficiently liquid to fund redemptions.

**Leverage**

The Fund is authorised to borrow money to fund redemption requests when deemed appropriate by the Board. The loans to the Fund are collateralized with Class securities that may decrease in value and so the Fund may be obliged to provide additional collateral to the lender in the form of cash or securities to avoid liquidation of the pledged securities. Any such liquidation could result in substantial losses. Moreover, counterparties of the Fund, in their sole discretion, may change the leverage limits that they extend to the Fund.
Illiquidity of Shares

Transfers of Shares are restricted and there is no market for Shares, accordingly Shares may be disposed of only through the redemption procedures described elsewhere in this PPM. Under certain circumstances, such redemption procedures may entail a significant delay in redemptions.

An investor will be permitted to transfer its shares in the Fund (or any portion thereof), only in exceptional circumstances and with the prior written consent of the Directors, which consent may be withheld in the discretion of the Directors without the need for assigning any reason. Delays in the redemption of shares in the Fund must be anticipated by the investors.

Distributions/Redemptions in Cash or Kind

The Fund is not required to distribute cash or other property to the Shareholders, and the Fund does not intend to make any such distributions. Notwithstanding the foregoing, the Fund may, in its discretion, settle redemptions in-kind.

Notice Required

A Shareholder must give prior written notice to the Administrator to make a partial or total redemption of its Shares. During such notice period, the Shareholder’s investment remains at risk and may decrease in value from the date that notice of redemption is made to the Administrator until the effective date of redemption.

Compliance and Legal Requirements

The Fund must comply with various legal requirements, including requirements imposed by the securities laws, tax laws and pension and other laws in various jurisdictions. Should any of those laws change over the scheduled term of the Fund, the legal requirements to which the Fund and the Shareholders may be subject could differ materially from current requirements.

Change in Applicable Law; Enforcement Issues

Any change in the Applicable Law, which requires changes, including retrospective changes, in the structure or operations or investment policies of the Fund, may adversely impact the performance of the Fund. The Fund (or any portfolio companies) may have difficulty in successfully pursuing any claims in Indian courts due to the slow judicial system in India, as compared to other developed countries. Not only may it be difficult to obtain swift and equitable enforcement of laws, but it may also be difficult to obtain a swift enforcement of a judgment (including a foreign judgement) in Indian courts.
Institutional Risk and Custodial Risks

The institutions, including brokerage firms and banks, with which the Fund (directly or indirectly) does business, or to which securities have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Fund. Brokers may trade with an exchange as a principal on behalf of the Fund, in a “debtor-creditor” relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of the Fund (for example, the transactions which the broker has entered into on behalf of the Fund as principal as well as the margin payments which the Fund provides). In the event of such broker’s insolvency, the transactions which the broker has entered into as principal could default and the Fund’s assets could become part of the insolvent broker’s estate, to the detriment of the Fund. In this regard, Fund assets may be held in “street name” such that a default by the broker may cause the Fund’s rights to be limited to that of an unsecured creditor.

Reserves

Under certain circumstances, the Fund may find it necessary to establish a reserve for contingent liabilities or withhold a portion of the Shareholder’s settlement proceeds at the time of redemption, in which case the reserved portion would remain at the risk of the Fund’s activities.

Forced Liquidation

Substantial redemptions by Shareholders within a short period of time could require the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund’s capital. The resulting reduction in the Fund’s capital could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Additionally, such substantial redemptions would result in the remaining Shareholders proportionally bearing a greater percentage of the Fund’s fees and expenses.

Litigation and Claims

The Fund may be subject to lawsuits or proceedings by government entities or private parties. Except in the event of a law suit or proceeding arising from a Director’s wilful default or fraud in the performance of its duties, the expenses or liabilities of the Fund arising from any suit shall be borne by the Fund.

Additionally, the Fund could also be subject to taxation litigations in India and risks of these litigations are high. Any expenses or liabilities on account of tax litigations arising to the Fund shall be borne by the Fund.
Multi-class company

In a multi-class company the assets attributable to individual Classes are not protected from the creditors of other Classes. In the event that the liabilities of one or more Classes exceed the assets of those respective Classes, the Fund may be compelled to meet the deficiency by drawing on assets of other Classes. Creditors of the insolvent Classes may also attach the assets of other Classes. This could directly and/or indirectly result in partial or total loss in the Net Asset Value of solvent Classes. Also, at the time of each redemption of any Class Shares, the Fund as a whole would have to meet the Solvency Test. In the event that the Fund does not meet the Solvency Test, then redemption of Shares of a particular Class would not be possible. The Fund will satisfy the Solvency Test under the Act where the Fund is able to pay its debts as they become due in the normal course of business and the value of its assets is greater than the value of its liabilities.

Cross Class Liabilities

The Fund is expected to have different Classes of Shares with different investment objectives and strategies. In the event that a particular Class suffers severe losses such that the liabilities of such Class exceeds its assets, creditors of that Class may be permitted to seek to recover from the assets of all the Classes of the Fund. There can be no assurance that steps taken by the Board of the Fund to minimize this risk will successfully eliminate any cross Class liability risk.

Exchange Rate Fluctuations

The Fund invests principally in Indian Rupee denominated instruments, which may be subject to exchange rate fluctuations with consequent reductions in the US dollar denominated Net Asset Value. Foreign currency exposure will not normally be hedged. The repatriation of capital may be hampered by changes in local regulations concerning exchange controls or political circumstances.

Emerging Markets

The Fund will invest in securities of emerging markets including but not limited to India. Investing in the securities of issuers in emerging markets involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on the Fund’s ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned
economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of Fund portfolio securities and cash with non-U.S. sub custodians and securities depositories.

**Political, Economic and Regulatory Risks**

The liquidity of the Shares and the Net Asset Value of the Fund may be affected generally by changes in policies and laws of the local government (including exchange rates and controls), interest rates and taxation, social and religious instability and political, economic or other developments in the emerging markets. Generally, emerging market regulatory standards and disclosure standards are less stringent than standards in developed countries and there may therefore be less publicly available information about emerging market companies than is regularly available about companies located in developed countries. Accounting standards and requirements in emerging markets differ significantly from those applicable to companies in developed countries. Emerging markets have experienced substantial fluctuations in the prices of listed securities. The emerging market stock exchanges have been subjected to broker defaults, failed trades and settlement delays and local regulators can impose restrictions on trading in certain securities, limitations on price movements and margin requirements.

The increased volume of trading in the emerging markets as a result of the inflow of foreign investment has caused severe settlement difficulties resulting in significant delays in the settling of trades and registering of transfers of securities. The emerging stock markets are more volatile than the stock markets of developed countries. Emerging markets are exposed to the risks of radical, political or economic change which could adversely affect the value of the Fund's investments.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. In addition, hostilities in emerging markets may have a material adverse effect on the market for securities. Hostilities have been experienced between neighbouring countries such as India and Pakistan. In recent years, military confrontations between India and Pakistan have occurred in Kashmir and along the India – Pakistan border. Military activity or terrorist attacks in the future could influence the economies by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in emerging companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the economies and could have a material adverse effect on the market for securities. Political instability or changes in the Government could impact on the liberalisation of the emerging economies and adversely affect economic conditions. Recent government corruption scandals and protests against privatization could slow down the pace of liberalisation and deregulation. A significant change in economic liberalisation and deregulation policies could disrupt business and economic conditions.
Economic and Business Conditions

General economic and business conditions may affect the Fund’s activities. Interest rates, the prices of securities and participation by other investors in the financial markets may affect the value of securities purchased by the Fund. Unexpected volatility or liquidity in the markets in which the Fund directly or indirectly holds positions could impair the Fund’s ability to carry out its business and could cause it to incur losses.

Risks in relation to Intervening Countries

Where the Fund’s investments are held or made through vehicles established in another country, for example, India, the value and performance of investments and returns thereof may be affected by the political, economic and regulatory conditions of that country.

Risks of Taxation

ANYONE CONTEMPLATING AN INVESTMENT IN THE FUND IS STRONGLY ADVISED TO SEEK THE ADVICE OF A QUALIFIED EXPERT ON MATTERS OF TAXATION OF INVESTMENTS IN A FUND INVESTING AS AN FPI.

Tax Considerations is a summary of taxation law and practice in force in the relevant countries at the date of this PPM and is subject to changes therein and is not exhaustive. Investors could be subject to risks and uncertainties associated with tax, which can be complex for all types of investors, including tax exempt entities. Levels and bases of taxation in the relevant countries may change. Where investment is made through a Mauritius entity, the repeal or amendment or adverse interpretation of the Mauritius Double Taxation Treaty or the applicable taxation laws may adversely affect the performance of the investments and thus the value of the Fund. The Fund will aim to structure the Fund’s investment as an FPI, in a manner that is intended to achieve the Fund’s investment objectives, and notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular investor, that any particular tax result will be achieved or that distributions may not be subject to withholding or other taxes. Prospective investors should consult their own professional advisors with respect to the specific tax consequences of any investment in the Fund.

India-Mauritius Double Taxation Treaty

The Mauritius legal framework under which the Fund will invest in India may undergo changes in the future, which could impose additional costs or burdens on the Fund’s operations. Future changes to Mauritian or Indian Law, or the Mauritius Treaty, or the interpretations given to them by regulatory authorities could impose additional costs or obligations on the Fund’s activities and status in Mauritius. Significant adverse tax consequences would result if the Fund did not qualify for the benefits under the Mauritius Treaty. There can be no assurance that the Fund will continue to qualify for or receive the
benefits of the Mauritius Treaty or that the terms of the Mauritius Treaty will not be changed. No opinion has been received or is being sought with respect to the application of the Mauritius Treaty to the Fund.

**Taxation of Offshore Transfer of Shares**

In a recent case of a cross border acquisition transaction (Hutchison – Vodafone transaction) involving the transfer of shares of a non-resident company (holding underlying shares in an Indian company) to another non-resident company, the Indian revenue authorities have made inquiries about the said transaction, in their bid to tax the gains arising from such transfer. Further, the Indian revenue authorities have been issuing notices to FPIs/FIIIs requesting them for information on participatory notes issued by them to investors, with an intention of bringing these transactions under the tax net.

This represents an emergence of a new trend on the part of Indian revenue authorities to tax offshore transfer of shares. The outcome of the Vodafone case should provide some clarity on the issue of taxability of offshore transfer of shares and consequently on the taxability of the investors from redemption of shares of the Fund. Until then, there always remains a risk of Indian revenue authorities taxing an offshore transfer of shares.

**GAAR**

The Government of India has inserted provisions on GAAR in Finance Act 2013 which will now be effective from financial year 2017-2018. The GAAR provisions are new and its operational guidelines are being introduced gradually. These provisions are enacted to restrict tax benefits to transactions or structures that are undertaken with purpose of tax avoidance and lack commercial substance. Once these provisions are implemented and all related operating guidelines are introduced, the Treaty benefits could be denied by tax authorities to the Fund in India under GAAR, if the structure is assessed to be covered under GAAR and without commercial substance with objective of tax avoidance.

**Risks from Illiquidity**

The Shares are not listed or dealt in on any stock exchange and no application for listing on any stock exchange is anticipated. In addition, no market maker in the Shares has been appointed. It may be difficult therefore for an investor to sell or realise his/its Shares otherwise than as provided in the Articles, the Constitution and this PPM. In addition, the Fund may make redemption payments to certain Shareholders in specie. Shareholders receiving redemption payments in specie may incur brokerage costs in converting such securities to cash. Such conversions will be subject to the market risks set forth above. A subscription for Shares should therefore be considered only by persons financially able to maintain their investment for an extended period of time and who can afford the loss of all or a substantial part of such investment. If redemptions or other distributions are affected in-kind, investors may be required to bear the economic risk of ownership of such investments for an indefinite period.
Risks in relation to Investment Structure

Where the Fund’s investments are held or made through entities established in another country, for example, India, the Fund may be subject to risk of financial loss of part/whole of their assets in the event of the bankruptcy, winding up, judicial management, liquidation, or any such similar adverse event affecting such entity.

Winding up

On a winding up, whether as a solvent or an insolvent company, the liquidator will distribute the assets of the Fund in accordance with the Applicable Law and the Constitution. The liquidator may choose to meet the liabilities of one Class from the assets of other Classes. This may result in a partial or total write-down in the NAV of Classes.

Limitations on Control by Shareholder

Shareholders have no right to require that a Class of Shares of the Fund be invested in a particular manner. The Directors of the Fund may under certain circumstances (as outlined in the Constitution) postpone or mandate redemptions of particular Shareholders and may impose or remove investment limitations on the Fund as a whole or on any particular Class of the Fund. The Directors shall at their sole discretion determine the voting rights (if any) for Participating Shares of a new designated Class and may issue Shares with no voting rights. Furthermore, any Share transfer requires the approval of the Board of Directors of the Fund. These limitations on the rights of Shareholders may adversely affect the Shareholders’ ability to implement their desired investment strategies or decisions.

Accounting and Disclosure Standards

Accounting, financial and other reporting standards followed in India are not equivalent to those followed in more developed countries. Differences may arise in areas such as valuation of properties and other assets, accounting for depreciation, deferred taxation, inventory obsolescence, contingent liabilities and foreign exchange transactions. Accordingly, less information may be available to investors.

The financial statements of Indian companies are prepared in conformity with the generally accepted accounting principles followed in India ("Indian GAAP"), consistently applied during the periods stated, except as provided, and no attempt has been made to reconcile any of the information given in this PPM to any other principles or to base it on any other standards. Indian GAAP differs in certain material aspects from International Accounting Standards ("IAS")/IFRS and other accounting principles and auditing standards with which prospective investors may be familiar.
13. MATERIAL CONTRACTS

The Fund has/or will enter into the following contracts which may be material:

(i) The Administration Agreement between the Fund and the Administrator and the Administrative Agreement between the manager and the Administrator, pursuant to which the Administrator was appointed administrator, registrar and Company Secretary in respect of each Class of the Fund;

(ii) The Custodian Agreement, between the Fund and the Indian and the Mauritian Custodian respectively, pursuant to which the Custodian is appointed to act as the custodian to the assets of the Fund.

The Fund may enter into additional material contracts in respect of a particular Class and details of these shall be set out in the corresponding Subscription Agreement.
14. GENERAL INFORMATION

14.1 Available Documents

This PPM is not intended to provide a complete description of the Fund’s Constitution or the agreements with the Administrator and various brokers summarized herein. Copies of the following documents are available for inspection by Shareholders and prospective investors during normal business hours at the Administrator’s office:

1. The Companies Act, 2001 of Mauritius (as amended);
2. The Constitution and Certificate of Incorporation of the Fund;
3. The material contracts referred to above;
4. The Category 1 Global Business Licence;
5. The Tax Residence Certificate; and
6. The FPI Registration

Subject to receipt of approval from SEBI

14.2 Counsel

The legal counsel mentioned in Section 1 titled “DIRECTORY” serves as counsel to the Fund, in connection with legal matters pertaining to their relevant jurisdiction, and may serve as counsel to other investment funds whether or not sponsored or managed by the promoter of the Fund and its affiliates. Should a future dispute arise between the Fund and the promoter, separate counsel may be retained as circumstances and professional responsibilities then dictate Counsels to the Fund do not represent the Shareholders.

14.3 Enquiries and Communication with the Fund

All communications and correspondence with the Fund and enquiries concerning the Fund and the Shares, including information concerning subscription and redemption procedures and current Net Asset Value, should be directed to the Administrator at the address set forth in the “DIRECTORY”.

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15. POTENTIAL CONFLICTS OF INTEREST

The Directors and Administrator and their respective affiliates, which shall be deemed to include, in each case, their respective officers, directors, employees and entities owned by any of the aforementioned parties (the “Related Parties”) may face certain conflicts of interests in relation to the Fund. These conflicts include, but are not limited to:

(i) The Directors presently and will in the future, directly or indirectly, direct, sponsor or manage other managed pools or accounts in addition to the Fund.

(ii) The Administrator believes that it will continue to have sufficient staff, personnel and resources to perform all of its duties with respect to the Fund. However, because some of the officers of the Administrator may have duties in connection with other investment funds and other matters, such officers may have conflicts of interest in the allocation of responsibilities, services and functions among the Fund and other entities similar to the Fund.

(iii) The Directors may invest the Fund’s capital in investment funds and/or with other accounts managed by any of the Directors and/or their affiliates. Notwithstanding such circumstances, the Directors will act in accordance with its fiduciary duties to the Shareholders.

(iv) Some or all of the Related Parties may be involved with other entities utilizing investment strategies similar to those of the Fund and with other business in general. The Board may cause the Fund to invest in securities in which some or all of the Related Parties have a financial interest, or to engage in transactions with brokers or others with whom some or all of the Related Parties have financial or other relationships. In the event that the Fund intends to engage in any such transaction, the Fund may appoint an independent client representative to give or withhold the consent of the Fund to such transactions.

(v) The Related Parties may engage for their own accounts, or for the accounts of others, in other business ventures of any nature and the Fund has no right to participate in or benefit from the other management activities described above and the Related Parties shall not be obliged to account to the Fund for any profits or benefits made or derived therefrom, nor shall they have any obligation to disclose or refer to the Fund any of the investment or service opportunities obtained through such activities. Related Parties may own Shares in the Fund, deal as principals with the Fund in the sale or purchase of investments of the Fund or act as brokers, whether to the Fund or to third parties, in the purchase or sale of the Fund’s investments and shall be entitled to retain any profits or customary commissions resulting from such dealings.

15.1 Other Activities

The Directors and the Administrator, each of its affiliates and directors may engage in other business activities and manage the accounts of clients other than the Fund including those
of other collective investment vehicles. The investment strategy for such other clients may vary from that of the Fund. Neither the Directors, nor the Administrator are required to refrain from any other activity, nor must they disgorge any profits from any such activity, including acting as general partner, investment advisor or managing agent for investment vehicles with objectives similar to those of the Fund.