OFFER DOCUMENT

JULY 2025

DSP GLOBAL EQUITY FUND

An open-ended Retail Fund under the IFSCA FM Regulations.

FME Registration No. IFSCA/FME/III/2023-24/021

Registration No. IFSC/Retail/2025-26/002

Trustee / Fiduciaries: Orbis Trusteeship Services Private Limited (IFSC Branch)

FME: DSP Fund Managers IFSC Private Limited

This Offer Document has been prepared in accordance with the IFSCA FM Regulations and subsidiary directions issued thereunder. DSP Global Equity Fund, an open-ended Retail Fund is managed by DSP Fund Managers IFSC Private Limited, which is registered with IFSCA as a Registered Fund Management Entity (Retail), having the registration number IFSCA/FME/III/2023-24/021 under the IFSCA FM Regulations

The Offer Document sets forth the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Offer Document after the date of this document from the website of the FME / distributors. Investors are requested to note that no returns from the Scheme is assured or guaranteed.

DECLARATION

It is confirmed that:

i. This Offer Document has been prepared in accordance with the IFSCA (Fund Management) Regulations, 2025 and the guidelines and directives issued by IFSCA from time to time.
ii. All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
iii. The disclosures made in the Offer Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.

For and on behalf of DSP Fund Managers IFSC Private Limited

Name: Aditya Joshi
Designation: Principal Officer

DISCLAIMER

This Offer Document is issued in connection with and relates to an investment in the Units of the Scheme. The Scheme is launched as a Retail Fund under the IFSCA FM Regulations, and the FME is registered with IFSCA as a Registered Fund Management Entity (Retail) under the IFSCA FM Regulations.

The information in this Offer Document for the Scheme is not exhaustive and may be changed. This Offer Document is not an offer to subscribe to the Units and does not solicit an offer to subscribe to Units in any jurisdiction where the offer or sale is not permitted. An offer or solicitation in respect of the Units in the Scheme will be made only through the final form of the Scheme's Offer Document.

The information in this Offer Document is current as at the date of this Offer Document, and may be supplemented, amended or modified from time to time by any further information in the form of an addendum in which event the information in this Offer Document shall be read as supplemented, amended or modified by such additional information, as the case may be. The addendum shall be provided to the Unitholders within reasonable timeline as specified under the Applicable Laws and shall also be available on the website of the FME.

Notwithstanding anything contained in the Scheme Documents, the FME shall continue to be responsible for the compliance with the IFSCA FM Regulations, IFSCA circulars, and the directions issued by IFSCA, from time to time, and other Applicable Laws in relation to operations and reporting by schemes launched by the FME under the IFSCA FM Regulations. The FME has taken all reasonable care to ensure that the information in this Offer Document is true and accurate in all material respects and that there are no material facts, the omission of which would make any statement in this Offer Document, whether of fact or opinion, misleading. No other representation, warranty or undertaking is given in respect of the information in this Offer Document by the FME or by any other person duly authorized by the FME and neither the FME nor any other person duly authorized by the FME takes responsibility for the consequences of reliance upon any statement or information contained in, or any omissions from this Offer Document.

The Units of the Scheme are being offered for sale or subscription to the public as per the IFSCA FM Regulations. An investment in the Scheme involves certain significant investment risks, including loss of a prospective investor's entire investment. See "**SECTION VIII: RISK FACTORS**" for a discussion of certain risk factors that should be considered by prospective investors**.** There will generally be no public market for the Units, and they will not, subject to certain conditions as stated in this Offer Document.

The information on taxation contained in this Offer Document is a summary of certain tax considerations but is not intended to be a complete discussion of all tax considerations. The contents of this Offer Document are not to be construed as investment, legal, or tax advice. Unitholders should consult their own counsel, accountant or investment advisor as to legal, tax, and related matters concerning their investment.

No Person has been authorized in connection with this offering to give any information or make any representations other than as contained in this Offer Document. If given or made, such additional information or representations must not be relied upon as having been authorized.

Prospective investors should not treat the contents of this Offer Document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Units; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Units which they might encounter; and (c) the income and other tax consequences which may apply as a result of the purchase, holding, transfer, redemption or other disposal of Units. Prospective investors should make their own inquiries and must consult and rely upon their own representatives, including their own legal and investment advisers and accountants, as to legal, tax, investment or any other related matters concerning the Units and an investment therein. Each prospective investor is responsible for its own costs in considering an investment in the Scheme.

Certain information contained in this Offer Document constitutes ‘forward-looking statements’ which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Scheme may differ materially from those reflected or contemplated in such forward-looking statements.

The defined terms used in this Offer Document shall have the meaning as ascribed to them under ‘**SECTION XIII: GLOSSARY**’ to this Offer Document.

Unitholders may request additional information in relation to the Scheme by writing to the FME:

Name of the FME: DSP Fund Managers IFSC Private Limited
Contact Person: Mr. Dipak Golaniya
Communication Address: Office No. 508 & 509, 5th Floor, Pragya II, Block 15-C1, Road 11, Zone 1, Gift SEZ, Gift City, Gandhinagar – 382050, Gujarat, India.
Telephone/Mobile No.: +91 79 6922 5103
Email: operations.ifsc@dspim.com

PART A: DIRECTORY

FME	Name:	**DSP Fund Managers IFSC Private Limited**
	Registered office address and communication address:	Office No. 508 & 509, 5th Floor, Pragya II, Block 15-C1, Road 11, Zone 1, Gift SEZ, Gift City, Gandhinagar – 382050, Gujarat, India.
	Telephone / Mobile:	+91 79 6922 5103
	Email:	operations.ifsc@dspim.com

Trustee / Fiduciaries	Name:	**Orbis Trusteeship Services Private Limited (IFSC Branch)**
	Registered Address:	4A, Ocus Technopolis, Golf Club Road, Sector-54, Gurugram, 122002, Haryana, India.
	Communication / Branch Address	Unit No. 604, 6th Floor, Signature Building, 13B, Block No. 13, Zone-1, GIFT SEZ, GIFT City, Gandhinagar – 382050, Gujarat, India.
	Telephone:	+91 124 454 6565
	Email:	trusteeship@orbisfinancial.in

Legal Advisor	Name:	**IC Universal Legal, Advocates & Solicitors**
	Address:	Unit No. 409, 4th Floor, Pragya Tower, GIFT SEZ, Gandhinagar – 382050, Gujarat, India.

Custodian / Global Custodian	Name:	**The Hongkong and Shanghai Banking Corporation Limited, Hong Kong**
	Address:	1, Queen's Road Central, Hong Kong.

Auditor	Name:	**S.R. Batliboi & Co. LLP**
	Address:	14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028, Maharashtra, India.

Service Provider	Name:	**Computer Age Management Services Ltd. (Formerly known as Computer Age Management Services Pvt Ltd)**
	Registered Address:	New No.10, Old No.178, M. G. R. Salai, Nungambakkam, Chennai – 600 034, Tamil Nadu, India.
	Communication / Branch Address:	Unit No. 503, 5th floor, Signature Building, Block – 13B, Zone – 1, Gift SEZ, Gift City, Gandhi Nagar 382050, Gujarat, India.

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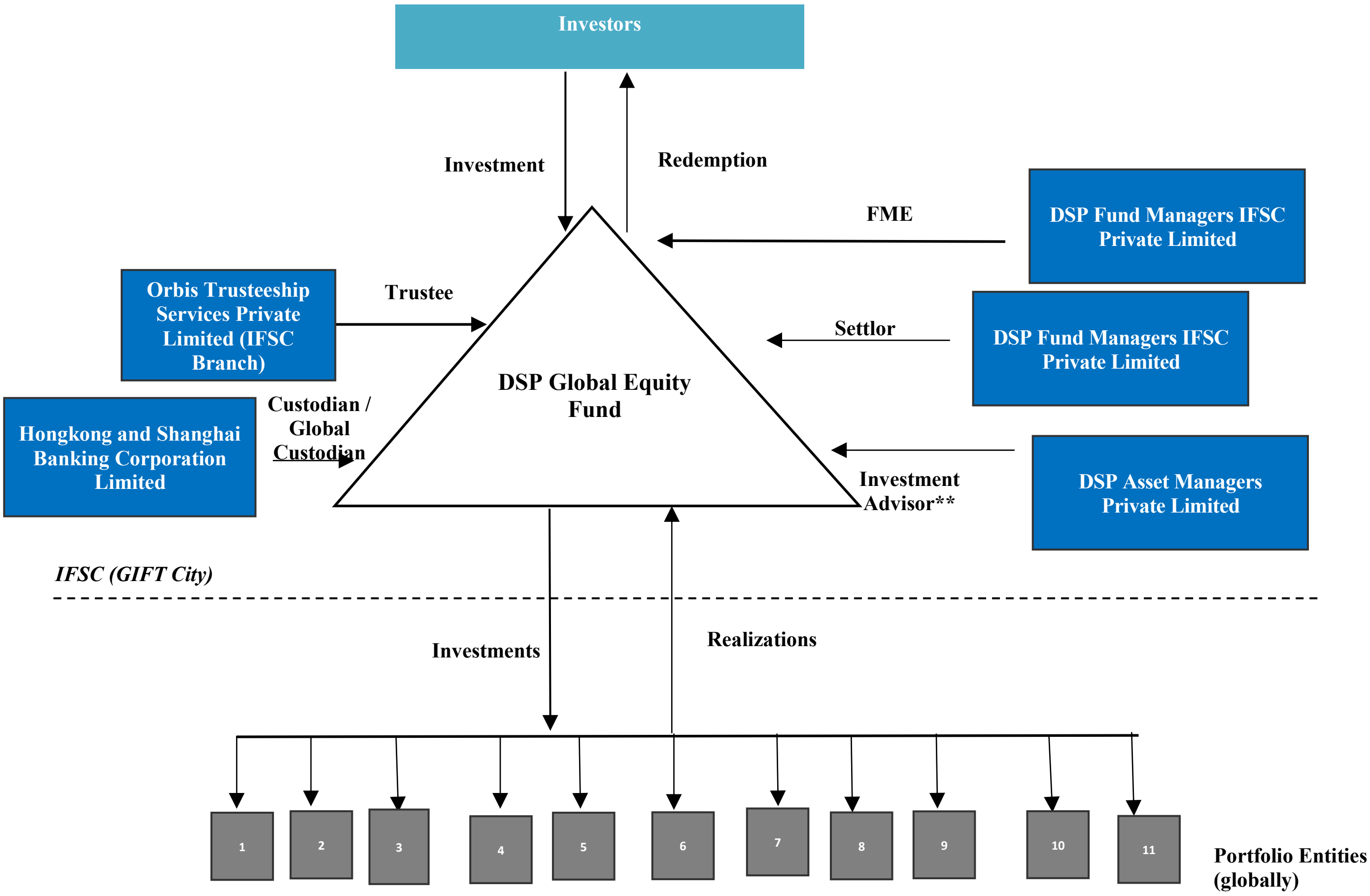
SECTION I: SCHEME STRUCTURE

The diagram below is an illustrative representation of the proposed legal structure of the Scheme**:**



*** The Investment Advisor shall be providing non-binding advisory services to the FME. The FME is a wholly owned subsidiary of the Investment Advisor.*

Important Notice: This organizational diagram is a simplified illustration of the Scheme's proposed legal structure as of the date hereof and describes in general the manner in which the Scheme intends to hold its investments. This organizational diagram is only a realization and does not show all of the entities that may comprise the Scheme.

The Trust

'**DSP Global Equity Fund**' has been established as a trust settled by the Settlor under the Indian Trusts Act, 1882 and is a Retail Fund under the IFSCA FM Regulations. Subject to Applicable Laws, the Scheme shall primarily invest in Portfolio Entities operating within the investment objective as indicated in this Offer Document.

The Trustee

The Trustee of the Trust is **Orbis Trusteeship Services Private Limited (IFSC Branch)** ("**Trustee**"), a company incorporated under the provisions of the Companies Act, 2013, and having its registered office at 4A, Ocus Technopolis, Golf Club Road, Sector-54, Gurugram, Haryana - 122002 and GIFT City branch office at Unit No. 604, 6th Floor, Signature Building, 13B, Block No. 13, Zone 1, Gift SEZ, Gift City, Gandhinagar – 382050, Gujarat, India.

The Trustee has all powers in respect of the property of the Trust including power to manage the same. These powers, in respect of the Trust, have been delegated to the FME under the Investment Management Agreement. While in accordance with the provisions of the Indenture, it would be the primary responsibility of the Trustee to ensure that the FME performs its obligations under the Investment Management Agreement entered between the Trustee and the FME. The Trustee shall not interfere with the actions of the FME as long as these actions are within its powers under the Investment Management Agreement and conform to the Applicable Laws and the objectives of the Scheme.

For further details about the Trustee, please see "**SECTION II: GOVERNANCE STRUCTURE**".

The Fund Management Entity

DSP Fund Managers IFSC Private Limited ("**FME**"), a company established under the provisions of the Companies Act, 2013, with its registered office at Office No. 508 & 509, 5th Floor, Pragya II, Block 15-C1, Road 11, Zone 1, Gift SEZ, Gift City, Gandhinagar – 382050, Gujarat, India, shall act as the FME of the Scheme. The FME is registered with IFSCA as a Registered FME (Retail) under the IFSCA FM Regulations bearing registration number IFSCA/FME/III/2023-24/021. The FME is a wholly-owned subsidiary company of DSP Asset Managers Private Limited.

The Scheme will be managed by the FME pursuant to the terms of the Investment Management Agreement. The FME will *inter alia* be responsible for investments and divestment decisions of the Scheme.

Custodian / Global Custodian

The Hongkong and Shanghai Banking Corporation Limited, Hong Kong is the Custodian / Global Custodian of the Scheme.

Targeted Investors

Targeted Investors of the Scheme are retail investors including resident Indian individuals, minors, fund of funds, government institutions, corporates, Limited Liability Partnership (LLP), public sector undertakings, private banks, insurance companies, global development financial institutions, multilateral organisations, family offices, Institutional Investors, high net worth individuals, accredited investors as classified in terms of the IFSCA FM Regulations and other permissible Investors under Applicable Laws.

SECTION II: GOVERNANCE STRUCTURE

A. ***Trustee / Fiduciaries***

a) ***Name*:**

Orbis Trusteeship Services Private Limited (IFSC Branch) ("**OTSPL**"), a company incorporated under the provisions of the Companies Act, 2013, having its registered office at 4A, Ocus Technopolis, Golf Club Road, Sector-54, Gurugram, Haryana – 122002, India and GIFT City branch office at Unit No. 604, 6th Floor, Signature Building, 13B, Block No. 13, Zone 1, Gift SEZ, Gift City, Gandhinagar – 382050, Gujarat, India acts as the trustee of the Trust and is registered as an ancillary service provider with IFSCA to provide trusteeship services.

OTSPL has gained extensive experience through its holding Company, as a service provider, as a custodian to Institutional Investors including AIF's, Portfolio Management service providers, foreign investors and corporates, and is now providing trusteeship services to big groups in India. OTSPL provides a complete range of trusteeship services including debenture/bond trustee, trustee for funds, securitisation & structured finance, security trustee, escrow & securities monitoring, and facility agent. The scope of OTSPL's trusteeship services includes drafting/ vetting & execution of security documents, conduction of KYC of all the parties, creation of charge, safekeeping of documents, escrow agent services, and enforcement in the event of default, as applicable.

b) ***Role*:**

The Trustee is appointed to manage the Trust Property in accordance with the Indenture. The Trustee has appointed the FME and delegated its functions of managing and administering the Trust Property in accordance with the Investment Management Agreement. The Trustee shall be responsible for ensuring compliance with the IFSCA FM Regulations and submitting reports to IFSC on the occurrence of any violation of the IFSCA FM Regulations. The Trustee shall ensure compliance for such other duties as specified under the Indenture. The FME and the Trustee shall ensure compliance by the Scheme with the code of conduct as specified under the IFSCA FM Regulations.

c) ***Names and Profile of the directors*:**

Mr. Tejash Mukesh Gangar: Tejash is a qualified Chartered Accountant and Company Secretary. He is also a commerce graduate from the University of Mumbai. He has 15 plus years of rich experience with Big Fours in the various areas including but not limited to Fund Raising, Structuring of Capital, Compliance, Tax etc. He is having expertise in developing investment strategies, products, drafting business commercials in line of various regulations applicable in India.

Mr. Vineet Parekh: Vineet has an MBA in finance with over 20 years of multi-faceted experience in Capital Markets handling Indian and international operations for AIFs and FPIs, managing custody operations and business relations in the financial services industry.

Mr. Upendra Dutt Tripathi: Upendra brings a multi-faceted professional experience with exceptional inter-departmental skills, backed by over 15 years of strategic sales delivery in the banking and capital markets industry. With an educational background in engineering and MBA in Finance, Upendra has been a pioneer in attracting and managing global investors and enterprises, especially FDIs, FPIs, AIFs and PMS. He has led multiple development initiatives through a thorough industry understanding efficiently translating his knowledge to business for organisations across his career.

Mr. Mayank Narang: Mayank has over 13 years of experience in Capital Markets, Banking, Trusteeship, Custody and RTA. He has valuable exposure in relationship management, team handling and client servicing. Before joining Orbis, Mayank worked with ICICI Bank and Vistra. He has done MBA from IBS Hyderabad and B. Com. (Hons.) from Delhi University.

Mr. Rishav Bagrecha: Rishav, with experience of more than 14 years in the Capital Markets joined Orbis from SBI Funds Management Pvt. Ltd. Before SBI Funds he had worked as team lead with ICICI Bank in Capital Markets & Custody business. He started his professional career with JP Morgan. Rishav completed his Master's in Business Administration from NMIMS and, also holds CFA from ICFAI University.

d) ***List of responsibilities retained by the Trustee under the Indenture***:

(i) The Trustee shall, within a reasonable time from the date of execution of the Indenture, enter into the Investment Management Agreement pursuant to which the Trustee shall delegate any and all of its powers under the Indenture to the FME, and authorise the FME to undertake any and all of its powers under the Indenture, subject to the provisions of the Indenture, the Scheme Documents and the Applicable Laws.
(ii) The Trustee shall at all times exercise due diligence in carrying out its duties of protecting the interests of the Unitholders and act in the best interest of the Unitholders and endeavour to promote the interests of the Scheme.
(iii) The Trustee may review and check whether all transactions entered into by the FME, for and on behalf of the Trust, are properly entered into in accordance with the SchemeDocuments and Applicable Laws.
(iv) The Trustee shall ensure that the books of accounts of the Scheme are maintained in accordance with the Indenture.
(v) The Trustee shall ensure that the Trust Property is kept segregated from all other assets of the Trustee.

e) Role of Trustee in ensuring the regulatory compliance requirement:

(i) The Trustee shall either itself or through the FME file reports with IFSCA and other relevant statutory/regulatory authorities as per the timelines specified in the Applicable Laws.
(ii) The Trustee shall ensure that the FME provides to the Unitholders, all reports enumerated in the Scheme Documents and as required under Applicable Laws.
(iii) The Trustee will cause the FME to submit to them the quarterly reports, providing all information carried out by the FME for and on behalf of the Scheme.

f) ***List of responsibilities of the Trustee, delegated to the FME as per the Indenture***:

The FME shall be delegated the power/duties of the Trustee and be made responsible by the Trustee under the Investment Management Agreement, to undertake all the operational and management decisions and actions for the Scheme including but not limited to investment of funds, divestment, administration, realization of return on investment, legal proceedings, addressing queries or complaints or grievances of Unitholders and any other issues or show cause notice issued by IFSCA or any other regulatory/statutory body and make necessary filings with IFSCA or any other regulator.

B. ***FME***

(a) **Name**: DSP Fund Managers IFSC Private Limited and having its office at Office No. 508 & 509, 5th Floor, Pragya II, Block 15-C1, Road 11, Zone 1, Gift SEZ, Gift City, Gandhinagar – 382050, Gujarat, India, will act as the FME to the Trust/ Scheme.

(b) **Role**: The FME (pursuant to the authority delegated by the Trustee in terms of the Investment Management Agreement) shall administer the Scheme in accordance with the respective Offer Document. The FME is registered under the IFSCA FM Regulations as a Registered FME (Retail) and shall carry-out the responsibilities of a Registered FME (Retail) as mentioned under the IFSCA FM Regulations.

(c) **Name and Profile of the Directors -**

(i) **Mr. Vikram Desai**

Mr. Vikram Desai, President DSP Investments, oversees investments for the DSP family and related entities.

Mr. Vikram is a BBA graduate of the University of Texas at Austin and a Mumbai native. He serves on the Executive Committee and as the nominated Chair of the Limited Partners Council of the Indian Private Equity and Venture Capital Association (IVCA).

(ii) **Mr. Subramanya Suria Narayan Moorthy**

Mr. S.S.N. Moorthy was a member of Securities Appellate Tribunal in Mumbai during the period January 2011 to December 2012. He also served as Chairman of Board of Central Board of Direct Taxes, New Delhi during January 2009 to December 2010. During August 2008 to January 2009, he was a member of Central Board of Direct Taxes, New Delhi and during July 2006 to August 2008 he served as Director General of Income Tax (Investigation). During July 1997 to July 2006, he served a position as a Commissioner at Income Tax Department, Tamil Nadu & Kerala.

(iii) **Mr. Amal Dhru**

Mr. Amal Dhru has been the designated partner of Amal Datt & Associates LLP since 2016 and has a total experience of more than 50 years in the financial industry. He is the proprietor of Amal Datt & Associates from 1981, partner of ANRK & Associates LLP and holds directorship on K K Legal Services Private Limited and Comprehensive Financial Services Private Limited.

Mr. Dhru has completed F.C.A., MBA (IIMA) and he is also a qualified insolvency professional. He specialized in services of all kinds of audits, commercial investigations, tax planning and financial management and restructuring etc. He is the visiting faculty at IIM Ahmedabad, and has introduced management accounting courses at various institutes during their formative years like B.K. School of Management, MICA, Nirma Institute of Management and FLAME-Pune. He is also the author of “financefundas.com – The Book” and “Fundamentals of Business Finance” supported by the website “financefundas.com”.

(iv) **Ms. Smita Mankad**

Ms. Smita Mankad has three decades of experience spanning the corporate, social and government sectors, and further, a combination of both grassroots level work and board level governance – unique combinations that give her an unparalleled perspective on both policy and implementation.

She currently serves as an Independent director on the boards of Bajaj Auto Credit Limited, Bajaj Holdings & Investment Limited, Subros Limited, Mahindra Rural Housing Finance Limited, Swaraj Engines Limited, Fabindia Limited, Imperial Auto Industries Limited and Blue Planet Integrated Waste Solutions Limited. She is also on the boards of the Women on Wings Foundation; WOW is an Indo-Dutch organization whose aim is to create 1 million jobs for women in rural India, and TARSHI, an NGO which works on creating safe spaces for young people.

She has completed an Economics (Hons.) graduate from Lady Shriram College for Women (1989-92) Delhi University and an MBA from Narsee Monjee Institute of Management Studies (1992-94) Mumbai University, India. Smita was awarded the Vedica Women's Alliance V-WA 50 Award for excellence in Marketing & Sales in 2021, and the Social Innovation Award by the Women Mentors Forum in 2023. She has also been profiled in the book 'She Is' - a compilation of women advancing the Sustainable Development Goals in India - for her work with SDG 10 'Reduced Inequalities'.

C. **Key Managerial Personnel**

i. ***Principal Officer***

Mr. Aditya Joshi is the Principal Officer of the FME who shall be responsible for overall activities of the FME in accordance with the IFSCA FM Regulations. Mr. Aditya Joshi collectively has more than 10 years of experience in equity markets, finance, taxation and audit. Started out as an auditor,

Mr. Joshi has been primarily in equity research and fund management roles since 2014. Prior to joining DSP Investment Managers, he was working with Alchemy Capital Management as sector agnostic research analyst with consumer sector being his core strength. Previously he has worked in Karma Capital LLC, Anand Rathi, Religare and Nirmal Bang in similar research roles. Academically, Mr. Joshi is a Chartered Accountant from ICAI.

ii. ***Compliance Officer***

Mr. Dipak Golaniya is the Compliance Officer of the FME and shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades, the implementation of the code of conduct, etc. in accordance with the IFSCA FM Regulations.

Mr. Dipak Golaniya is a qualified Company Secretary from ICSI and also holds a Master's degree in Commerce and Bachelor's degree in law. He collectively has a decade of experience in Corporate Secretarial, Compliance, Legal & allied areas. Previously, he has worked with Apex Group (India branch), NJ Group, Sanstar Limited and Fame Jewels Private Limited in compliance and legal roles.

iii. ***Fund Manager***

Mr. Giriraj Bissa holds an MBA from NMIMS, a Diploma in Business Management from ICFAI, and a Bachelor's degree in Management Studies from Mumbai University. He has over 19 years of experience in trading and arbitrage across Equity, FX, and Commodities. His previous roles include key positions at ITI Long Short Equity Fund, Edelweiss Tokio Life Insurance, and Edelweiss FX & Rates desk.

D. **Investment Advisor**

DSP Asset Managers Private Limited, ("**DSPAM**"), a company incorporated under the Companies Act 2013 on 17 June 2021 is the investment advisor ("**Investment Advisor**") to the FME.

DSPAM is one of the premier asset management companies in India which carries on asset management for mutual / investment funds and / institutional investors.

DSP Investment Managers Private Limited transferred its investment management business to DSP Asset Managers Private Limited through demerger w.e.f. April 01, 2023.

The following are details of other business activities and regulatory registrations of DSPAM:

- DSPAM is the asset management company to DSP Mutual Fund. DSP Mutual Fund has been constituted as a trust on December 16, 1996 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). DSP ADIKO Holdings Private Limited and DSP HMK Holdings Private Limited are the sponsors, and DSP Trustee Private Limited is the trustee in respect of the DSP Mutual Fund. The Trust deed has been registered under the Indian Registration Act, 1908. The mutual fund was registered with SEBI on January 30, 1997 under the Registration Code MF/036/97/7.

- DSPAM also provides investment management, advisory and trade execution related services to offshore sovereign funds and other clients.

- DSPAM also provides investment management advice and execution services to DSP Global Funds ICAV, an umbrella type Irish Collective Asset-management Vehicle, pursuant to qualifying with the conditions to be considered as an "Eligible Fund Manager" under the section 9A of Income-tax Act.

- DSPAM is the holding company to DSP Pension Fund Managers Private Limited (DSPPFM).

- DSPAM, in accordance with SEBI approval, acts as investment manager to DSP Alternative Investment Fund Category III (DSPAIF – C – III) (SEBI registration no. IN/AIF3/13-14/0059). Further, DSP Trustee Private Limited, act as Trustees to the DSPAIF – C – III.

DSPAM manages / advice assets amounting to US$ 27.7 billion (as at June 30, 2025) in various products spread across the risk reward spectrum as well as investor categories.

E. **DSP Group**

The DSP Group based in India, promoted by the Kothari family of D. S. Purbhoodas and Co. has a track record of over 160 years, and is one of the oldest financial services firms in the country today, being one of the founding members of the Bombay Stock Exchange ("BSE"), Mumbai. Each generation of D. S. Purbhoodas and Co. has seen a partner serving as President of the BSE, bearing testimony to the long-standing position D. S. Purbhoodas & Co. occupies in the Indian financial arena.

F. **Investment Committee**

Not Applicable.

G. **Advisory Board**

Not Applicable.

H. **Advisory Committee**

Not Applicable.

Note: Notwithstanding any information/ statements given above, the ultimate responsibility with regard to the continuous compliance of the Scheme with all applicable IFSCA regulations and circulars, etc. shall be vested with the FME.

SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS

I. INVESTMENT OBJECTIVE

The investment objective of the Scheme is to seek long-term capital appreciation by primarily investing in global equity and equity related instruments including derivatives. The Scheme is a pooling vehicle, and the FME has been appointed for managing the Scheme and taking decisions in relation to investments of the Scheme.

II. INVESTMENT STRATEGY

The Scheme aims to achieve long-term capital appreciation by primarily investing in global equity and equity related instruments including derivatives which are:
- Listed/domiciled outside India; or
- Listed/domiciled in GIFT City.

The Scheme may, at the discretion of the FME, also invest a part of its corpus in unlisted equity and equity related securities/instruments.

There is no assurance that the investment objective of the Scheme will be realized.

Instrument	**Indicative Allocation (% of NAV)**	
	Minimum (%)	Maximum (%)
Global Equity & Equity related instruments (including derivatives) *	65%	100%
Other securities (including cash & cash equivalents) **	0%	35%

* Global Equity & Equity related securities shall include but are not limited to equity stocks listed / domiciled outside of India, equity stocks listed / domiciled in GIFT City, or equity funds / ETFs predominantly investing into such stocks, or other instruments such as equity derivatives, rights, warrants, preference shares, etc. based on such stocks, as permitted under Applicable Laws from time to time.

** Other securities shall include fixed income securities (such as bonds including non-convertible bonds and warrants, debentures, NCDs, Government Securities, units of debt funds / ETFs, etc.), commodities funds / ETFs, currency & commodities derivatives, REITs, InvITs and any other instruments (whether convertible or otherwise), listed or unlisted in GIFT City or outside India, as permitted by IFSCA from time to time. The Scheme may invest in such other securities including fixed deposits, fixed income securities, money market instruments, certificate of deposits, units of investment schemes such as liquid or money market schemes and such other securities as permitted under Applicable Laws.

Above listed securities will also include units of regulated funds, whether listed or unlisted and where the NAV is available on daily basis and subscription / redemption can be done at least on a weekly basis.

Due to market conditions, the FME may invest beyond the range set out in the asset allocation table above. Such deviations shall normally be for defensive considerations depending upon the market conditions with the intention being at all times to protect the interests of the Unit Holders and the Scheme shall endeavor to rebalance the portfolio within 90 calendar days.

It may be noted that no prior intimation/indication will be given to Unitholders when the composition/asset allocation pattern under the Scheme undergoes changes within the permitted band as indicated above.

III. INVESTMENT PROCESS

Philosophy

The Scheme is dedicated to investing in global, high-quality businesses that prioritize long-term stability and incremental growth. The investment strategy focuses on identifying companies that demonstrate resilience against market volatility, thriving in industries characterized by predictable demand and effective management.

We endeavour to employ a disciplined approach to stock selection, emphasizing geographic diversification and long-term ownership. This strategy enables us to capture enduring value across various markets and sectors.

Core belief is that exceptional investment opportunities exist globally. By expanding our search beyond a single region, we mitigate constraints on potential returns and enhance our capacity to identify high-quality companies that may not be readily accessible or well-known to local investors. This global perspective allows us to strategically position the fund for sustainable growth and value creation for our investors.

Geographical allocation

The Scheme intends to allocate assets across both developed and emerging markets to capitalize on global economic growth while ensuring robust geographical diversification. By not restricting investments to a single geographic region, the Scheme can access a broader spectrum of enduring, high-quality companies capable of compounding value over time, regardless of their location.

Geographic diversification facilitates the identification of businesses that sustain their competitive advantages across varying markets and economic conditions. This expansive approach serves to mitigate risks associated with overexposure to any single economy or sector, particularly during periods of economic downturn. Additionally, international companies frequently operate in diverse markets characterized by distinct growth dynamics, regulatory frameworks, and consumer behaviors, thereby providing further avenues for stable, long-term growth.

Sectoral Allocation

The Scheme shall diversify across sectors to minimize concentration risk. The Scheme shall balance exposure to defensive and cyclical sectors based on economic cycles. By actively managing sector allocation, the Scheme seeks to position itself effectively in response to economic trends. This dynamic approach allows us to capitalize on growth opportunities while mitigating risks associated with economic fluctuations.

Derivatives Strategy

The Scheme may utilize equity derivatives for hedging purposes to enhance portfolio management and mitigate risk.

A hedging strategy may be employed for correction in specific stocks or the overall market. In such scenarios, the FME may utilize instruments such as index or stock futures or put options to protect the portfolio from market-related risks.

Additionally, the Scheme may utilize currency derivatives to hedge against fluctuations in exchange rates, thereby mitigating potential impacts on portfolio returns.

The aforementioned examples of derivative strategies are illustrative and not exhaustive. The FME may adopt other derivative strategies in accordance with the guidelines set forth under the Applicable Laws from time to time.

Other Securities

The FME may invest in other securities as prescribed in "Investment Strategy" section for

- Inflows/outflows: When there are significant inflows/outflows in the Scheme, the FME may keep funds in other securities till the time funds are deployed to equities or paid back to investors.
- Temporary Parking: When the FME anticipates that current market conditions are unfavorable for equities & there are not much opportunities available, they may allocate assets to other securities like government bonds or money market instruments. This approach helps maintain liquidity while minimizing risk during uncertain times.
- Significant Macro-Economic Events: In the face of major economic changes—such as interest rate hikes, geopolitical tensions, or financial crises—fund managers might shift investments temporarily to more stable assets.

The above use case is not exhaustive but only indicative. FME may invest in other instruments in line with IFSCA FM Regulations.

<u>Process</u>

1. **Identification of companies –** The first & most critical step in investment process is identification of high quality business. The Scheme seeks to evaluate various quality related financial parameters which include but not limited to:
   - High return on equity (ROE).
   - Durable competitive advantages, often stemming from scale, brand strength, or intellectual property.
   - Strong free cash flow that allows for reinvestment in growth etc.

   The FME along with the Investment Advisor will conduct in-house research to identify the potential companies/investment opportunities which satisfy the aforementioned parameters. The analysis of will focus, amongst others, on the historical and current financial conditions of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, market share, competitive edge, research and technological know-how.

   These businesses are less prone to rapid technological changes or disruptions, have with stable, recurring revenue streams and capability to incrementally allocate capital for innovation.

2. **Determining Business Value** Once a company is selected, in-depth research is conducted to evaluate its intrinsic value. This involves analyzing both qualitative factors (e.g., management strength, competitive positioning) and quantitative metrics (e.g., revenue growth, margins). Detailed due diligence including financial & tax diligence, legal diligence, commercial diligence and relevant channel checks are conducted, often with the assistance of third party professional experts.

   The analysis of companies will focus, amongst others, on the historical and current financial conditions of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, market share, competitive edge, research and technological know-how.

Focus on intrinsic value allows FME to act decisively during market fluctuations, capitalizing on undervalued opportunities when they arise.

3. **Portfolio Construction**

   - **Concentration and Diversification:**

     While a concentrated portfolio can lead to higher potential returns if the chosen assets perform well, it also increases risk, as poor performance in a few holdings can significantly impact overall performance. Diversification, on the other hand, aims to spread risk across various investments. Striking a balance between concentration and diversification is key to managing risk and achieving investment goals.

     The Scheme's endeavor is to balance allocation that can allows to leverage the advantages of diversification without diluting the impact of highest-conviction investments. Portfolio concentration shall be function of no. of opportunities available, conviction in ideas, geography & sector of companies etc. **Position Sizing:** The size of each investment is based on its attractiveness relative to its intrinsic value. The cheaper the company is in relation to its value, the larger the position, subject to the underlying characteristics of the sector.

     Scheme's approach is to ensure that portfolio is neither too concentrated in any one market nor too diversified to dilute returns.

4. **Performance Monitoring:**

   Once the investment is made, the Scheme team will closely monitor performance of the portfolio companies on a regular basis, and also track market conditions to enable planning of exits with optimized valuation.

5. **Exit Strategy** – The Scheme's strategy shall be dynamic, with position weightings adjusting over time in response to changes in company valuations. The Scheme shall increase holding in companies as their prices become more attractive, and reduce holdings when prices rise above intrinsic value. There shall be ongoing review of relative value to be used to optimize returns while managing risk.

SECTION IV: INVESTMENT RESTRICTIONS

The Scheme, as a Retail Fund, shall make investments subject to the following restrictions, as well as others as required by IFSCA:

1) The Scheme shall not invest more than 15% (fifteen percent) of its total AUM in unlisted securities. Provided that this limit shall not be applicable in case of investments by the Scheme in unlisted securities issued by an investment fund which is open ended in nature and is regulated by the concerned regulatory authority in its home jurisdiction and is permitted for offering to retail investors in its home jurisdiction.

2) The Scheme has received the prior approval from the Fiduciaries to invest upto 15% (fifteen percent) of its AUM in securities of a single company.

   Provided further that the limit on investment in single company in case of sectoral or thematic or index schemes shall be the weightage of that company in the representative index, provided by an independent entity, that such scheme intends to benchmark with, or 15%, whichever is higher:

   Provided also that fund of funds schemes shall be permitted to invest in other scheme(s) if such scheme(s) meets the requirement under the IFSCA FM Regulations.

3) The Scheme shall not invest more than 25% (twenty five percent) of its AUM in a single sector. Provided that in the case of the financial services sector the amount shall not exceed fifty percent (50%) of the AUM of the scheme. Provided further that the limit on sectoral caps shall not apply in case of a sectoral or thematic or an Index Scheme. Provided also that in case of a fund of funds scheme, the limit on sectoral cap shall not be applicable if such scheme is investing in other scheme(s) which does not have investment in a single sector in excess of 25% of their AUM, or 50% of their AUM in case of financial services sector or when such scheme(s) are sectoral or thematic or index scheme(s). (Note - GICS Industry classification or such other classification[1] as may be decided by the FME, shall be considered for determining sector limits)

4) The Scheme shall not invest more than 25% (twenty five percent) of its AUM in an Associate. Provided that this restriction shall not be applicable in case of fund of funds schemes which have made disclosure in the offer document regarding the details of the underlying scheme(s) wherein the investments are intended to be made and the nature of association, if any, that the FME has with the manager(s) of the underlying scheme(s).

5) The minimum size of the Scheme shall be USD 3 Million (United States Dollar Three Million) provided that the Scheme may commence its investment activities upon receiving at least USD 1 Million from investors and it shall receive at least USD 3 Million from investors within 12 months from the date of communication from the IFSCA, that the offer document has been taken on record.

6) The Scheme shall adhere to directions regarding areas such as operational standards, conduct of business rules, prudential requirements, restrictions on redemption and conflict of interest as may be specified by the IFSCA from time to time.

7) The Scheme shall not engage in extending any loans.

8) The Scheme shall not borrow except to meet temporary liquidity needs for the purpose of redemption. Provided that the Scheme shall not borrow more than twenty percent (20%) of the AUM and the duration of such borrowing shall not exceed a period of six (6) months.

[1] The FME shall endeavor to intimate the Investors of the Scheme in case of any change in the classification to determine sector limits as part of its periodical reports.

9) The investment restrictions shall be followed at the time of investment only and no action shall be undertaken upon passive breach, if any.

10) Any other restrictions as may be specified under the IFSCA FM Regulations from time to time.

SECTION V: PRINCIPAL TERMS OF THE SCHEME

This is a description of the principal terms of the Scheme. This section provides the principal terms of the Scheme which may be provided in detail elsewhere in this document. The terms hereof are subject to modification or withdrawal throughout the term of the Scheme.

1.	**CORPUS OF THE SCHEME**	The Scheme anticipates to raise at least USD 3,000,000 (United States Dollars Three Million) or any such minimum amount as prescribed under IFSCA FM Regulations. The Scheme shall maintain the minimum Corpus of at least USD 3,000,000 (United States Dollars Three Million) or any such minimum amount as prescribed under IFSCA FM Regulations throughout the life of the Scheme in accordance with IFSCA FM Regulations.
2.	**SCHEME OFFERING**	The Scheme is a Retail Fund launched by the FME as an open-ended Scheme. The Units of the Scheme may be offered to the public at large at the discretion of the FME, in accordance with the IFSCA FM Regulations.
3.	**BENCHMARK**	The performance of the Scheme will be benchmarked against MSCI All Country World Index (ACWI) - Net Total Return USD. The FME believes that the benchmark is most suited as per the investment objective and strategy as specified in this Offer Document. The FME may change the benchmark for the Scheme in future, if a benchmark better suited to the investment objective of the Scheme is available at such time and as per the guidelines and directives issued by IFSCA from time to time.
4.	**TARGET INVESTORS**	Targeted investors of the Scheme are retail investors including resident Indian individuals, minors, fund of funds, government institutions, corporates, Limited Liability Partnership (LLP), public sector undertakings, private banks, insurance companies, global development financial institutions, multilateral organisations, family offices, Institutional Investors, high net worth individuals, accredited investors as classified in terms of the IFSCA FM Regulations and other permissible Investors under Applicable Laws. *Eligibility Criteria*: For the purpose of subscribing to the Units of the Scheme, a Person must fulfil the Eligible Person criteria. Further, please refer to paragraph 5 titled '*Plans and Options*' and paragraph 9 titled '*Initial Subscription and Additional Subscription*' in this "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" for subscription of Units of the Scheme.
5.	**PLANS AND OPTIONS**	The Scheme shall issue the following Classes of Units: **Class of Units** — **Description** **Class A Units** — To the investors investing in the Scheme through distributors, Placement Agent/s or advisors and making a minimum subscription

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<tr><td></td><td>of an amount equal to or more than USD 5,000 (United States Dollars Five Thousand), having a face value of USD 10 (United States Dollar Ten).</td></tr>
<tr><td>Class B Units</td><td>To the investors investing in the Scheme directly and making a minimum subscription of an amount equal to or more than USD 5,000 (United States Dollars Five Thousand), having a face value of USD 10 (United States Dollar Ten).</td></tr>
</table>
The Scheme shall issue fully paid-up Units in accordance with the Offer Document. It is clarified that Units may include a fraction of a Unit evidencing Beneficial Interest in the Scheme of a value less than the face value of the respective Class of Units.
The FME shall allocate liability, expenses, cost, charge or reserve arising from one Class of Units to that particular Class of Units. If any liability, expenses, cost charge or reserve incurred by the Scheme are, in the opinion of the FME, not specifically attributable to a specific Class of Units, such liability, expenses, cost charge or reserve shall be borne by the Scheme and allocated to that particular Class of Units in such manner as the FME deems appropriate, fair and reasonable.
The Investors have to specify the “mode of holding” in the Application Form. If an application is made by:
(i) one investor, the mode of holding will “Single”;
(ii) more than one investor (maximum three permitted), the mode of holding should be specified as “Joint” or “Anyone or Survivor”. If the mode of holding is specified as “Joint”, all transactions/instructions will have to be signed by all joint holders, while for mode of holding specified as “Anyone or Survivor”, all transactions/instructions may be signed by anyone of the Unitholders. If the mode of holding is not specified or is ambiguous, it will be treated as “Joint”, where there is more than one holder. With respect to Units held in demat mode (if any), the rules of depository for operation of such DP account shall be applicable.
Request for nomination needs to be signed by all Unitholders jointly, irrespective of “mode of holding”.
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<td>6.</td>
<td>NEW FUND OFFER PERIOD</td>
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The NFO shall not go beyond 6 (six) months from the date of receipt of approval from IFSCA or on receipt of aggregate subscription amount of at least USD 1,000,000 (United States Dollar One Million), whichever is earlier (“NFO Period”).
The Scheme can commence its investment activities upon the closure of the NFO Period and shall achieve a corpus of at least USD 3,000,000 (United States Dollar Three Million) from Investors within 12 months
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		from the date of communication from the IFSCA, that the Offer Document has been taken on record. If FME fails to achieve the minimum corpus of at least USD 3,000,000 (United States Dollar Three Million) from Investors within 12 months from the date of communication from the IFSCA, it shall have a one-time option to extend the validity of the offer document for a further period of 6 months by paying 50 per cent (50%) of the fee as applicable for filing of a fresh scheme. In case the FME fails to achieve the minimum corpus of at least USD 3,000,000 (United States Dollar Three Million) within the specified time, it shall redeem the units within the period of 2 (two) months after the expiry of the specified period. The FME at its discretion may extend the NFO Period at its discretion, as per process specified under IFSCA FM Regulations. Upon expiry of the NFO Period, the Scheme shall add new Investors or existing Investors may increase their investments in the Scheme ("**Subsequent Investor**") in accordance with paragraph 7 under the heading '*Subscription / Offering Price*' in this "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**".
7.	**SUBSCRIPTION / OFFERING PRICE**	During the NFO Period and thereafter, the Investors shall be admitted to the Scheme upon submission of the Investor's Application Form along with the relevant 'know your client' documentation or such other documentation as requested by the FME and along with subscription proceeds (exclusive of bank charges, if any). Such documentation should be emailed to the FME with a scanned copy to the FME/service provider by email by 12.00 p.m. (IST) on the relevant Subscription Day or such period as may be decided by the FME, from time to time. If the Investor fails to email the requisite documents and subscription proceeds by 12.00 p.m. (IST) on the relevant Subscription Day, the application will be held over till the next Subscription Day or such period as the FME may deem fit. Units will not be allotted unless the FME is satisfied that cleared funds & completed 'know your client' documentation or such other information have been received before the cut-off timings as stated above. The Investors shall be issued Units during NFO Period at face value of USD 10 (United States Dollars Ten) and post NFO Period at applicable post-Tax NAV on the relevant Valuation Day on which the subscription application is considered for processing. Notwithstanding the above, the FME may modify the abovementioned timelines and may accept an application for subscription of Units anytime at its own discretion. Default Option:

		Where Application Forms are received for Class A Units without capturing the Placement Agent details appropriately / incorrectly, the Units of Class B shall be allotted. The FME may at its discretion do/rectification of Class of Units with prospective/ retrospective effect.
8.	**PURCHASE OF UNITS**	A Person shall be admitted as an Investor in the Scheme upon submission of the Investor's Application Form along with the relevant 'know your client' documentation, subscription proceeds (exclusive of bank charges, if any) or such other documentation as requested by the FME. The Application Form may be availed from any of the Placement Agents, office of the FME, from the service provider and/or from the website i.e. https://giftcity.dspim.com/ The FME may enable various online facilities/electronic modes for transactions. For transactions received on online mode, for the purpose of determining the applicability of post-Tax NAV, would be the time when the request of purchase/sale/switch of Units is received in the servers of FME as per terms and conditions of such online transaction facility. Such documentation should be emailed to the FME with a scanned copy to the FME/service provider by email to service.ifsc@dspim.com by 12.00 p.m. (IST) on the relevant Subscription Day or such period as may be decided by the FME, from time to time. Subscription money (exclusive of bank charges, if any) received from the Investors shall be treated by the Scheme as consideration for the Units subscribed by the Investors. Accordingly, once the Investors pay the necessary subscription amount, the FME will issue the relevant Class of Units to such Investors. Any fractional values shall be rounded down to 3 decimal places. Payment for Units of the Scheme must be effected by wire transfer only to the bank account detailed in the Application Form. The Scheme has the right to accept or reject (in whole or part) any application for Units of the Scheme. In case the application is rejected, the applicant will be informed, without any reason being ascribed and any application monies received by the Scheme will be returned without payment of interest and net of all applicable charges and any other outgoings in respect thereto, by wire transfer to the applicant's bank account, at the applicant's risk and expense. Duly completed applications received and accepted by the Scheme on the relevant Valuation Day are unconditional and irrevocable by the Investor. Units of the Scheme will be held in inscribed form and a confirmation will be sent to the applicant upon receipt of cleared funds, duly completed Application Form and acceptance of such funds by the Scheme.
9.	**INITIAL SUBSCRIPTION**	Subject to the IFSCA FM Regulations, the Initial Subscription for each Investor shall be as follows ("**Initial Subscription**")

<table>
<tr><td></td><td>AND ADDITIONAL SUBSCRIPTION</td><td>
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<tr><th>Class of Units</th><th>Minimum Initial Subscription</th></tr>
<tr><td>Class A Units</td><td>USD 5,000 (United States Dollars Five Thousand)</td></tr>
<tr><td>Class B Units</td><td>USD 5,000 (United States Dollars Five Thousand)</td></tr>
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For any additional purchase of Units, the minimum Additional Subscription shall be as follows (“Additional Subscription”):
<table>
<tr><th>Class of Units</th><th>Minimum Additional Subscription</th></tr>
<tr><td>Class A Units</td><td>USD 500 (United States Dollars Five Hundred)</td></tr>
<tr><td>Class B Units</td><td>USD 500 (United States Dollars Five Hundred)</td></tr>
</table>
However, the FME at its discretion may prescribe any amounts as minimum Initial Subscription or Additional Subscription for each Investor, subject to the IFSCA FM Regulations. The subscription proceeds should be received by the FME, exclusive of any bank charges. Any subscription proceeds received lesser than the limit specified for Initial Subscription and Additional Subscription shall not be considered as a valid application and will be returned without payment of interest and net of all applicable charges.
The Investor will be required to contribute the entire subscription amount at the time of submission of the Application Form or within such time period as may be stipulated by the FME.
It is clarified that FME and/or its associates investing beyond the minimum prescribed regulatory limit shall not be subject to any lock in or restrictions to redeem.
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<tr><td>10.</td><td>SYSTEMATIC INVESTMENT PLAN (SIP)</td><td>Not Applicable.</td></tr>
<tr><td>11.</td><td>SYSTEMATIC WITHDRAWAL PLAN (SWP)</td><td>Not Applicable</td></tr>
<tr><td>12.</td><td>FME COMMITMENT</td><td>
Under a retail scheme, the FME or its associates shall invest at least one percent (1%) of the AUM of the retail scheme or USD 200,000, whichever is lower.
The said investment shall be made by the FME or its associate within forty-five (45) days, or such extended period as may be allowed upon satisfaction of IFSCA, and shall be maintained on an ongoing basis.
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<tr><td>13.</td><td>TERM OF THE SCHEME AND TERMINATION</td><td>
The Scheme is open-ended with no definite tenure and shall terminate in accordance with the terms of the Offer Document.
Without prejudice to the above, the FME in consultation with the Trustee, may subject to the restrictions contained in the Applicable Laws, at any time terminate the Scheme upon:
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		- the Scheme exiting from all Investments and making the exit proceeds to the Investors (as applicable); or - the Trust/Scheme being wound up in accordance with the terms of the Indenture; or - Super-Majority of the Investors in the Scheme passing a resolution at a meeting of Investors and/or by circular resolution that the Scheme be wound up; or - IFSCA in the interest of investors and for orderly development of the financial market may direct the FME to wind up the Scheme subject to such conditions as considered appropriate Upon happening of any of the events referred to hereinabove, the FME shall intimate IFSCA and the Investors of the circumstances leading to the winding up of the Scheme. Notwithstanding the termination of the Scheme, the Investors shall continue to remain liable to the following extent: - The Scheme will continue for such period of time as may be necessary to liquidate existing Investments in an orderly manner; - Investments made by the Investors will be held to the extent necessary to pay the Scheme Expenses and discharge any Tax obligations or liabilities under Applicable Laws; and - The Management Fee will continue to be payable as per the provisions of the Offer Document until the Scheme terminates and is dissolved. Once the Scheme liquidates, the proceeds accruing to the Investors shall be distributed after satisfying all liabilities (including any tax liabilities) of the Scheme in accordance with the Offer Document.
14.	**REDEMPTION**	Investors intending to redeem Units as of a Redemption Day must submit the redemption form along with the relevant documentation as requested by the FME ("**Redemption Request**"). Such documentation should be emailed to the FME with a scanned copy to the FME/service provider by email to service.ifsc@dspim.com by 12.00 p.m. (IST) on the relevant Redemption Day or such period as may be decided by the FME, from time to time. If the Investor fails to submit the redemption form on the relevant Redemption Day, the redemption will be held over till the subsequent Redemption Day. A Redemption Request will be accepted and processed on the relevant Redemption Day, subject to the applicable Exit Charge (if any). The minimum redemption amount shall be 'any amount' or 'any number of units' as requested by the investor at the time of Redemption Request. In case of part redemption, the FME reserves the right to redeem all the Units, if the outstanding investments of the Investor at prevalent post-Tax NAV is below the USD 1000 (United States Dollar One Thousand) for the respective Class of Units as specified in this Offer Document. Notwithstanding the above, FME may accept the Redemption Request and provide exit to the Investors anytime at its own discretion.

A Redemption Request, once made, will be irrevocable and may not be withdrawn without the consent of the FME. In case an investor has purchased Units on more than one day (either under the NFO Period or through subsequent purchases) the Units purchased first (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed first, i.e. on a First-In-First-Out basis. In all cases, proceeds of redemption will be paid to the first-named holder (as determined by reference to the original Application Form).

The redemption of any Unit on any particular Redemption Day shall be at the relevant Redemption Price. It is hereby clarified that the "**Redemption Price**" for the purpose of this paragraph shall be the applicable post-Tax NAV per Unit as on the Redemption Day. Unless redemptions have been suspended or delayed, each redeeming Investor will be paid on the relevant Valuation Day subject to availability of cash with the Scheme.

In circumstances where the FME is unable to liquidate securities' positions in an orderly manner in order to fund Redemptions Requests of the Investors of the Scheme, or where the value of the assets and liabilities of the Scheme cannot reasonably be determined, the Scheme may take longer than the time periods mentioned above to effect settlements of redemptions, may effectuate only a portion of a requested redemption or may even suspend redemptions.

The aggregate Redemption Price for all Units being redeemed shall be reduced by Exit Charge, reserves, Taxes (including provisions for withholdings and Taxes on Exit Charge, if any), applicable Taxes from disposal of the Investments incurred by the Scheme in effecting the redemption as provided in the Offer Document, transaction costs, and any other fees, penalties, duties or costs payable by the Scheme ("**Redemption Proceeds**"). The payment of Redemption Proceeds shall be effected by way of credit to the registered bank mandate through banking channels within 7 (Seven) Business Days of the Redemption Day. Any fractional values shall be rounded down to 3 decimal places.

In case the Units are standing in the names of more than one Unitholder, where mode of holding is specified as joint Redemption Requests will have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unit Holders will have the power to make Redemption Requests, without it being necessary for all the Unitholders to sign. However, in all cases, the proceeds of the redemption will be paid to the first-named holder only.

Exit Charge

Subject to above, the Redemption Proceeds payable to exiting Investors of the Scheme shall be charged an applicable exit charge by the FME, in the manner provided below ("**Exit Charge**"):

Period	Applicable Exit Charge
If any Redemption Request is received within 24	1 % (one percent) of the Redemption Proceeds

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<tr><td>(twenty-four) months from the date of allotment of Units</td><td></td></tr>
<tr><td>If any Redemption Request is received after 24 (twenty-four) months from the date of allotment of Units</td><td>Nil</td></tr>
</table>
The Scheme or the FME on the Scheme’s behalf reserves the right to refuse to make any Redemption Proceeds to an Investor if the Scheme or the FME suspects or is advised that the payment on account of exit from such Investor might result in a breach or violation of any applicable anti-money laundering or other laws or regulations (including IFSCA FM Regulations), or such refusal is considered necessary or appropriate to ensure the compliance by the Scheme or the FME with any Applicable Laws. The Exit Charge as stated above, shall be exclusive of all applicable Taxes (including GST, as applicable) and levies, if any (together with surcharge and additional surcharge, as may be applicable) leviable on such expense, the same to be borne by the respective Investor. The Exit Charge so deducted will be paid to and retained by the FME.
The FME is entitled to retain some amount of money from any pre-tax Redemption Proceeds to pay Taxes and may also transfer such retained money to a reserve which the FME may deem reasonably necessary for meeting any future contingent or unforeseen liabilities or obligations of the Scheme including any Tax demand and claims during or after the term of the Scheme but arising out of the activities of the Scheme during its subsistence. In the event there is any shortfall in inter alia meeting the Tax claim/liability, the FME or the Trustee shall be entitled to recover such shortfall from the Investors. Any Taxes discharged by the Scheme shall be done considering the permanent account number (“PAN”) of the Scheme.
Minimum balance to be maintained under each Class where the Investor has been allotted Units:
USD 1000 (United States Dollar One Thousand)
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<td>15.</td>
<td>COMPULSORY REDEMPTION</td>
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The FME reserves the discretion to compel the removal of the Investor with not less than 7 (Seven) Business Days prior written notice for any of the following reasons:
(i) The Investor is a Person who is not an Eligible Person; or
(ii) Continuation of the Investor with the Scheme will be materially prejudicial to the interest of the Scheme; or
(iii) Continuation of the Investor with the Scheme will result in onerous obligations on the Scheme; or
(iv) Investor is in breach of Applicable Laws or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Units of the Scheme including without limitation any exchange control regulations; or
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		(v) If any law or regulation has been passed that renders it illegal, or in the reasonable opinion of the FME impracticable or inadvisable to continue the Scheme; or (vi) Change in residential status of the Investor from Resident to Non Resident as per the provisions of the Income Tax Act, 1961. The FME reserves the right to redeem investments of Investor which are in excess of 25% of the AUM of the Scheme, to meet the regulatory requirements prescribed under IFSCA FM Regulations, subject to the provisions of paragraph 26 titled '*Minimum number of Investors*' in this "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**". The FME shall determine the exit price of the Units held by the Investor being compulsorily redeemed based on the post-Tax NAV calculated at the time of compulsory redemption, or such other price as maybe determined by the FME and after considering any retention amount towards Taxes/ reserve for any future contingent or unforeseen liabilities or obligations or expenses as described at paragraph 14 titled '*Redemption*' in this "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**". The payments shall be made by FME in such time, as may be reasonably determined by the FME and which does not adversely impact the interest of the remaining Investors. Upon the compulsory redemption of Units, the Investor shall cease to be entitled to any rights in respect of such Units redeemed (except the right to receive a dividend which has been declared thereof prior to such redemption being effected). It is clarified that any onerous obligations incurred by the Scheme arising out of such compulsory redemption of Units (including any expenses incurred in the disposal of Investments incurred by the Scheme in effect the redemption) shall be borne exclusively by the concerned Investor and shall be deducted from the Redemption Proceeds.
16.	**DELAY / SUSPENSION OF REDEMPTION**	The FME may suspend/delay the determination of the NAV and the issue and exit of Units during whole or any part of a period if any one or more of the below circumstances occur:

		1) During which any of the principal stock exchanges or markets of which any substantial portion of the investments of the Scheme are quoted is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or 2) when circumstances exist as a result of which in the sole opinion of the FME, it is not reasonably practicable to dispose of investments or as a result of which any such disposal would be materially prejudicial to the Investors; or 3) any breakdown in the means of communication normally employed in determining the price or value of any of the investments or the current price or values on any stock exchange or market; or 4) any period when the NAV of the particular Class of Units of the Scheme may not be determined accurately or otherwise; or 5) when the FME is of the opinion that a change or adoption of any law, rule or regulation by any governmental authority, central bank or other regulatory agency or any directive or request issued by any such body imposes restrictions on the sale or acquisition or transfer of investments; or 6) when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the FME, including without limitation, delay in settlement or registration of securities transactions, the disposal of the assets of a Class is not reasonably practicable without materially and adversely affecting and prejudicing the interest of continuing Investors or if in the opinion of the FME, a fair price cannot be calculated for the assets of the Class; or 7) when by reason of voluntary or involuntary liquidation or bankruptcy or insolvency or similar proceedings, the Scheme's investments are affected or in events which results in the investments being nationalized, expropriated or otherwise required to be transferred to any government agency, authority or entity occurs; or 8) in any other period when the FME, at its discretion, determines it to be in the interest of the Investors. Notwithstanding anything stated above, suspension of exit shall be done by FME only in exceptional circumstances wherein such suspension is in the interest of the Investors or if the suspension is required under any Applicable Law or force majeure or imposed by any regulatory authority. In the event that there is a delay / suspension of the determination of the NAV of a Class on any Subscription Day or Redemption Day, the subscription and/or redemption of Units on relevant Subscription Day or Redemption Day shall also be suspended. Notwithstanding anything stated in this Offer Document, during the suspension of the redemptions, the FME shall not accept new subscriptions.

		Subscription and Redemption Request may be withdrawn at any time while the calculations of the NAV of such Class are suspended. If not so withdrawn, such requests shall be carried forward to the first Subscription Day or Redemption Day, on which the determination of the NAV of such Class shall have resumed. The decision by the FME to suspend exits, in particular the reasons for the suspension and the planned actions shall be appropriately documented and communicated to the Investors. The suspension shall be regularly reviewed by the FME. The FME shall take all necessary steps in order to resume normal operations as soon as possible having regard to the interest of Investors. The FME shall keep IFSCA and Investors informed about the actions undertaken by the FME throughout the period of suspension. The decision to resume normal operations shall also be communicated to IFSCA and the Investors as soon as possible.
17.	**DIVIDEND TO INVESTORS**	Not Applicable. The FME reserves the right to introduce options to pay dividend from the Class and details in this regard shall be accordingly provided to the Investors.
18.	**TRUSTEESHIP FEE**	For acting as the Trustee of the Trust and the Scheme, and discharging its functions and responsibilities as the Trustee, the Trustee shall be entitled to receive a recurring annual fee of USD 3500 plus applicable Taxes (United States Dollar Three Thousand Five Hundred), during the subsistence of the Scheme or such amount as may be mutually agreed in writing between the FME and the Trustee ("**Trusteeship Fees**") from time to time.
19.	**MANAGEMENT FEES**	As a consideration for the services to be rendered by the FME, the Scheme shall pay management fees to the FME ("**Management Fee**"). Such Management Fees shall accrue on a daily basis and shall be payable on a monthly basis on the aggregate NAV by all Classes of Units at the rates as given below: ***Class of Units*** — ***Rate (%) per annum*** **Class A Units** — upto 1.50% (one point fifty percent) **Class B Units** — upto 0.75% (zero point seventy five percent) The Management Fees payable to the FME shall be exclusive of all applicable Taxes (including statutory levies and indirect Taxes, as applicable) and levies, if any (together with surcharge and additional surcharge, as may be applicable) leviable on such Management Fees, the same to be borne by the Scheme and allocated to the holders of respective Classes of Units. The Management Fees of the Scheme shall be part of the Total Expenses of the Scheme.

		The FME may modify the Management Fees for a particular Class of Units subject to compliance with the Applicable Laws.
20.	**TOTAL FIXED FEE EXPENSE RATIO**	**<u>Total Expense Ratio</u>** The Scheme shall bear expenses (including Management Fees and Operating Expenses incurred by the Scheme) ("**Total Expense**"), which shall accrue on a daily basis on the aggregate NAV by all Classes of Units at the rates as given below: *Class of Units* — *Rate (%) per annum* **Class A Units** — upto 1.75% (one point seventy five percent) **Class B Units** — upto 1.00% (one percent) The Total Expense payable to the FME shall be exclusive of all applicable Taxes (including statutory levies and indirect Taxes, as applicable) and levies, if any (together with surcharge and additional surcharge, as may be applicable) leviable on such Total Expenses, the same to be borne by the Scheme and allocated to the holders of respective Classes of Units. The Scheme's Total Expense shall *inter alia* include the following: 1. Management Fees payable to the FME as a consideration for the services to be rendered by the FME as specified under paragraph 19 titled '*Management Fees*' of this Offer Document. 2. Operating Expenses of the Scheme as stated below. **<u>Operating Expenses</u>** The annual operational expenses of the Scheme will be borne by the Scheme, on actuals and allocated to the holders of all Classes of Units, subject to a cap of 0.25% (zero point two five percent) p.a. of the average daily NAV ("**Operating Expenses**"): The Operating Expenses shall inter alia include the following: • costs involved in marketing of the Scheme; • commitment or similar fees; • legal and professional expenses (including fees paid for legal opinions, if any) incurred in relation to the preparation and negotiation of the Scheme Documents or any other documents applicable to the Scheme; • printing costs in relation to the Scheme Documents; • stamp duty and registration charges; • Expenses incurred in the operation of the Scheme; • Statutory, legal, accounting audit, custodial, dematerialisation, consulting, any other third party fees and operating expenses related to the Scheme and other professional fees; • Expense incurred by the Scheme for collection of subscription money/ies;

		• Operating legal and statutory expenses; • Due diligence expenses; • Banking, registration, qualification, depositary and similar fees or commissions; • Transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of the Scheme's assets and other statutory expenses; • Trusteeship Fees; • Costs of financial statements and other reports (including reports to Investors); • Communications, travel and other expenses; • Expenses associated with maintenance of books of accounts and other records of the Scheme; • Administration, communication, advertising, promotional, operating, and transactional expenses (including bank charges) incurred by the Scheme; • Fees payable to banks, and any consultants for providing services to the Scheme; • Proportionate liquidation expenses of the Scheme; • All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above arising out of or in the course of managing or operating the Scheme. Further, the Operating Expenses incurred by the Scheme over and above the aforementioned limit shall be borne by the FME. The Operating Expenses shall be exclusive of all applicable Taxes (including statutory levies and indirect Taxes), levies and borrowing cost. It is further clarified that Management Fees shall not form part of the Operating Expenses. The Operating Expenses of the Scheme shall be part of the Total Expenses of the Scheme. Any of the aforesaid Operating Expenses incurred by the FME shall be reimbursable by the Scheme to the FME. **<u>Set-up Costs</u>** The one-time Set-up Costs shall be borne by the FME ("**Set-up Costs**"). The Set-up Costs shall include the costs incurred towards the organization of the Trust and Scheme, setting up and offering costs, legal fees and professional expenses incurred in relation to the preparation and negotiation of the Scheme Documents or any other documents applicable to the Scheme in relation to the offering of Units pursuant to this Offer Document, establishment and registration expenses and such other costs directly attributable to the establishment of the Trust and the Scheme and obtaining various licenses, approvals and registrations.

		Other Expenses: In addition to the Total Expenses, the Scheme will be responsible for all costs and expenses at actuals and attributable to the Investors, related to its own operations whether incurred directly by the Scheme or by the Trustee or the FME for and on behalf of the Scheme, including, without limitation ("**Other Expenses**"): **i. Trading Expenses** The trading expenses of the Scheme will be borne by the Scheme on actuals and allocated to the Fund ("**Trading Expenses**"). The trading expenses / transaction expenses shall, inter alia, consist of the following: • Stamp duty charges (wherever applicable); • Brokerage charges; • Securities Transaction Taxes (wherever applicable); and • Transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of the Scheme's assets and other statutory expenses. • Statutory expenses incurred in acquiring, holding, selling or otherwise disposing of the Investments; • Custodian charges (volume based) and Depository charges; • Banking, registration, qualification, depositary and similar fees or commissions; and • Costs and charges as imposed by stock exchanges. ii. Taxes and other governmental charges levied against the Scheme; iii. In the event any indirect taxes are deemed to apply to any dividends paid by the Scheme, such taxes (including any future Tax liabilities) shall be borne by the Investors, at the relevant point in time when such taxes are determined as applicable; iv. Expenses incurred in connection with any indemnification obligations; and v. Any litigation and any other extraordinary and non-recurring expenses. Such Other Expenses will be charged by the Scheme at actuals, over and above the Total Expenses. It is expressly clarified that subject to Applicable Laws, any Scheme Expenses incurred by the Trust, shall be incurred for and on behalf of the Investors for the particular Scheme and any Taxes applicable on such Scheme Expenses shall be accrued to the account of the Investors. Further any hedging of foreign currency undertaken shall be borne by the respective Unitholder.
21.	**PLACEMENT FEES**	The Scheme may use the services of arrangers, distributors or placement agents, as may be necessary from time to time ("**Placement Agent/s**") which may charge a placement fee / distribution fee ("**Placement Fee**") of up to 2% (two percent), to such Investors who are sourced through Placement Agent/s.

		Class A Units will be allotted to Investors who are onboarded to the Scheme via Placement Agent/s and net amount shall be invested in the Scheme. The FME reserves the right to pay placement or distribution fees to placement agent/distributors either from the fund or directly from FME.
22.	**EXPENSES OF THE FME**	The FME shall bear all its operational and administrative expenses post setting up of the Scheme and shall make its own provision for the following: a) Office space, salary and personnel cost; b) Office equipment; c) Regulatory compliance and reporting services; and d) Preparation of tax returns of the FME.
23.	**PLEDGE OF UNITS AND TRANSMISSION OF UNITS**	Unitholders are not permitted to pledge any of their Units, interests, rights or obligation with regard to the Scheme, unless undertaken through instruments in writing in the usual form, or in any other manner specified by the FME and would be subject to the provisions of the Indenture. The Investors may pledge their Units, rights or obligation with regard to the Scheme to pledgee subject to the following requirements: a) The proposed pledgee is an Eligible Person; b) The invocation of pledge, if any shall be subject to execution of necessary documentation by pledgor / pledgee as may be stipulated/prescribed/required by the FME; and c) The proposed pledgee will not contravene any Applicable Law or policy of the Government or otherwise is not prejudicial to the interests of the Trust/ Scheme. The Investor shall intimate the FME of their intention to pledge the Units and shall share such information of the proposed pledgee as may reasonably be required by the FME to determine eligibility of the proposed pledgee. Subject to Applicable Laws, costs and duties with respect to such transfer shall be borne by the new investor (pledgee). Any Tax liability or obligation arising from such transfer of Units pursuant to such invocation of pledge shall be the responsibility of the pledgee/pledgor. The FME may at its discretion, may pledge the Units or place a lock-in of Units in the Scheme, *inter alia* on account of any regulatory communication / action, fraudulent activity in the folio and/or by investor, placement agent etc (which may be concluded or pending investigation). **Deceased Investor** In the event of the death of an Investor ("**Deceased Investor**"), the FME may, in its discretion, take any action in respect of the investments of the Investor and/or Units of such Deceased Investor on equitable grounds subject to compliance with the procedural requirements of the FME

		including execution of such necessary documentation as may be prescribed by the FME. Such actions shall include but not be limited to permitting the successor of the Deceased Investor to substitute the Deceased Investor in the Scheme by transmission of the Units; providing an exit in respect of the Units of such Deceased Investor etc. Further, in case a nominee has been notified by the Deceased Investor to the FME before his/her death, then such nominee shall be deemed to be the successor of the Deceased Investor, subject to compliance with the procedural requirements of the FME including execution of such necessary documentation as may be prescribed by the FME in the Scheme Documents. It is hereby clarified that in the case of joint Investors, the surviving Investor shall be deemed to be the sole Investor on the demise of another Investor. Further, it is hereby clarified that any actions by the FME as stated above on death of an Investor, shall constitute full and valid discharge of the Trustee and/or FME and/or the Scheme of any liability towards the legal heirs of the Deceased Investor. In case of being notified of disputes on the Units, the FME shall keep the Units under lock-in for further redemption and/or processing till such time the disputes are resolved and appropriate documents *inter alia* including but limited to court order, settlement order, indemnity is submitted to the FME to its satisfaction.
24.	**SWITCH**	Currently, switch is permitted between the Classes of Units of the Scheme from Class A to Class B or vice versa or *inter alia* between the Classes of Units. An Investor who wishes to undertake such switch will need to execute such documents / Application Forms / letters as the FME may deem appropriate. Such switch shall be undertaken at an applicable post-Tax NAV on the Valuation Day. In case of switch from Class A to Class B, the FME shall not be liable to pay any Placement Fee on such transferred assets from the date of taking on record such transfer, irrespective of sourcing such Investor by a distributor / arranger / placement agent. To clarify, any such switches as specified above may be subject to income-tax and stamp duty. Investors are required to consult their tax consultants in this regard.
25.	**GIVEBACK BY THE INVESTORS**	Subject to the provisions of the Applicable Laws, the FME or Trustee, in prior consultation with the FME, may require an Investor to return dividends / redemptions made to the Investor in order to satisfy the Investor's *pro rata* share of any obligations or liabilities of the Scheme (including any indemnification obligations, Tax liability/claim), during and beyond the term of the Scheme. The obligation to return dividend and redemptions may also continue beyond the term of the Scheme /Trust as determined by the FME or Trustee, in consultation with the FME, by providing a notice to the Investors for the same.

26.	**MINIMUM NUMBER OF INVESTORS**	The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the AUM of the Scheme ("**20/25 rule**"). However, if such limit is breached during the NFO Period, the Scheme shall ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with the 20/25 rule. In case the Scheme does not have a minimum of 20 investors in the stipulated period stated above, the Scheme shall be wound up within a period of 3 months from the date of such breach and the Units would be redeemed at applicable post-Tax NAV. If there is breach of the 25% limit by any investor during the NFO, Units to the extent of 25% only shall be allotted to the Investor and remaining subscription money shall be refunded back to the application net of bank charges, if any. Post NFO, in case of breach of 25% holding limit of an investor, a rebalancing period of one month would be available and thereafter, the investor who is in breach of the rule, shall be given 15 days' notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption on the applicable post-Tax NAV on the 15th day of the notice period of such excess Units.
27.	**GATING RESTRICTIONS ON WITHDRAWAL OF UNITS**	In the event that the redemption form (and any other document prescribed by the FME) are received in relation to Redemption Day representing in aggregate more than 25% (Twenty Five Percent) (or such other percentage as the FME may determine from time to time) of the total number of Units in issue the Scheme on the Redemption Day, the FME is entitled to reduce the requests *pro-rata* amongst all Investors seeking to redeem on the relevant Redemption Day and process only sufficient redemption of Units which, in aggregate, amounting to 25% (Twenty Five Percent) of the Units then in issue. Exit of an Investor's holding is permitted, provided that it does not result in the size of the Scheme to reduce below the regulatory requirement as prescribed under the IFSCA FM Regulations. If any Redemption Request would result in the Scheme facing regulatory non-compliance, then the FME may disallow such a request or may require such holder to exit entirely.
28.	**INDEMNIFICATION**	The Scheme will indemnify the (i) FME, Settlor, Trustee and any of their respective officers, directors, partners, employees and agents, (ii) members of any board or committee of the FME; contemplated in the Scheme Documents or any other party as may be decided by the FME ("**Indemnified Persons**") against any and all claims, losses, liabilities including Tax liabilities, costs, damages, expenses including legal fees, and amounts paid as settlement claim incurred by them or likely to be incurred or suffered by them by reason of their association with the Scheme ("**Losses**") except to the extent such Losses resulted from the Indemnified Person's Malfeasance.

29.	**TEMPORARY DEPLOYMENT OF SURPLUS FUNDS**	Temporary investments by the Scheme shall be made in certificates of deposit, units of investment schemes such as overnight, liquid or money market schemes, money market instruments, bank deposits or any other securities or financial assets or instruments as maybe specified by the IFSCA from time to time and as permitted under the Applicable Laws and the Offer Document ("**Temporary Investments**"). Until subscription amount received by the Scheme are utilized towards Investments / reinvestments and/or pending dividend or as a reserve for the Scheme's anticipated obligations (including Tax obligations/liabilities), as applicable, the FME shall be entitled to invest the same in Temporary Investments. Any gains arising to the Scheme from such Temporary Investments shall be accrued in the Scheme and shall form part of the NAV of the Scheme.
30.	**CURRENCY PRINCIPLES**	The functional currency of the Scheme shall be USD.
31.	**LEVERAGE**	The Scheme will borrow for the purpose of meeting temporary liquidity requirements needs of the Scheme for the purpose of redemption. Such borrowing shall be undertaken in accordance with the limits prescribed under IFSCA FM Regulations.
32.	**REPORTING**	Subject to Applicable Law, the FME shall maintain proper books of accounts, documents and records with respect to the Scheme, to give a true and accurate account of the investments, expenses, earnings and gains of the Scheme. The Unitholders will receive: (a) NAV on a daily basis i.e. on every Business Day (it may be hosted on website on the FME); (b) the portfolio of the Scheme on a quarterly basis within one month from the end of the quarter; (c) a monthly report providing information about holding in the Scheme (as per Regulation 136 (1) of the IFSCA FM Regulations); (d) annual reports/abridged summary, including audited financial statements of the Fund (within four months from the end of the financial year) (as per Regulation 134 (3) of the IFSCA FM Regulations); (e) Any other material disclosure as considered required by the FME or the Trustee under the Applicable Laws. All the above referred reports/information shall be furnished to the Investors electronically by e-mail unless otherwise specified by the Investor.
33.	**TAXATION**	A summary of certain principal tax consequences applicable to the Scheme is set forth in "**SECTION X: LEGAL, REGULATORY AND TAX CONSIDERATIONS**" of this Offer Document. In view of the varying nature of tax consequences, each prospective Beneficiary is advised to consult its own tax adviser with respect to the specific income or other tax consequences applicable to them as a result of an investment in the Scheme.

34.	**VALUATION**	The 'Net Asset Value' or 'NAV' shall mean the net asset value of the Scheme or a Class of Units, as the context may require, calculated as below. The Net Asset Value for each Class at the relevant Valuation Day shall be the market value of all the assets of each Class of Units less the liabilities of that Class of Units. NAV per units shall be calculated as follows: $$\frac{\text{Market or Fair Value of Scheme's investments + Current Assets - Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}}$$ NAV of the scheme will be rounded off to three decimal places. Calculation of net asset value ("**Net Asset Value**"/ "**NAV**") would be done by an independent third-party service provider such as fund administrator / custodian / valuer registered with Insolvency and Bankruptcy Board of India and/or such other person specified by IFSCA. Such NAV shall be disclosed to the Investors on a daily basis (i.e. on every Business Day). The information on NAVs of the Scheme/plans may be obtained by the Unit Holders, on any day, by calling the office of the FME and will also be updated on the website of the FME i.e. https://giftcity.dspim.com/ For more details, please refer to "**SECTION VI: DETERMINATION OF THE NET ASSET VALUE OF THE UNITS**" of this Offer Document.
35.	**CUSTODIAN / GLOBAL CUSTODIAN**	"**The Hongkong and Shanghai Banking Corporation Limited, Hong Kong**" will act as the Custodian / Global Custodian for the Scheme. The Custodian / Global Custodian shall be responsible for safekeeping of securities of the Scheme.
36.	**STATEMENT OF ACCOUNTS OR UNIT CERTIFICATE**	Allotment confirmation specifying the number of Units allotted shall be sent to the Unit holders at their registered e-mail address and/or mobile number by way of email and/or SMS within 5 (Five) Business Days from the date of receipt of the valid application/transaction along with subscription money.
37.	**AMENDMENTS AND WAIVERS**	The FME may, from time to time, make any amendment to this Offer Document, including amendments to the investment strategy, process and restrictions, as it considers necessary or desirable, provided however, such amendment process will be specified by the FME in accordance with IFSCA FM Regulations. All laws and regulations applicable to Scheme's activities, may, at any time be amended, modified, repealed or replaced in a manner adverse or favorable to the interests of the Investors. The FME shall carry out

		necessary amendments to any of the Scheme Documents to conform to such modifications in Applicable Law.
38.	**GRIEVANCE REDRESSAL**	The FME shall examine and process the complaint in accordance with policies and procedures as specified under the Applicable Laws including circulars and guidelines issued by IFSCA from time to time. The FME shall designate Complaint Redressal Officer ("**CRO**") and the Complaint Redressal Appellate Officer ("**CRAO**") for handling of complaints and appeals respectively. For further details, Investors can refer to complaint redressal policy available at dedicated webpage of its group entity. The FME shall dispose of complaint preferably within 15 days but ordinarily not later than 30 days of acceptance of complaint and/or such other timelines as may be prescribed by IFSCA from time to time. If Investor is not satisfied with the resolution provided by FME and/or of the complaint has been rejected by FME, an appeal can be filed before the CRAO within 21 days from the receipt of the decision from the CRO. Where an Investor is not satisfied with the decision of FME and has exhausted the appellate mechanism of the FME, a complaint may be filed before IFSCA through email to grievance-redressal@ifsca.gov.in preferably within 21 days from the receipt of the decision from FME. Notwithstanding, anything stated above, any dispute unresolved by the above internal grievance redressal mechanism of the FME, may be submitted to arbitration and dealt with in accordance with the terms of the Contribution Agreement.

SUPPLEMENTARY INFORMATION

1.	**AML/KYC**	The FME shall seek all KYC documents and further details as may be required to comply with International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022, read with Prevention of Money-laundering Act, 2002 and the Prevention of Money laundering (Maintenance of Records) Rules, 2005 (together referred to as '**PML Norms**'). Details of documents shall be specified in the Application Form.
2.	**BANK MANDATE**	The FME is committed to meet the AML/KYC requirements as applicable and prescribed by IFSCA from time to time. In this regard, the Scheme will accept payments only from the bank account of the investor and no third party payment will be permissible for investment in the Scheme. To ensure verification of the same, the FME may seek following details from the Investor: • Original cancelled cheque having the First Holder Name printed on the cheque [or] • Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application [or] • Photocopy of the bank statement/bank passbook duly attested by the bank manager and bank seal preferably with designation and employee number [or] • Confirmation by the bank manager with seal, on the bank's letter head with name, designation and employee number confirming the investor details and bank mandate information.
3.	**FATCA / CRS REPORTING**	Unitholders will be required to comply with the request of the Scheme to furnish such information/ documentation/ declarations as and when deemed necessary by the FME in accordance with the Applicable Laws including any compliances under the Income Tax (11th Amendment) Rules, 2015 notified by the Central Board of Direct Taxes ("**FATCA Implementation Rules**") and under section 285BA of the Income-tax Act, 1961. If the Scheme and/or the FME is required by Applicable Laws, including the FATCA Implementation Rules, to provide information regarding the Scheme and/or the Unitholders to any regulatory authority and/or the Scheme Investments and/or income therefrom, and the Scheme and/or the FME complies with such request in good faith, whether or not it was in fact enforceable, they shall not be liable to the Unitholders or to any other party as a result of such compliance or in connection with such compliance.

		The provisions of the FATCA Implementation Rules are relevant not only at on-boarding stage of Unitholders but also throughout the life cycle of investment with the Scheme. Unitholders therefore should immediately intimate to the Scheme/the FME, any change in their status with respect to any FATCA Implementation Rules related information/ documentation/ declarations provided by them previously. In case the Unitholder fails to furnish the relevant information/ documentation/ declarations in accordance with the Applicable Laws, the Scheme reserves the right to redeem the Units held directly or beneficially, in accordance with the Offer Documents and may also require reporting of such Investors and/or levy of Tax on payments / redemption proceeds made to the Investors and/or take any other action/s in accordance with Applicable Laws.
4.	**WHO CANNOT INVEST?**	It should be noted that the following entities cannot invest in the Scheme: • Residents or Citizens of Financial Action Task Force FATF) Non-Compliant Countries and Territories (NCCTs) • United States Person (U.S. Person), corporations and other entities organized applicable laws of the USA and resident of Canada as defined under the applicable laws of Canada. • Such other investors as may be determined and informed by the FME from time to time. The Scheme reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to IFSCA FM Regulations and other prevailing statutory regulations, if any. Subject to the IFSCA FM Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the FME. For example, the FME may reject any application for the purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or if the FME for any other reason does not believe that it would be in the best interest of the Scheme or its Unitholders to accept such an application. The FME may need to obtain from the investor, verification of identity or such other details relating to a subscription for Units as may be required under any Applicable Law, which may result in delay in processing the application.
5.	**NOMINATION**	Investors who are subscribing to Units of the Scheme, shall submit either the nomination form as per the choice of the Unit holder(s). The requirement of nomination shall be optional for jointly held folio(s).

		The nomination can be made only by individuals applying for/holding Units on their own behalf singly or jointly. Non-individuals including a society, trust, body corporate, partnership firm, a power of attorney holder and/or guardian of minor unitholder holder of power of attorney (POA) cannot nominate. The application will be rejected if the aforesaid non individual sign the nomination form. Where nomination is not opted, a probated / registered will of the Deceased Investor and/or such other document as permitted under the respective jurisdiction shall be accepted as a valid document for transmission of Units. Any legal opinion/ advice from legal consultants / counsel to enable such transmission shall be borne by the legal heir / nominee to whom such Units are being transmitted.
6.	**SHARING OF DETAILS**	The FME, its service providers reserve the right to disclose the details of Investors and their transactions to third parties viz. banks, distributors, vendors, investment advisors etc. from whom applications of Investors are received and any other organization for the purpose of compliance with legal and regulatory requirements or for complying with anti-money laundering requirements.

SECTION VI: DETERMINATION OF NET ASSET VALUE OF THE UNITS

For the purpose of determining the Net Asset Value:

(i) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Board shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall have deemed to be such value as the Board shall deem to be the reasonable value thereof;

(ii) where a forward contract has been entered into for the sale or purchase of any currency the currency required to be delivered by the Scheme shall be included in the liabilities of the Scheme and there shall be included in the assets of the Scheme the value of the currency to be received;

(iii) any value (whether of a security or cash) otherwise than in U.S. Dollars shall be converted into U.S. Dollars at the rate (whether official or otherwise) which the Board shall in their absolute discretion deem appropriate to the circumstances having regard, inter alias, to any premium or discount which they consider may be relevant and to costs of exchange;

(iv) the following method will be adopted to value securities:

Equity and Equity related Securities

Category	Policy
Traded	Foreign security shall be valued based on the last quoted closing price available on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange in the respective jurisdiction would be considered for valuation. When a security is not traded on stock exchange on the date of valuation, then the previous closing price will be used for valuation, provided such closing price is not exceeding a period of 30 calendar days. However, in case of an extra ordinary event in other markets during the market hours or post the closure of the markets but before NAV computation, the FME shall value the security at suitable fair value as determined by the Board of Directors on a case-to-case basis. Further the board reserves right to suitably modify the defined priority or valuation methodology by documenting rationale for exception to the above defined policy.
Non Traded	Where the security is not traded, on the date of valuation, on any of the exchanges the last quoted closing price on the selected / primary stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. Securities not traded for more than thirty days shall be valued by FME at fair value after considering relevant factors on case-to-case basis.
Unlisted	In case of unlisted securities, the Company may appoint an independent valuer to carry out periodic valuations as per internationally acceptable methodologies. An unlisted equity share may be valued at a price other than the value derived using the aforesaid methodology at the discretion of the Board in consultation with the FME.

Other Securities

Category	Policy
Other Securities	Fixed Income Securities Fixed Deposits will be valued at cost plus accruals. Fixed-income securities for which market quotations are available shall be valued using such security's closing market price. Other debt and money market securities shall be valued as per the price provided by approved independent third party price providers in the respective markets. Units of Mutual Funds including Exchange Traded Funds Mutual Fund Units (including ETF's) listed and traded on exchanges would be valued at the last quoted closing price on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange in the respective jurisdiction would be considered for valuation. Unlisted Mutual Fund Units and listed but not traded Mutual Fund Units (including ETF's) would be valued at the NAV as on the valuation day. In case if on any valuation day the overseas mutual fund is having a non-business day then previous day closing price / NAV would be considered for valuation ReITs/InvITs On the valuation day, at the last quoted closing price on the stock exchange, where such security is listed. In case if it's not traded on the valuation day, the board of directors would recommend appropriate valuation methodology to determine the fair value. Valuation of Securities under Securities Lending and Borrowing The valuation of securities lent under Securities Lending & Borrowing segment will be valued as per the standard valuation policy laid down from time to time. The lending fees received for the Securities lent out and the lending fees paid for the securities borrowed will be amortized over the tenure of the contract. Exchange Traded Derivative instruments Exchange traded derivatives shall be valued at the price quoted on the Stock Exchange. When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange. Forward foreign exchange contracts The value of forward foreign exchange contracts which are dealt in on a Recognized Market shall be calculated by reference to the price at which a new forward contract of the same size, currency and maturity as determined by the relevant Recognized Market could be effected as at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in such manner as the Board shall, in consultation with the FME, determine to be the price at which a new forward contract of the same size, currency and maturity could be effected.

Category	Policy
	Forward foreign exchange which are OTC derivative contracts may be valued by reference to freely available market quotations or at any price deemed to be fit by the Board.

On valuation date, all assets and liabilities denominated in currency other than base currency of the fund shall be converted into base currency of the fund at the applicable foreign exchange rate.

SECTION VII: CONFLICTS OF INTEREST

The Scheme will be subject to certain conflicts of interest that may arise in relation to the various activities carried out by the FME, its affiliates/group entities, employees, partners and agents (collectively, the "**Interested Parties**"). Conflicts of interest may arise in relation to the various activities carried out by the Interested Parties *vis-à-vis* the activities of the Scheme. The FME has adopted certain policies and procedures intended to protect the interest of Investors in the Scheme against any adverse consequences arising from potential conflicts of interest. The protection of the Investors' interests is the FME's foremost priority. A conflict of interest situation may adversely affect the interest of the Investors, and an Investor may lose its s investments due to such conflict of interest. The Investor acknowledges the existence of the risk arising out of a conflict of interest.

The Interested Parties shall exercise a standard of good faith in their dealings with the Scheme and any of its Portfolio Entities. The FME will be transparent and make disclosures with respect to conflicts of interest situations that the FME determines may have arisen (or which seem likely to arise) with respect to any of the Interested Parties *vis-à-vis* the Scheme and the Investors (and/or any of the Portfolio Entities).

The FME maintains and operates effective organizational and administrative arrangements with the view of taking all reasonable steps to identify, continuously monitor and manage conflicts of interest. Some of the potential conflicts of interest situations and the policies of the FME for managing conflicts of interest are provided below. It is not intended to provide a comprehensive list of conflicts of interest or account of the processes and procedures which the FME adopts in connection with the management of conflicts of interest but is instead intended to be a statement of principles with which the FME seeks to manage foreseeable conflicts of interest.

All potential sources of conflicts of interests that the FME envisages during the operations of the **Scheme**, which includes conflicts arising at following levels:

- **At the level of employee of the management entity**

The employees of the FME will only devote so much of their time to the Scheme's operations as is, in their judgment, reasonably required. The employees of the FME that provide services to the Scheme will have, in addition to their responsibilities towards the Scheme, responsibilities towards other funds, companies, projects and clients. Accordingly, they may have conflicts of interest in allocating management time and other resources amongst the Scheme and such other projects and clients. The employees of the FME may provide services to other entities/clients in the financial services space and will not work exclusively for the Scheme. The employees shall resolve any such conflict by allocating time (reasonably required in their best judgement) towards their obligations in respect of Scheme and their other responsibilities towards other companies, projects and clients.

- **At the level of service providers of the Scheme**

The attorneys, accountants, professionals and other service providers who offer services to the Scheme may, and in some cases do, also offer services to the Interested Parties.

- **At the level of the FME**

There cannot be any assurance that an investment opportunity that comes to the attention of the FME will be referred or otherwise made available to the Scheme. Investment opportunities identified by the FME may be suitable for the Scheme as well as other funds or investment vehicles managed or advised by the FME and/or an Interested Party and/or their respective affiliates. There could be multiple portfolios under the management of the FME or by partners who are Interested Parties of other entities of the group of the FME, thereby representing possibility of conflict of interest in allocating investment opportunities amongst the various portfolios. Further, the FME is getting non-binding investment advice

[NBIC] from its holding company / third party for most of the portfolios it will manage and the team providing the NBIC may manage the funds or provide the advises to other clients also. The FME will endeavour to resolve any such conflicts in a reasonable manner taking into account such factors as it may consider relevant including investment strategy and objectives, investment policy, sector focus, deal size, regulatory and tax considerations, etc. However there can be no assurance that the Scheme shall be allocated any particular investment opportunities that are identified by the FME. Furthermore, the FME shall have the right, at its discretion, to allocate any investment opportunities to other portfolios or to the Scheme.

- **At the level of the Investor**

The Investors of the Scheme, apart from investing in the Scheme, may also invest in the companies where the Scheme has also invested at the differential terms than that of the Scheme. Such investment of the Investors may conflict with the investment of the Scheme.

- **At the level of members of various governance bodies**

The members of the key investment team and the Directors of the FME, in addition to their responsibilities for the Scheme, will have responsibilities for other funds, projects and clients. Accordingly, allocating management time and other resources among the Scheme and such other funds, projects and clients can be a challenge.

- **At the level of the FME group entity, in relation to various schemes managed by FME**

Inter-se different activities:

The FME and their affiliates may be involved in a variety of advisory, management and investment-related activities including management of other funds and intend to do so in the future. The Scheme shall not have any rights in or to any cash receipts or profits of the FME and any of their affiliates. The FME, and any of their affiliate/group entities may, from time to time, act as Fund Management Entities or advisers to other entities, companies or funds other than the Trust/ Scheme. It is therefore possible that the FME and its affiliates may in the course of their business have potential conflicts of interest inter-se different activities. Pursuant to the Cost Sharing Arrangement (CSA) between holding company and FME, the FME is taking certain administrative services and using common infrastructure facilities services of the holding company. It is therefore possible that in availing these services, the FME and holding company may have certain situation where during these arrangements there can be a potential conflicts of interest inter-se different activities.

Transactions with Interested Parties:

An Interested Party may receive certain fees for services performed for or on behalf of the Scheme or any other entity or any other person in which the Scheme or any other entity holds Investments, including, without limitation, fees relating to broking activity and other products and services provided, directly or indirectly, to the Scheme or any other entity or any other person in which the Scheme or any other entity holds Investments.

Investments in Portfolio Entities in which Interested Parties have interests:

The Scheme may participate in investee entities in which Interested Parties have an existing investment or other interests, which may be on the same terms as the Scheme's investment or on different terms. In such cases, there could be a potential conflict between the interests of the Scheme and those of the Interested Parties. Any of the Interested Parties may deal in the securities/products (including handling assignment for Portfolio Entities/advising-managing any portfolio/Scheme consisting of such securities/products etc.) which are/may in future be a part of the Investment. The timing/pricing/buy-sell decision under the dealing by such Interested Parties can be different from that of the Scheme.

Market transactions involving Interested Parties:

The proprietary activities/trading or portfolio strategies of the Interested Parties, or the activities or strategies used for accounts managed by the Interested Parties or other customer accounts, could conflict with the transactions and strategies employed in managing the Scheme and affect the prices and availability of the securities and instruments in which the Scheme may invest. Such transactions, particularly in respect of proprietary accounts/trades or customer accounts, will be executed independently of the Scheme's transactions, and thus at prices or rates that may be more or less favourable. Issuers in whose assets or instruments the Scheme has an interest may have publicly or privately traded instruments in which an Interested Party is a shareholder. An Interested Party's trading activities will be carried out generally without reference to positions held by the Scheme and may have an effect on the value of the positions so held or may result in the Interested Party having an interest in the issuer adverse to that of the Scheme. The results of the Scheme's investment activities may differ significantly from the results achieved by an Interested Party for its proprietary accounts or accounts managed by them.

Some of the measures the FME will adopt to manage the identified conflicts are set out below. The FME will take reasonable care that, in relation to each identified conflict, it acts independently to avoid material risk to the Investors' interests.

a) In managing the aforesaid conflicted transactions, the FME will have regard to its obligations under the Scheme Documents pertaining to the Scheme and will act in the best interests of the Investors in the Scheme.

b) The FME will be transparent with respect to conflicts of interest that the FME determines may have arisen in any transaction (or prospective transaction) between the Interested Parties and the Scheme.

c) The FME will make efforts to see that any transaction involving a potential conflict of interest will be effected on terms that are not less favourable to the Investors in the Scheme than if the potential conflict had not existed. The FME will place significant emphasis on its strong compliance culture, and the efficient operation of systems and controls, to manage issues such as conflicts of interest.

d) The FME will ensure that the interest of all the Investors is paramount and all personal interests, relationships or arrangements, including those of its affiliated companies/entities do not work against the Investors' interest.

e) The FME will take appropriate measures intended to assure that it will not unfairly profit from any transaction between its affiliates/group companies/entities and the Scheme, and all such transactions shall strictly be done on an arm's length basis. The FME will use reasonable efforts to apportion or allocate business opportunities among persons or entities to or with which they have fiduciary duties and other relationships on a basis that is as fair and equitable as possible to each of such persons or entities, including the Scheme.

f) The Interested Parties and their management personnel will devote so much of their time to the Scheme as is, in their judgment, reasonably required.

For further details, please refer to "**SECTION X: LEGAL, REGULATORY AND TAX CONSIDERATIONS**".

By making an investment in the Scheme, prospective investors are deemed to have acknowledged the existence of the potential and/or actual conflicts of interest set forth above, and to have waived, to the greatest extent permissible under any Applicable Law, any claim with respect to, or arising from, the existence of any such conflicts.

SECTION VIII: RISK FACTORS

AN INVESTMENT IN THE UNITS OF THE SCHEME INVOLVES CERTAIN CONSIDERATIONS AND ISSUES THAT MAY HAVE A BEARING ON SUCH INVESTMENTS. ACCORDINGLY, BEFORE DECIDING TO INVEST IN THE SCHEME, PROSPECTIVE INVESTORS SHOULD CAREFULLY STUDY THE SPECIFIC RISKS DESCRIBED BELOW TOGETHER WITH ALL THE INFORMATION CONTAINED IN THIS OFFER DOCUMENT, AND SEEK INDEPENDENT LEGAL, INVESTMENT AND TAX ADVICE. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE FME, OR THAT IT CURRENTLY DEEMS IMMATERIAL MAY ALSO HAVE AN ADVERSE IMPACT ON THE SCHEME'S PROSPECTS AND ACTIVITIES UNDERTAKEN BY THE SCHEME. THERE CAN BE NO ASSURANCE THAT THE SCHEME'S INVESTMENT OBJECTIVE WILL BE ACHIEVED, OR THAT AN INVESTOR WILL RECEIVE A RETURN ON ITS CAPITAL, OR THAT AN INVESTOR WILL NOT LOSE ALL OF HIS INVESTMENT IN THE SCHEME. THE FOLLOWING RISK FACTORS PRIMARILY DESCRIBE THE RISKS ASSOCIATED WITH INVESTMENTS MADE BY THE SCHEME.

A. RISKS RELATED TO PORTFOLIO INVESTMENTS IN PARTICULAR

Nature of investments:

Investment in Listed Securities:

The Scheme may 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 Scheme's investment.

A substantial portion of the Scheme will be invested in equity or equity-related investments which, by their nature, involve commercial, financial, market and/or legal risks. While such investments offer the opportunity for significant capital appreciation, they also involve a very high degree of risk that can result in substantial losses. There can be no assurance that the FME will correctly evaluate the nature and magnitude of the various factors that could affect the value of such Investments. Prices and market movements of the Investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Scheme's activities and the value of the Investments. As a result, the Scheme's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Risk in relation to the investment money not being guaranteed returns

None of the Scheme, the Trustee or the FME or their respective affiliates, employees, directors, partners, managers, officers, and / or agents can provide assurance that the Scheme will be able to generate returns for the Investors or that the returns will be commensurate with the risk of investing in the Scheme or the underlying investee entities and the transactions described herein. There can be no assurance that the Scheme's investment objectives will be achieved or that there will be any return of capital or guaranteed returns. Therefore, an Investor should invest in the Scheme only if it can withstand a total loss of the investment in the Units.

Limited opportunities

The Scheme will operate in a competitive market. This may result in substantial competition for investment opportunities. The FME of the Scheme may not be able to identify and successfully invest in sufficient number of high-quality investments. In addition, such competition may have an adverse effect on the length of time required to fully invest the Corpus of the Scheme. The Scheme while pending may retain the same in cash or may invest in short-term or medium-term money market instruments or in fixed deposits or any such equivalent instruments. Such investments may substantially reduce the Scheme's overall return.

Investment in equity shares

The Scheme will invest in equity shares of investee companies. Equity shares of a company entitle the holder to a pro rata share of profits of the company, if any, without preference over any other shareholder or class of shareholders, including holders of that company's preference shares, or other senior equity. Equity shares usually carry with them the right to vote and frequently an exclusive right to do so. Equity shares do not represent an obligation of the issuer, and do not offer the degree of protection of debt securities. The issuance of debt securities or preference shares by an issuer will create prior claims which could adversely affect the rights of holders of equity shares with respect to the assets of the issuer upon liquidation or bankruptcy. The market price for convertible bonds, which are typically bonds offering a stated interest rate that are convertible into equity shares at a specified price or conversion ratio, will tend to fluctuate in relationship to the price of the equity shares into which they are convertible.

Investments in Derivatives

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the FME to identify such opportunities. Identification and execution of the strategies to be pursued by the FME involve uncertainty and the decision of the FME may not always be profitable. No assurance can be given that the FME will be able to identify or execute such strategies.

Risk in relation to investments in currency derivatives

Investing in currency derivatives carries significant risk due to their inherent volatility, leverage, and sensitivity to external factors. Currency derivatives, are influenced by macroeconomic factors such as interest rates, inflation, and currency policies, exposing investors to risks from sudden exchange rate fluctuations. The use of leverage in these derivatives can further amplify gains but also increase the potential for substantial losses if the market moves unfavourably. Additionally, these derivatives often have complex pricing structures and may suffer from liquidity issues, making it difficult to execute trades without affecting price.

Investments in New Issues

The Scheme may purchase securities in an initial public offering of an equity security. When the Scheme places market orders during an initial public offering, it risks receiving an execution substantially away from the market or offering price. This risk may be significantly reduced if a limit order is utilized. However, it is possible that a limit order will not be executed. In determining if and for how long it should hold new issue securities, the Scheme must gauge whether other investors are likely to buy this stock on the secondary market and how long the attraction for the stock is likely to last as well as other factors. The market for these stocks is untested. Because the offering is on a first-time basis, there is generally no market information about the stock to help determine its value or its outlook.

Tracking Errors and Tracking Difference Risk

Tracking error is defined as the standard deviation of the difference between the daily returns of the underlying index and NAV of the Scheme, this may happen due to certain factors such as the fees and expenses of the Scheme, corporate actions, cash balance, changes to the underlying index, regulatory restrictions and lack of liquidity. Hence it may affect Scheme's ability to achieve close correlation with the underlying index of the Scheme. The Scheme's returns may therefore deviate from its underlying index. The FME would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize the tracking error to the maximum extent possible.

Risks associated with convertible instruments

The Scheme may make investments in fully, partially or optionally convertible securities that may be converted into or exchanged for a specified amount of equity instruments of the same or a different issuer within a particular period of time at a specified price or formula. Such convertible securities entitle its holder to receive interest that is generally paid or accrued on debt until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than equity, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying equity due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying equity increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying equity). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying equity. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying equity approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying equity while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the investee company issuing it, at a price set out in the investment documents. If a convertible security held by the Scheme is called for redemption, the Scheme will be required to permit the investee company to redeem the security, convert it into the underlying equity or sell it to a third party. Any of these actions could have an adverse effect on the Scheme’s ability to achieve its investment objective.

Availability and Ability to acquire suitable investments

While the FME believes that many attractive investments of the type in which the Scheme may invest can be identified, there can be no assurance that such investments will be available when the Scheme commences investment operations, or that available investments will meet the Scheme’s investment criteria. Furthermore, the Scheme may be unable to find a sufficient number of attractive investment opportunities to meet its investment objective.

Portfolio Risk

The Scheme will have investments spread by asset type with varying exit horizons. Poor performance by even a few of these investments could lead to adverse effects on the Scheme’s overall returns. The Scheme could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Net Asset Value Considerations

The NAV per Unit is expected to fluctuate over time with the performance of the applicable Scheme Investments. An Investor may not fully recover his initial investment when he chooses to partially/completely exit from its Units if the NAV per Unit at the time of such exit is less than the subscription price paid by such Investor.

Indebtedness of the Scheme

The Scheme may incur indebtedness subject to the Applicable Laws. Certain restrictions shall apply to incurrence of indebtedness by the Scheme. The Scheme may also use the Scheme's assets, respectively, to secure any permitted indebtedness. To that extent the rights of lenders making loans to the Scheme will be senior to those of the investors, and the terms of any borrowings may contain provisions that limit distributions to the investors or certain other activities of the Scheme. Hence, the possibility exists of a partial or total loss of the Scheme's capital.

Illiquidity of Investments due to Corporate Actions

The gains/income of the Scheme is largely dependent upon the liquidity of the investments made by the Scheme. The Scheme may face potential risks on account of the illiquidity of any of its investments, which may arise from time to time, on account of various statutory or regulatory restrictions or restrictions pursuant to corporate actions undertaken by the investee companies which may include restrictions on transferability of the securities of such investee companies pursuant to applicable law. Any such restrictions on the disposition of the investee companies may disrupt the gains to and have an adverse effect on the NAV of the Scheme.

Deal Access Risk

There is a risk that the expectations of the FME of the Scheme regarding its ability to access transactions of sufficient volume and investment quality to meet the Scheme's investment objectives are not fulfilled. Factors that may affect this risk may include, but are not limited to, competition for assets, changes in India's regulatory or legal environment, or changes in India's macroeconomic conditions.

Investment selection

Prospective Investors will not have an opportunity to review the underlying investee companies or the terms of the Scheme's investments. The likelihood that Investors will realise any gain on their investment depends on the skills and expertise of the FME and their respective investment teams who will make the decisions on behalf of the Scheme. Since the underlying investee companies are mainly unlisted companies the performance of these companies would be greatly dependent on the management of such companies. The FME of the Scheme has a set investment framework with multiple criteria for selecting investments along with a risk management framework. The FME of the Scheme is expected to ensure that the investments selected are aligned with the Scheme's risk and return objectives.

Exit strategy

The feasibility and terms of any proposed exit strategy for the Scheme in respect of its investments will depend in part on factors that are not within the control of the Scheme, at the time of the proposed disposition and the effect of applicable legislation and political and economic conditions. Consequently, the precise timing of the disposition of an investment and the manner of disposition are impossible to predict, and no assurance can be given that such disposition will be achieved on terms favourable to the Scheme. In particular, while the Scheme seeks to make investments in underlying investee companies that are close to achieving an IPO, there can be no assurance that such investee companies will launch an IPO and/or that Scheme will actually be able to achieve an exit through an IPO in such investee companies.

Performance risk of Investee Companies

The investment performance of the Scheme will upon the performance of the underlying investee companies. There can be no assurance that the investee companies will achieve profitable operations. The performance of the investee companies and the value of the Scheme's interest in the investee companies may be adversely affected by numerous factors including, for example, (i) business, economic, and political conditions throughout India and the world; (ii) changes and advances in technology that may, among other things, render goods and services sold by the investee companies obsolete; and (iii) actual and potential competition from other companies and countries. Certain investee companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Risks upon disposition of Investments

In connection with the disposition of an investment, the Scheme may be required to make representations about the business and financial affairs (including tax) of the investee company typical of those made in connection with the sale of any business or may be responsible for the contents of disclosure documents under applicable securities laws. The Scheme may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Scheme.

Portfolio diversification risk

The Scheme will make investments in accordance with **SECTION IV: INVESTMENT OBJECTIVES, STRATEGY AND PROCESS** and may not have a high degree of diversification in its investments by geographic region or asset type within the oncology ecosystem. Poor performance by even a few of these investments could lead to adverse effects on the returns received by the Investors. The Scheme could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including due to default of the issuer.

Minority stake

The Scheme may be a minority investor in investee companies and as such may be unable to protect its interests effectively. Opposition of management or existing investors of investee companies, especially in the absence of an effective legal framework to protect minority shareholder's rights, could jeopardise the Scheme's strategy of acquiring small initial investments with a view to acquiring more significant stakes in the future. Further, over a period of time, an investee company may raise additional capital and in the event the Scheme does not participate in these follow-on rounds of funding, it may result in dilution of the stake held by the Scheme in that investee company.

Forward-looking and other statements

This Offer Document contains forward-looking statements and other statements concerning prior performance of FME and / or existing funds which information has neither been audited nor reviewed by accountants and is merely a good faith estimate. These statements reflect the Investment Manger's views with respect to future events and past performance. Actual results could differ materially from those contained in these statements as a result of factors beyond the Scheme's control. Investors are cautioned not to place undue reliance on such statements.

Asset Class Risk

The equity market and the prices of various stocks may fluctuate widely based on a variety of factors including global, India specific macro-economic conditions, and stock specific factors. Because the Scheme's performance is linked to the performance of highly volatile equities, investors should consider purchasing units of the Scheme only as part of an overall diversified portfolio and should be willing to assume the risks of potentially significant fluctuations in the value of the Scheme.

High Portfolio Turnover

The Scheme's investment strategy may result in a short holding period before investments are rolled over into new investments or sold. This will cause the recognition of any investment gains to the Scheme, on a more frequent basis than other investment strategies. Many of those gains will not likely qualify for the holding period needed for capital gains tax treatment. Therefore, taxable investors in this Scheme may have a greater need to pay regular taxes (out of their own resources or by requesting partial/complete exits) than compared to other investment strategies that hold investments longer. The turnover of the Scheme's portfolio also may generate substantial transaction costs, which will be borne by the Scheme, and indirectly by the Investors, regardless of its income.

Risk of News Announcements

News announcements may impact the price of equities. These announcements may occur during trading and when combined with lower liquidity and higher volatility may suddenly cause an unexpected positive or negative movement in the price of the stock/equity. The Scheme's investments may be adversely affected by such news announcements.

Risk of Rumours

Although the FME of the Scheme is expected to be wary and will not act based on rumours, rumours about the price of a stock at times float in the market through word of mouth, newspaper, websites or news agencies, etc. Such rumours may have an adverse impact on the Scheme's investments.

No assurance of returns

The Investors are not being offered assured returns or redemption, and there will be no recourse to the Trustee or the FME. Accordingly, the ability of the Scheme to pay returns on or redeem the Units will depend on the realisations from investments. The funds available for distributions on the Units, as well as upon termination/liquidation of the Scheme, will be limited to the balance of the Investments after meeting all liabilities and obligations.

System/Network Congestion

Trading on the exchange is in electronic mode, based on satellite/ leased line communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond the control of and may result in delay in processing or not processing buy or sell orders either in part or in full. Investors are cautioned to note that although these problems may be temporary in nature, when there are outstanding open positions or unexecuted orders, these represent a risk because of the Scheme's obligations to settle all executed transactions. The Scheme could be subject to significant losses if it holds a large outstanding open position and defaults in settling the same.

Risk associated with unspecified investments

Other than as specifically set out elsewhere in this Offer Document, the investments that will be made by the Scheme, have not yet been identified. The activity of identifying, completing and realising attractive investments is highly competitive and involves a high degree of uncertainty. Because the investments have not been identified, potential investors (i) do not know what investments will be made, (ii) cannot assess the manner in which the team of the Scheme determines that the Scheme's investments will meet the Scheme's investment objectives, (iii) cannot assess the terms of financing that will be used for the investment acquisition, if any, and therefore, (iv) cannot assess whether the investments will yield a positive return to the Scheme. As a result, investors face risks and uncertainties with respect to the selection of investments and will be relying on the ability of the team of the FME of the Scheme to find and close suitable future investments using the proceeds of this offering. No assurance can be given that the Scheme will be successful in obtaining suitable investments. The making of investments requires extensive due diligence activities and may require regulatory approvals prior to acquisition. When exercising its discretionary investment management powers, the team of the FME of the Scheme is reliant on information and data made available to it and/or its service providers. Although the team of the FME of the Scheme may evaluate such information and data and seek independent corroboration when appropriate and available, it is not in a position to confirm the completeness, genuineness or accuracy of such information and data. Such level of due diligence may not, however, reveal all matters and issues, material or otherwise, relating to prospective investments.

The Scheme will bear the expenses of transactions that are not consummated in accordance with the Offer Document, which shall be borne pro-rate by the investors of the Scheme. In addition, the Scheme may enter into agreements to consummate transactions which involve payments, such as reverse break-up fees, by the Scheme in certain circumstances if the Scheme does not consummate the transaction. As a result, the Scheme could incur a substantial cost with no opportunity for a return. Even if the investments of the Scheme are consummated and successful, they may not produce a realised return to the investors, for a number of years. Accordingly, an investment in the Scheme should only be considered by persons who do not require current income and can afford a loss of their entire investment.

Difficulty valuing the Investments

As the majority of the investments of the Scheme may not be in listed securities, ascertaining the value of the same may prove difficult due to absence of readily ascertainable market values and limited sources of valuation information. Therefore, valuations of the investments of the Scheme are inherently subjective to a certain extent. There may be no public market for the securities of the underlying investee companies of the Scheme. Thus, portfolio valuation inherently is highly subjective and imprecise. In establishing the value of the Scheme's investment portfolio, accounting firms, investment banks and other consulting firms, when needed, may be consulted to assist with the valuation of the Scheme's investments. In addition, the appraised value of an asset may not always be consistent with, and therefore may be higher or lower than, the price at which the asset could be sold on any particular appraisal date. The value set by the Scheme may not reflect the price at which the Scheme could dispose of its interests in particular underlying investee companies at any given time.

Involvement in Investee Companies

As part of the investment strategy, the FME of the Scheme is expected to play an active role in the underlying investee companies and is likely to invest such that the Scheme has a significant stake or seat(s) on the boards of the investee companies. This provides the opportunity to influence positively the investee company's success and growth; though it can also lead to exposing the Scheme's assets to risks. Membership on the board of directors of an investee company can result in the FME of the Scheme being named as a defendant in litigation and/or the directors and officers being included in the same. The FME of the Scheme is expected to follow a strong investment framework with multiple criteria which address all these risks. The companies likely to pass through the framework would have strong demand, barriers to entry, and favourable business, economic, and political conditions.

Risks in effecting operating improvements

In most of the cases, the success of the Scheme's investment strategy will depend, in part, on the ability of the Scheme to effect improvements in the operations and asset management of the underlying investee companies. The activity of identifying and implementing potential operating improvements entails a high degree of uncertainty. There can be no assurance that the Scheme will be able to successfully identify and implement such improvements.

Risks of investments in foreign securities

Foreign securities investments may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in geo-political dealings between nations. Investments in foreign securities will also occasion risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of Scheme assets and any effects of foreign social, economic or political instability. There may be less publicly available information about such companies. Moreover, foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements. In addition, changes or modifications in existing judicial decisions or in the current positions of the tax authorities of foreign countries, either taken administratively or as contained in published revenue rulings and revenue procedures (which changes or modifications may apply with retroactive effect), and the passage of new legislation, could lead to unfavourable treatment of certain overseas investments which could adversely impact the Scheme's returns.

Currency Risk

Commitments to the Scheme are denominated in U.S. dollars. Any dividends, sale proceeds, interest and subscription money in respect of such portfolio companies will likely be paid in U.S. dollars for repatriation. Such changes may also affect the Scheme's income and profitability. Any change in trading policy can significantly and suddenly influence exchange rates from time to time. Other factors that may affect currency values include trade balances, the level of short-term interest rates, long-term opportunities for investment and capital appreciation and political developments. The Scheme may incur costs in converting from one currency to another. The FME may employ hedging techniques for select Classes of Units to minimize these risks, but there can be no assurance that such strategies will be effective.

Material non-public information

Many investment decisions by the FME of the Scheme will be dependent upon the ability of its investors and agents to obtain relevant information from non-public sources, and the FME of the Scheme often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the control of the FME of the Scheme. Certain employees of the FME of the Scheme / its affiliates may be restricted from initiating transactions in certain securities. The Scheme will not be free to act upon any such information or restrictions. Due to these restrictions, the Scheme may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accounting standards; Due diligence

Generally accepted accounting standards and practices in other countries where the Scheme may make overseas investments in accordance with the IFSCA FM Regulations, may differ significantly from those practiced in other countries, which may affect the Scheme's evaluation of potential investments and ability to perform due diligence. The financial information appearing on the financial statements of a company may not reflect its financial position or the results of its operations in the way that they would be reflected if the financial statements had been prepared in accordance with generally accepted accounting principles in other jurisdictions.

In addition, the scope and nature of the Scheme's due diligence activities in connection with its investments will be more limited than due diligence reviews conducted in more developed economies because, among the other factors listed in this paragraph (a) certain information is unavailable or prohibitively costly to obtain and/or (b) the information that is available is generally less reliable and less detailed than financial information that is typically available to investors in western countries. While the FME of the Scheme is expected to conduct due diligence in connection with each asset purchase, no assurance can be given that they will obtain the information or assurances that an investor in a more sophisticated economy would obtain before proceeding with an investment.

Government Regulation and Information Flow

In cases where the Scheme invests in privately held companies that are in the IPO or pre-IPO stage, such privately held companies generally maintain less comprehensive financial information than listed companies. Therefore, the FME of the Scheme may make investment decisions and monitor such investments relating to privately held companies after reviewing information which is less comprehensive than that available to an investor in a listed public company. There is substantially less publicly available information about Indian privately held unlisted companies than there is in other markets which may adversely affect realizations.

Further, following factors may adversely affect the activities within objectives of the Scheme:

(i) any claim or substantial judgment/award against the Scheme / its trustee, in various litigations in the process of resolution / recovery / enforcement of security interest, etc.; and
(ii) any adverse change in stamp duty and registration fee rates in various states in India

Changes by Government of India or Reserve Bank of India in guidelines for Liberalized Remittance Scheme or Overseas Portfolio Investments can have impact on existing investments or fresh investments by the investors in the Scheme.

Risks of natural disasters and invocation of force majeure

A natural disaster or any other force majeure event may also impact the operations of the Scheme's investee companies. The nature and level of natural disasters and/or force majeure event cannot be predicted and may be exacerbated by global climate change. A portion of the Scheme's investee companies may rely on items assembled or produced in areas susceptible to natural disasters and/or force majeure event and may sell finished goods into markets susceptible to natural disasters and/or force majeure event. A major disaster, such as an earthquake, tsunami, flood or other catastrophic event including other force majeure events could result in disruption to the business and operations of the Scheme's investee companies. Such losses may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. If a major uninsured loss occurs, the Scheme could lose both its investments and anticipated gains from such affected investments in any investee entities.

Risks associated with transacting in scheme units through stock exchange mechanism

In respect of transactions in units of the schemes through stock exchange promoted platforms, allotment and redemption of Units on any Business Day will depend upon the order processing/settlement by the exchange and their respective clearing corporations on which the Scheme has no control. Further, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by such exchange or the regulator in this regard.

Risk associated with Emerging Markets

Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. Amongst these, those which exhibit the lowest levels of economic and/or capital market development may be referred to as frontier markets, and the below mentioned risks may be amplified for these markets. Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and inadequate financial systems also presents risks in certain countries, as do environmental problems. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose capital gains taxes on foreign investors.

Cyber Security Risk

As part of their business, the Scheme, FME, process, store and transmit large amounts of electronic information, including information relating to the transactions of the Scheme, and personally identifiable information of the Investors. Similarly, service providers of the FME, may process, store and transmit such information. With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, investment vehicles such as the Scheme, and their service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks.

The FME has procedures and systems in place that they believe are reasonably designed to protect such information and prevent data loss and security breaches. However, such procedures cannot provide absolute security. The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the FME may be susceptible to compromise, leading to a breach of the FME’s or the Scheme’s systems. The FME's or the Scheme 's systems or facilities may be susceptible to employee error or Malfeasance, surveillance or other security threats. On-line services provided by the FME or the Scheme, or any of their service providers, to the Investors may also be susceptible to compromise. Breach of the FME's or the Scheme 's information systems may cause information relating to the transactions of the Scheme and personally identifiable information of the Investors to be lost or improperly accessed, used or disclosed.

If the Scheme / its FME/ a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Scheme and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

Cyber-attacks may interfere with the processing of investor transactions, impact the Scheme 's ability to value its assets, cause the release of personally identifiable information of Investors or confidential information of the Scheme or impede or interrupt trading. Further, the loss of, improper access to, or improper disclosure of, the FME's or the Scheme 's proprietary information may cause the FME or the Scheme to suffer, among other things, financial loss, the disruption of their businesses, liability to third parties, regulatory intervention, fines, penalties, financial losses, reimbursement or other compensation costs, additional compliance costs or reputational damage. The Scheme could also incur substantial costs for cybersecurity risk management in order to prevent any cyber-attacks in the future. Any of the foregoing events could have a material adverse effect on the Scheme and the Investors' investments therein.

Environmental Risk

The operations of underlying investee companies in which the Scheme invests will be subject to numerous statutes, rules and regulations relating to environment protection. There is the possibility of existing or future environmental contamination, including soil, seawater and groundwater contamination, as a result of the spillage of hazardous materials or other bio-medical waste that may result from the normal operations of the investee companies, and such events may have an adverse financial impact on the value of investee companies, the Scheme.

Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. Indian courts have implemented the “Polluters Pay” principle in the field of environment law, whereby the person, company or industry responsible for the pollution, through the use or disposal of hazardous or toxic substance, either on, under or in a property, would be liable to restore the degradation of the property and the surrounding environment and compensate any victims thereby.

Any liability of investee companies resulting from non-compliance or other claims relating to environmental matters could have a material adverse effect on the value of such investments.

B. RISKS RELATED TO SCHEME STRUCTURE

Diverse investor group

The investors of the Scheme are likely to be a diverse group that may have conflicting investment, tax and other interests with respect to their investments in the Scheme. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Scheme, the structuring or the acquisition of investments and the timing of disposition of investments by the Scheme. As a consequence, conflicts of interest may arise in connection with decisions made by the FME of the Scheme, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, in particular with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Scheme, its FME will consider the investment and tax objectives of the Scheme and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Lack of separate representation

The legal counsel to the Scheme does not represent the Investors, and no legal counsel will be retained on behalf of the Investors. There may exist other matters which would have a bearing on the Scheme and/or the Trustee or any of its affiliates upon which the legal counsel to the Scheme has not been consulted. The legal counsel to the Scheme does not undertake to monitor compliance of the Scheme or the Trustee or the FME with the terms set out herein, nor does it monitor compliance with Applicable Laws including the IFSCA FM Regulations. Additionally, the legal counsel to the Scheme relies upon information furnished to it by the FME and does not investigate or verify the accuracy or completeness of information set out herein concerning the Scheme, the Trustee or the FME.

The FME shall ensure compliance by the Scheme with the IFSCA FM Regulations and that Applicable Laws in respect of the operations of the Scheme are adequately complied with, and the statements furnished by the FME with respect to the Scheme are accurate and regularly updated.

Liability for return of distributions

In the event that the Scheme is otherwise unable to meet its obligations, the Investors may, under Applicable Law, be required to return distributions previously received by them including any wrongful payment to them.

While the nature of obligations that may be undertaken by the Scheme is contingent on a host of factors beyond the reasonable control of the FME, the FME shall endeavour to effectively plan such obligations of the Scheme to minimise any adverse impact on the Scheme's returns.

Reliance on service providers/intermediaries

The Scheme may either directly or through their respective trustees or FME, may engage a variety of service providers, including but not limited to those in the areas of legal, tax, accounting, banking etc. In the event any such persons have any adverse development which affects the performance of their duties, or they breach any of the terms of their engagement, the Scheme may be posed with a risk which may be significant. Further, there can be no assurance that reliance on such service providers for their services (including opinions on specific matters) would be in the best interests of the Scheme and its Investment Objective.

In order to mitigate this risk, the Scheme or the Trustee or the FME, as the case may be, would endeavour to engage appropriate service providers for the concerned service, based on internal review and monitoring mechanisms. It is hereby clarified that the outsourcing of non-core business activities by the FME to third parties shall be in accordance with Applicable Laws.

Reliance on the FME

There can be no assurance that the Scheme will be able to implement its respective investment strategy and investment approach or achieve its investment objective or targeted returns or that an Investor will receive a return on its capital.

The judgments of the expected performance of the FME of the Scheme cannot be extrapolated from the past performance of the key managerial personnel of investment team. There can be no assurance given that the FME of the Scheme will be able to identify and evaluate all the risks associated with a proposed investment.

The success of the Scheme, will depend upon the ability of the FME to source, select, complete and realise appropriate investments. With specific reference to the Scheme, the FME will have considerable latitude in its choice of assets to invest in and the structuring of investments, subject to the investment parameters set forth in the Scheme Material Documents.

Dependence on key personnel

The Scheme will be largely dependent upon the experience and judgment of its FME and its investment team for selection of suitable investments. The loss of one or more of the key members could have a material adverse effect on the returns of the Scheme. The key managerial personnel hall is not under any contractual obligation to remain with the FME of the Scheme for all or any portion of the term of the Scheme. The key managerial personnel will commit suitable amount of its business efforts as may be necessary to the Scheme, though it is not required to devote all of its time to the affairs of the Scheme. The time commitment of such key managerial personnel shall be allocated between the Scheme and other funds and advisory, consultancy and management activities conducted by them, as described earlier. The inability of the FME of the Scheme to attract and retain the required talent pool may also adversely affect the performance of the Scheme.

Thus, in making an investment decision, each Investor must consider that personnel associated with the FME of the Scheme may leave or may be terminated at any time, with or without cause, thus potentially adversely affecting the business activities of the Scheme.

Indemnification

The Investment Management Agreement provides for indemnification of the Indemnified Persons for any and all actions, claims, damages, settlement payments, losses and liabilities, suits or proceedings, whether civil, criminal, administrative or investigative (whether actual or threatened), arising in connection with the Investment Management Agreement, unless resulting from gross negligence, wilful misconduct, or fraud in each of the cases as determined by the final non-appealable judgment of a court of competent jurisdiction which results in the Scheme and/or the Investors suffering material financial disadvantage.

Indemnification of the FME and its partners, designated partners, etc. as well as other parties, may impair the financial condition of the Scheme and its ability to acquire assets or otherwise achieve its investment objective or meet its obligations.

As mentioned above, in the cases of indemnification obligations arising on behalf of the Scheme, the FME shall ensure that all indemnification obligations are met in accordance with the Scheme Documents and Applicable Laws in relation, thereto.

In the event the Scheme has indemnification obligations, the Scheme will not be obliged to make dividend distribution / redemption proceeds to enable the Investors to pay their taxes as a result of such income or gain allocations (even if the Scheme has income or gains for tax purposes). In such event, the Investors will have to utilize other resources to satisfy tax liabilities and cannot resort to dividends declared by the Scheme to assist in satisfying such tax liabilities.

Disclosure of confidential information

The FME of the Scheme and/or certain investors may be required by law, regulation or otherwise to disclose certain confidential information relating to an investment or the Scheme. Such disclosure may affect the ability of the Scheme to realise or dispose of such investment or affect the price that the Scheme is able to obtain upon any disposition or may otherwise adversely affect the Scheme and/or investors in the Scheme.

To the extent that the FME determines that information that an investor would otherwise be entitled to receive could be disclosed by such investor as a result of such investor being subject to laws in the nature of freedom of information acts, or as a result of it being a public authority or owned by a public authority or subject to public disclosure laws, statutes, statutory instruments, regulations or policies and the disclosure of such information would not be in the best interests of the Scheme, the FME shall have the right not to provide such investor with certain information that such investor would otherwise be entitled to receive or have access to.

FME termination risk

Termination of the FME's appointment may occur pursuant to the terms of the Investment Management Agreement. Any termination of the FME's appointment as FME of the Scheme may have material adverse consequences for the Scheme in certain circumstances. Such consequences may include the acceleration of financing facilities made available to underlying investee companies or the triggering of a right for co-investors to acquire the Scheme's interest in a relevant investment where the terms of the relevant investment document provide for this.

Financial and tax situation risk

The results of the Scheme's activities may affect individual Investors differently, depending upon their individual financial and tax situations because, for instance, of the timing of a cash distribution or of an event of realisation of a gain or loss. The FME will endeavour to make decisions in the best interests of the Scheme as a whole, but there can be no assurance that a result will not be more advantageous to some Investors over others.

Limited recourse

The Investors shall have no recourse against the Settlor, the Trustee or the FME, as more particularly mentioned in the Indenture.

Recourse of the investors against the Settlor, the Trustee and / or the FME shall be subject to the Applicable Law.

Minimum subscription amount may be less than anticipated

There is a risk that the Scheme may obtain subscriptions totalling less, and potentially significantly less, than the target size sought to be raised from investors. If the full amount of subscription is sought by the Scheme is not ultimately subscribed for, the amount and nature of investments contemplated by the Scheme may be adversely affected, the opportunity for diversification of the investments will be materially decreased, and the returns on those investments will likely be reduced as a result of allocating expenses among fewer investments. In addition, without broad diversification, the risk of loss to the Scheme is much greater.

C. REGULATORY RISK FACTORS

Legal considerations

Many of the fundamental laws in India and IFSC have only recently come into force, which increases the risk of ambiguity and inconsistency in their application, interpretation and enforcement. This risk is additionally increased as adequate procedural safeguards have often not been developed. Due to the developing nature of the Indian legal and regulatory system, laws often refer to regulations which have not yet been introduced, leaving substantial gaps and the regulatory framework is often poorly drafted and incomprehensible. These uncertainties can lead to difficulties in obtaining or renewing necessary licenses or permissions and can lead to substantial delays and costs for the companies subject to them, all of which can ultimately adversely affect the performance of the Scheme. Changes in laws and regulations (including accounting standards) (or in the interpretation thereof) occurring from time to time in India are possible and may worsen the legal and tax constraints within which the Scheme will operate and, as a result, may require structuring and financing alternatives to be identified and implemented and lead to increased legal costs and reduced returns. In particular, tax laws and regulations or their interpretation may change and there can be no assurance that the structure of the Scheme or its investments will be tax efficient. Further, India is subject to rapid changes in legislation, many of which are extremely difficult to predict. Existing laws are often applied inconsistently and new laws and regulations, including those which purports to have retroactive effect, may be introduced with little or no prior consultation. As such, the ability of the Scheme to secure the judicial or other enforcement of its rights may be limited.

The Scheme and FME will comply with all the relevant laws and regulations as and when they develop. The FME is also expected to monitor for any changes in law/regulations applicable to investee companies and assess its impact on its value. Accordingly, the portfolio will also be rebalanced.

Government approvals

Certain Indian governmental approvals, including approvals from IFSCA have been obtained for the Scheme to make investments. It is possible that such approvals may not continue in the future and though the FME of the Scheme expects the existing approvals to continue, the FME cannot be certain that these approvals will so continue. The Scheme will operate under Indian laws and securities regulations. If policy announcements or regulations are made subsequent to this offering, which warrant retrospective changes in the structure or operations of the Scheme, these may adversely impact the performance of the Scheme.

The Scheme and its FME are expected to ensure that they are in full compliance with and have all the necessary approvals required in accordance with Applicable Laws including by IFSCA (and any other regulator in charge), as and when any changes in policy or regulations are made.

Any investigations of, or actions against the Scheme, its trustee and the FME initiated by IFSCA, or any other regulatory authority may impose a ban of the investment activities of the Scheme or its trustee or the FME.

Enforcement risk

While Indian laws provide for specific performance of contractual obligations as well as claims for damages in the event of breach of contract, and property rights may be enforced through the Indian judicial system, laws regarding the rights of creditors and the obligations of purchasers or lessees of property are significantly less developed in India than in the other developed countries and may be less protective of rights and interests. It may be difficult to obtain swift and equitable enforcement of such laws or to obtain enforcement of a judgment in a local court.

Limitation of investments

Under the IFSCA FM Regulations, the investment limits of the Scheme respectively, are restricted. For further details on these restrictions please refer to **SECTION X: LEGAL, REGULATORY AND TAX CONSIDERATIONS**” of this Offer Document.

Risk mitigation measures for regulatory risks

While regulatory risks are beyond the control of the FME, the FME shall ensure that it attempts to the best of its abilities to ensure that the performance of the Scheme is as per the investment strategy and objectives of the Scheme, and will be proactive in adopting remedial measures in the face of regulatory risks to effectively mitigate the same, by either revising the investment strategy, deal flow, getting expert assistance, or legal assistance to realign investment aspirations and existing deals with the prevalent laws, regulations and tax provisions

D. **GENERAL RISK FACTORS**

Impact of COVID-19

Many countries had experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and the 2019-nCoV (the “COVID-19”).

Any pandemic will have a material adverse impact on businesses, local economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. In addition to these developments having adverse consequences for the Portfolio Entities and other issuers in or through which the Scheme invests and the value of the Scheme’s investments therein, the operations of the FME and the Scheme may continue to be, adversely impacted, including through quarantine measures and travel restrictions imposed in particular on key personnel or service providers of the FME, or any related health issues of such personnel or service providers. In addition, the Scheme’s operations could be disrupted if any member of the key investment team or any other key personnel of the FME contracts any infectious disease. Geographical region in which the Scheme will invest may not have developed rescue and rehabilitation facilities. In addition, the country may not efficiently and quickly recover from such event, which can have a materially adverse effect on the Portfolio Entities. Any of the foregoing events could materially and adversely affect the Scheme’s ability to source, manage and divest its investments and its ability to fulfil its investment objectives. Similar consequences may arise with respect to other comparable infectious diseases.

Political, social and economic risks

The value of the Scheme’s investments may be adversely affected by potential political and social uncertainties in India. Certain developments which are beyond the control of the FME of the Scheme, such as the possibility of nationalisation, expropriations, confiscatory taxation, political changes, government regulation, social instability, terrorist activities, diplomatic disputes or other similar developments, could adversely affect the Scheme’s investments.

In addition, economy of various jurisdictions may differ favourably or unfavourably from other economies in several respects, including the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position.

The Scheme is not expected to obtain political risk insurance. Certain developments (such as the possibility of nationalisation, expropriations or taxation amounting to confiscation, political changes, Government regulation, social instability, diplomatic disputes or other similar developments), which are beyond the control of the Scheme and its FME, could adversely affect the Scheme’s investments.

While the political and social risks are beyond the control of the FME of the Scheme, it is expected to ensure that the investments are planned based on an overall visibility of the tentative political and social risks that may arise, and for which there is adequate knowledge present in the public domain.

Global financial market volatility and financial instability

The fluctuations and uncertainties in the financial markets in the U.S. and elsewhere around the world could adversely affect the returns of the Scheme. Recently, concerns over monetary tightening, currency risks, inflation, energy costs, geopolitical issues and the availability and cost of credit have contributed to increased volatility and diminished expectations for the U.S. and world economy and the financial markets going forward.

Although economic conditions are different in each country, investors' reactions to developments in one country may have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in financial markets Financial disruptions may occur and could harm investee companies' business or their future financial performance, which will in turn affect the Scheme's investments and returns. It is not possible to predict how long current economic conditions will continue, whether the financial markets and economic conditions will continue to deteriorate or the magnitude of the long-term impact, if any, of such conditions on the financial markets, and economic conditions generally.

While the global financial market volatility and financial instability are beyond the control of the FME of the Scheme, it is expected to ensure that the investments are planned based on an overall visibility of the tentative global financial market volatility and financial instability, that may arise, and for which there is adequate knowledge present in the public domain.

Risk of sanctions

Sanctions may be imposed by other countries on trade and this may have an adverse impact on the value of underlying investee companies in which the Scheme invests.

Monitoring (global events/foreign policy/macro news) relevant to invested companies will be incorporated into the Scheme's daily operations. The FME of the Scheme will evaluate any such event and take the appropriate action needed for maximising investor value and meeting the Scheme's objectives.

Enforcement of foreign awards in India

The Indian legal system has certain limitations in respect of enforcement of foreign awards in India (IFSC). Courts in India including GIFT City may not enforce a provision of securities laws of any jurisdiction that is either penal in nature or contrary to public policy. An action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity, is unlikely to be entertained by Indian courts. Specified remedies available under any jurisdiction, if they are considered to be contrary to Indian public policy, would not be available under Indian law or enforceable by Indian courts.

Further, foreign judgments rendered by a superior court in any country or territory outside of India may only be recognised in India if such territory has been notified and/or declared to be a reciprocating territory by the Government of India. The enforceability of such judgments is subject to certain exceptions under the Civil Procedure Code as regards its conclusiveness on any matter directly adjudicated upon.

If a judgment of a foreign court is not enforceable, a suit would have to be filed based on the judgment.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if in its view, the amount of damages awarded are excessive or inconsistent with public policy or practice in India. It is difficult to predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to untimely delay.

Since, the level of legal and regulatory protections customary in countries with developed securities markets to protect investors and securities transactions, and to ensure market discipline, may not be available in India, enforcement by the Scheme of civil rights under the laws of a jurisdiction other than India may be adversely affected considering that they may have significant assets in India and the enforcement of the rights against such assets in India will be subject to the delays and other limitations of the Indian judicial system.

Segregation of assets

The Trustee has a fiduciary duty to ensure segregation of assets of any other funds which are held in trust or may be held so by it from the assets of the Trust/ Scheme. While the liabilities shall be segregated on a Class-by-Class basis, it should be noted that the assets and liabilities of each Class within the Scheme are subject to apportionment of assets and liabilities between Classes and are not segregated from those of other Classes. However, it may be possible that in the case of a third-party suit or regulatory action against the Trustee with respect to the liability of any other such aforementioned Scheme or under any other circumstances, the Trustee may not be able to protect the assets of the Trust/Scheme against such third party suit or regulatory action and would not maintain segregation of assets of the Trust/ Scheme.

E. CURRENCY RELATED RISKS

Impact of currency fluctuation from investments by the Scheme

The Scheme's assets will be ultimately invested in securities that are primarily quoted or denominated in USD. The value of the Scheme's assets and the liquidity of the Units may also be affected by developments relating to exchange control regulations. There can be no assurance that future restrictions on the ability to exchange USD to such other foreign currency, and to repatriate income and capital will not adversely affect the ability of the Investee Companies to repatriate their income and capital. Furthermore, in the past the exchange rates have been subject to significant fluctuations and there can be no assurance that they will be stable. The USD may experience volatility and may further depreciate. The manager of the Scheme may adopt suitable currency hedging strategies to mitigate the risk. While such hedging arrangements would impose additional cost upon the Scheme, they may not necessarily yield the desired benefit.

F. TAX RISKS

Investors are subject to a number of risks related to Tax matters. In particular, the Tax laws relevant to the Scheme are subject to change, and Tax liabilities could be incurred as a result of such changes. The Tax consequences of an investment in the Scheme are complex, and the full tax impact of an investment in the Scheme will depend on facts and circumstances of each case. Further, the information relating to Indian taxation legislation contained in this Offer Document is based on Indian domestic taxation law along with the rules and regulations made thereunder and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein.

Accordingly, prospective Investors are strongly urged to consult their Tax advisors with specific reference to their own situations. There are certain aspects such as characterisation of income, applicability of provisions of GAAR, etc. that could impact taxation of the Scheme. Also, there could be tax risk associated with redemption of the units of the Scheme. Please refer the "Tax considerations" under Section X: Legal, Regulatory and Tax Considerations of the Offer Document for key tax risks associated to the Scheme and its Investors.

Potential investors should consult their own tax advisors regarding the potential tax consequences of an investment in the Scheme.

G. RISK MITIGATION STRATEGIES

Risk Type and Description	Risk mitigants / management strategies
Tracking Error: The performance of the Scheme may not be commensurate with the performance of the benchmark index on any given day or over any given period, referred to as tracking error.	The FME would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. The FME will endeavor to maintain low cash levels to minimize tracking error.
Liquidity risk: The liquidity of the Scheme's investments is inherently restricted by the trading volumes in the securities in which the Scheme invests as per the underlying index.	As such the liquidity of securities that the Scheme invests into could be relatively low. The Scheme will try to maintain a proper asset-liability match to ensure redemption payments are made on time.
Market Risk: The Scheme is vulnerable to movements in the prices of securities invested by the Scheme, which could have a material bearing on the overall returns of the Scheme	Market risk is inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its underlying index.

SECTION IX: RISK PROFILING FOR VARIOUS INSTRUMENTS

Instruments	Definition	Risk Profile
Equity Stocks	Equity Stock, commonly referred to as common stock, represents ownership interest in a company. Holders of equity stock are entitled to a proportionate share of the company's profits, typically through dividends, and have voting rights in key corporate decisions. Equity stockholders assume the highest level of risk in the company but also have the potential for significant returns through capital appreciation and profit distribution.	High
Equity Funds	Equity Funds means those funds which invests primarily in equity securities. Units of mutual funds/retail funds (or similar funds as may be referred in respective jurisdiction) which represent an investor's share in a mutual fund scheme. When investors buy mutual fund units, they pool their money with other investors to collectively invest in a diversified portfolio of assets such as stocks, bonds, or other securities. Each unit reflects the proportionate ownership of the fund's assets. The value of these units, known as the Net Asset Value (NAV), fluctuates based on the performance of the underlying assets.	High
Equity ETFs	Equity funds which are listed on recognized stock exchange for purchase and sell.	High
Equity Derivatives - Futures	Futures are standardized financial contracts that obligate the buyer to purchase, or the seller to sell, a specific quantity of an underlying equity asset at a predetermined price on a future date. These instruments are traded on exchanges, providing market participants with opportunities for hedging, speculation, and portfolio management. Futures contracts are leveraged instruments, requiring margin deposits and subject to daily mark-to-market settlement.	High
Equity Derivatives - Options	Options are financial contracts that grant the holder the right, but not the obligation, to buy (call option) or sell (put option) a specific quantity of an underlying equity asset at a predetermined price on or before a specified expiration date. Options provide flexibility for hedging, speculation, and strategic portfolio management. These instruments are traded on exchanges and involve a premium paid by the buyer to the seller, with the risk and reward determined by the movement of the underlying asset.	High
Rights	Equity Rights refer to the entitlements granted to existing shareholders of a company, allowing them to subscribe to additional shares in proportion to their existing holdings, typically at a predetermined price and within a specified period. These rights are issued as part of a rights offering and are aimed at raising additional capital while	High

	preserving shareholder ownership. Equity rights may be traded in the market, providing flexibility for shareholders to exercise, sell, or let them lapse.	
Dividend warrants	Equity Dividend Warrants are financial instruments issued by a company to its shareholders, representing the entitlement to receive declared dividends. These warrants serve as payment orders, enabling shareholders to claim their dividend amounts either through direct deposit into their bank accounts or by presenting the warrant at designated financial institutions. Dividend warrants ensure efficient and transparent distribution of profits to equity shareholders.	High
Preference shares	Preference Shares are a class of equity shares that provide shareholders with preferential rights over common shareholders in terms of dividend distribution and repayment of capital in the event of liquidation. Dividends on preference shares are typically fixed and may be cumulative or non-cumulative, and these shareholders generally do not carry voting rights except in specific circumstances. Preference shares are hybrid instruments that combine features of equity and debt, offering stability to investors and flexibility to issuers in structuring capital.	High
American Deposit Receipts (ADR)	American Depositary Receipts (ADRs) are negotiable securities issued by a U.S. depositary bank representing ownership of shares in a foreign company. ADRs facilitate the trading of foreign stocks in U.S. markets without the need for investors to directly hold the underlying foreign shares. Each ADR typically represents one or more shares of the foreign company's stock, and they are traded on U.S. stock exchanges like regular stocks. ADRs provide U.S. investors with easier access to international investment opportunities and allow foreign companies to raise capital from U.S. investors without listing their shares on U.S. stock exchanges.	High
Global Deposit Receipts (GDR)	Global Depositary Receipts (GDRs) are negotiable financial instruments issued by international depositary banks representing shares in foreign companies. These receipts facilitate the trading of these shares on international stock exchanges, typically in Europe and Asia, without the need for investors to directly hold the underlying foreign shares. GDRs provide a way for companies to access global capital markets and for investors to diversify their portfolios with international stocks. Each GDR represents a specific number of underlying shares and offers benefits like simplified trading and potential exposure to global growth opportunities.	High
Convertible securities	Convertible securities are securities which can be converted from Debt-to-Equity shares	High

Other Securities

Instruments	Definition	Risk Profile
Fixed income securities	Fixed Income Securities are debt instruments that pay a specified interest rate or yield to investors over a predetermined period. These securities includes but not limited to bonds, treasury notes, debentures etc. that offer regular, fixed returns to investors.	Medium to High
Debt Funds	Debt Funds are those funds which invests primarily in debt securities. Units of mutual funds represent an investor's share in a mutual fund scheme. When investors buy mutual fund units, they pool their money with other investors to collectively invest in a diversified portfolio of assets such as stocks, bonds, or other securities. Each unit reflects the proportionate ownership of the fund's assets. The value of these units, known as the Net Asset Value (NAV), fluctuates based on the performance of the underlying assets.	Medium to High
Debt ETFs	Debt funds which are listed on recognized stock exchange for purchase and sell.	Medium to High
Commodity funds	Commodity Funds are investment funds that focus on assets related to commodities, including physical goods like precious metals, energy resources, agricultural products, or commodity-linked derivatives.	High
Commodity ETFs	Commodity funds which are listed on recognized stock exchange for purchase and sell.	High
Commodity derivatives	Commodity Derivatives are financial instruments whose value is derived from the price movements of underlying physical commodities. Commodity Derivatives includes futures, options, and swaps, which can be traded on exchanges or over-the-counter markets.	High
Currency derivatives	Currency Derivatives are financial contracts whose value is linked to the exchange rate between two or more currencies. These derivatives, including futures, options, and swaps	High
REITs & InvITs	A REIT raises funds by issuing units to investors and invest those funds primarily in assets in real estate sector. The investment in such assets can be made directly or through SPV/Holding Company. The income generated from the underlying assets of the REIT are regularly distributed to the unit holders.	Medium
	An InvIT raises funds by issuing units to investors and invests those funds primarily in assets in infrastructure sector. The investment in such assets can be made directly or through SPV/Holding Company by the InvIT. Investors who hold units in an InvIT are called unit holders. The income generated from the underlying assets of the InvIT are regularly distributed to the unit holders.	Medium

Fixed deposit	A fixed deposit (FD) is a tenured deposit account provided by banks or non-bank financial institutions which provides investors a fixed rate of interest for given maturity period.	Low
Money market securities	Money market securities includes Commercial papers, commercial bills, call or notice money, certificate of deposit, usance bills, and any other like instruments having maturity upto 1 year.	Low to Medium
Government securities and treasury bills	Government securities and Treasury bills are debt instruments used by the government to borrow money from the public to meet their fiscal requirements.	Low
Certificate of Deposits	Certificate of Deposit (CD) is a negotiable money market instrument issued against funds deposited at a bank or other eligible financial institution for a specified time period.	Low to Medium
Cash & Cash Equivalent	Cash and Cash Equivalents will include following securities having residual maturity of less than 91 Days: 1. TREPS, 2. Treasury Bills, 3. Government securities, and 4. Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time.	Low

The above is only an intended allocation to the securities. The FME may invest beyond the range and securities set out in the indicative asset allocation table in the best interest of the Investors.

SECTION X: LEGAL, REGULATORY AND TAX CONSIDERATIONS

THIS SECTION IS ONLY A SUMMARY OF THE APPLICABLE LAWS WITH REGARDS TO THE SCHEME AND IS NOT A COMPREHENSIVE DISCLOSURE REGARDING ALL LAWS AND REGULATIONS APPLICABLE TO THE SCHEME AND ITS PORTFOLIO COMPANIES. IN ADDITION TO THE LAWS PROVIDED IN THIS SECTION, INVESTMENTS BY THE SCHEME AND THE PORTFOLIO COMPANIES MAY ALSO BE GOVERNED BY VARIOUS OTHER LAWS AND REGULATIONS IN OTHER JURISDICTIONS, INCLUDING INDIAN TAX AND REGULATORY PROVISIONS, WHICH MAY GIVE RISE TO ADDITIONAL APPROVAL REQUIREMENTS, COMPLIANCES, DISCLOSURES ETC. WHICH WILL HAVE TO BE COMPLIED WITH BY THE SCHEME AND/OR THE PORTFOLIO COMPANIES.

PLEASE NOTE THAT THE SUMMARY OF THE REGULATORY CONSIDERATIONS IN THIS SECTION IS BASED ON THE CURRENT PROVISIONS OF THE LAWS OF INDIA AND THE REGULATIONS THEREUNDER, AND THE JUDICIAL AND ADMINISTRATIVE INTERPRETATIONS THEREOF, IN EACH CASE AS OF MAY 2025, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT REGULATORY IMPLICATIONS AND SUCH CHANGES WILL BE WITHOUT ANY NOTICE OR OPPORTUNITY OF BEING HEARD AND CAN BE EFFECTIVE ANY TIME.

ALL PROSPECTIVE INVESTORS ARE REQUESTED TO READ THE LEGAL AND REGULATORY CONCERNS MENTIONED BELOW.

THE INDIAN TRUSTS ACT, 1882

The Scheme /Trust has been set up as a contributory determinate trust under the Indian Trusts Act, 1882. The Trustee will be subject to the powers, duties and obligations as prescribed under the Indenture.

SPECIAL ECONOMIC ZONE ACT, 2005

The Special Economic Zone Act, 2005 ("**SEZ Act**") was notified on June 23, 2005, wherein as per Section 2(q) of the SEZ Act 'International Financial Services Centre' (IFSC) is defined to mean an international financial services centre as approved by central government under Section 18(1) of the SEZ Act. Subsequently, in exercise of the powers conferred under Section 18(1) of the SEZ Act, the Central Government has approved IFSC in GIFT SEZ, Gandhinagar, Gujarat. Pursuant to Section 18(2) of the SEZ Act, the Central Government vide notification dated April 08, 2015, notified that the units in an IFSC may be set up and approved in accordance with the SEZ Rules, 2006 (as amended from time to time) ("**SEZ Rules**") along with guidelines or regulations framed and notified in this regard by the domestic regulators, viz. RBI, SEBI and IRDAI. As per Section 2(zc) of the SEZ Act, the term "**Unit**" means a Unit set up by an entrepreneur in a Special Economic Zone and includes an existing Unit, an offshore banking unit and a unit in an IFSC whether established before or established after the commencement of SEZ Act. The Unit that shall be set-up in SEZ shall be in accordance with Section 15 of the SEZ Act read with SEZ Rules.

IFSCA (FUND MANAGEMENT) REGULATIONS 2025

1) Brief overview of IFSC (Fund Management) Regulations, 2025

The International Financial Services Centre Authority has framed IFSCA (Fund Management) Regulations, 2025 to provide comprehensive framework for various activities related to fund management. The IFSCA FM Regulations requires the Fund Management Entities to be registered with IFSCA based on the activities to be carried out by such Fund Management Entities in IFSC. Further, the IFSCA FM Regulations provides for conditionalities for launch of schemes viz. venture capital funds, retail schemes, restricted schemes for non-retail investors, managing of special situation funds, investment trusts, family office funds and launch of products like PMS, render advisory services.

2) Registration of Fund Management Entities

Regulation 2(1)(n) defines Fund Management Entity as an entity registered with IFSCA as a Fund Management Entity under any of the categories specified in the IFSCA FM Regulations. The IFSCA FM Regulations have categorized Fund Management Entities into three categories viz., Authorised FME, Registered FME (Non-Retail), and Registered FME (Retail) depending upon the category of investors whose funds are sought to be managed, type of product or fund (asset class) and the amount of AUM sought to be managed.

FME is registered as Registered FME (Retail)

Presently, the FME is registered as Registered FME (Retail). Thus, it is permitted to pool money from all investors or a section of the investors under one or more schemes for investing in, financial products including securities and such other permitted asset classes through retail schemes. Further, it can act as investment manager for public offer of Investment Trusts (REITs and InvITs). The FME will also be able to launch Exchange Traded Funds (ETFs) and shall also be able to undertake all activities as permitted to Authorised FMEs and Registered FMEs (Non-retail).

Net worth requirements

An entity seeking registration as an FME (Retail) shall at all times comply with the net worth requirements as specified in Second Schedule (USD 1,000,000) of these regulations or such other amount as may be specified by the Authority.

IFSCA vide its circular dated February 16, 2024, clarified that in case the net worth of any FME falls below the specified net worth, such FME shall not– (i) launch new schemes in IFSC and (ii) onboard new clients towards any of the activities or undertake new business activities permitted under the Fund Management Regulations; till the time the net-worth is restored.

Track Record

The FME applicant should have a soundtrack record and general reputation of fairness and integrity in all its.

In case of Registered FME (retail),

i. The FME, its holding company, or their subsidiaries, shall have at least five (5) years of experience in collectively managing Assets under Management (AUM) of at least USD 200 million with more than twenty-five thousand (25,000) investors; or

ii. Person(s) in control of the FME holding at least twenty-five per cent. (25%) shareholding in the FME be carrying on activities related to fund management, including portfolio management, wealth management, distribution of financial products, and investment advisory, for a period not less than five (5) years, collectively for at least one thousand (1,000) investors on assets of at least USD 50 million, and such FME has a net worth of at least USD 2 Million or such other amount as may be specified: Provided that the Authority may specify any other criteria for determining sound track record to facilitate new generation fintech companies with innovative ideas that may lead to further market development;

Fit and proper requirements:

The applicant and its principal officer, directors/ partners/ designated partners, key managerial personnel and controlling shareholders shall be fit and proper persons, at all times.

Infrastructure Requirements:

a) The Fund Management Entity has the necessary infrastructure like adequate office space, equipment, communication facilities and manpower to effectively discharge its activities under these regulations and circulars issued thereunder. The infrastructure requirements should be commensurate to the size of its operations in IFSC.

b) The office should be dedicated, secured and accessible only by authorised person(s) of the FME.

3) General Obligations and Responsibilities of an FME

a) A Fund Management Entity, fiduciaries, Key managerial personnel (including principal officer, fund managers and designated compliance officer) are under an obligation to abide by the code of conduct under the IFSCA FM Regulations;
b) A FME intending to launch retail schemes shall take prior approval of the Authority for appointing any person as a fiduciary.
c) A Fund Management Entity is under an obligation to keep and maintain proper books of account, records and documents, for each scheme for a period of 5 (five) years after winding-up of the Scheme;
d) A Fund Management Entity shall accurately and timely provide information to IFSCA with respect to such reports, returns, statements and particulars, in such manner, interval and form, as may be specified by IFSCA from time to time;
e) A Fund Management Entity shall have a sound risk management system for comprehensively managing all risks;
f) A Fund Management Entity in IFSC shall seek prior approval of IFSCA in case of any direct or indirect change in control of the Fund Management Entity.
g) The Fund Management Entity shall ensure that advertisements issued by FME, if any, shall be in conformity with the Advertisement Code as specified in the IFSCA FM Regulations;
h) A Fund Management Entity shall pay the fees pertaining to annual fees, scheme filing fee, or any other fees as may be prescribed by IFSCA from time to time;
i) The Fund Management Entity shall ensure suitable disclosure in the offer document / placement memorandum regarding the maximum fees and expenses that it may charge;
j) The Fund Management Entity shall prepare in respect of each financial year an annual report of accounts of the schemes and abridged summary thereof and shall be submitted to the IFSCA not later than four months from the end of financial year.

Additional obligations and responsibilities on Registered Fund Management Entity are as follows:

1) Business continuity plan: A registered Fund Management Entity shall maintain a business continuity plan identifying procedures relating to an emergency or significant business disruption. The business continuity plan shall be updated in the event of material change to operations, structure, business, or location of the Fund Management Entity. Further, the Fund Management Entity shall review its business continuity plan on an annual basis.

2) Cyber security: A registered Fund Management Entity shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by IFSCA from time to time.

3) A Fund Management Entity managing AUM above USD 3 Billion as at the close of a financial year (or any other threshold of AUM as may be specified by IFSCA), shall:

(1) establish policy on governance around material sustainability-related risks and opportunities;

(2) disclose in its annual report how the Fund Management Entity identifies, assesses and manages material sustainability-related risks;

(3) establish and disclose in its annual report the process of factoring sustainability-related risks and opportunities into fund manager's investment strategies and processes, including data and methodologies used; and

(4) comply with any other sustainability related requirements as may be specified by IFSCA.

(5) A Fund Management Entity that launches a scheme related to ESG, shall make full disclosure regarding investment objective, investment policy, strategy, material risk, benchmark, etc., in the manner as may be specified by IFSCA. All scheme documents filed by FME with IFSCA shall disclose whether sustainability related risks are incorporated in the decision making. The Fund Management Entity shall provide details when sustainabilityrelated risks are incorporated in the decision making. A negative statement shall be includedwhen sustainability related risks are not incorporated in the decision making.

4) Retail Scheme

The Fund is launched by the Registered FME as a Retail Scheme. Regulation 2(1)(ff) of the IFSCA FM Regulations, defines "Retail Scheme" as a scheme offered to all investors or a section of the investors for subscription with no ceiling as to number of investors in the scheme.

Fund Structure: The Scheme is a Retail Fund constituted in IFSC as a scheme of a trust under the Applicable Laws of India. The Scheme is launched as an open ended scheme with /no definite tenure and shall terminate in accordance with the terms of the Offer Document.

Investment Strategy: A Retail Scheme may be launched by a Registered Fund Management Entity (Retail) for various investment strategies for various investment strategies subject to such terms and conditions as may be specified by the IFSCA.

Minimum number of Investors

1) Retail schemes shall have at least twenty (20) investors with no single investor investing more than twenty five percent (25%) in a scheme and shall ensure with the requirement within a maximum period of six (6) months from the closure of the offer.

Investments conditions and restrictions

1) Subject to other provisions of the IFSCA FM Regulations, a Retail Scheme may invest only in the following instruments or entities in IFSC, India or foreign jurisdictions:

a) Securities listed or to be listed or traded on stock;
b) Unlisted securities;
c) Money market instruments;
d) Debt securities;
e) Securitised debt instruments, which are either asset backed or mortgage-backed securities;
f) Units of other investment schemes subject to appropriate disclosure in the offer documents;
g) Derivatives including commodity derivatives only for the purpose of hedging subject to suitable disclosures in the offer document;
h) Such other securities or financial products/assets or instruments as specified by IFSCA.

2) Pending deployment of money, FME may invest money in certificates of deposit, units of investment schemes such as overnight, liquid or money market schemes, money market instruments, bank deposits or any other securities or financial assets or instruments as may be specified by IFSCA.

3) Any investment made in the securities mentioned in (1) above, shall be in accordance with the investment objective of the relevant scheme and disclosures in the offer document.

4) In the case of an open-ended schemes, the maximum investment in unlisted securities should not exceed fifteen percent (15%) of the total AUM of the schemes. Provided that this restriction shall not be applicable in case of investment in unlisted securities issued by an investment fund which is open-ended in nature, regulated by the concerned regulatory authority in its home jurisdiction, and is permitted for offering to retail investors in its home jurisdiction.

5) The minimum amount of investment by an investor in the case of close ended schemes investing more than fifteen percent (15%) in unlisted securities, shall be USD 10,000. A close ended scheme shall not invest more than fifty percent (50%) in unlisted securities. Provided that the minimum amount of investment of USD 10,000 and the cap of fifty per cent. (50%) shall not be applicable in case of investment by close-ended retail scheme in unlisted securities issued by an investment fund which is regulated by the concerned regulatory authority in its home jurisdiction, and is permitted for offering to retail investors in its home jurisdiction.

6) Retail schemes shall not invest more than ten percent (10%) of their AUM in securities of a single company. The retail scheme may invest up to fifteen percent (15%) in a single company with prior approval of the fiduciaries. The limit on investment in a single company in case of sectoral or thematic or Index schemes shall be the weightage of that company in the representative index, provided by an independent entity, that such scheme intends to benchmark with, or 15%, whichever is higher. Provided that fund of funds schemes shall be permitted to invest in other scheme(s) if such scheme(s) meets the requirement under this regulation.

7) Retail schemes shall not invest more than twenty five percent (25%) of their AUM in a single sector. In the case of financial services sector the amount shall not exceed fifty percent (50%) of the AUM of the scheme. The limits on sectoral caps shall not apply in the case of a sectoral or thematic or an Index Scheme. Provided that in case of a fund of funds scheme, the limit on sectoral cap shall not be applicable if such scheme is investing in other scheme(s) which does not have investment in a single sector in excess of 25% of their AUM, or 50% of their AUM in case of financial services sector or when such scheme(s) are sectoral or thematic or index scheme(s).

8) Retails schemes shall not invest more than twenty-five percent (25%) of the AUM in its associate. Provided that this restriction shall not be applicable in case of fund of funds schemes which have made disclosure in the offer document regarding the details of the underlying scheme(s) wherein the investments are intended to be made and the nature of association, if any, that the FME has with the manager(s) of the underlying scheme(s).

9) The minimum size of the retail schemes shall be USD 3 Million. Provided that an open-ended scheme may commence its investment activities upon receiving at least USD 1 Million from investors and it shall receive at least USD 3 Million from investors within 12 months from the date of communication from the IFSCA, that the offer document has been taken on record: Provided further that if a FME fails to achieve the minimum investment within the specified time, it shall have a one-time option to extend the validity of the offer document for a further period of 6 months by paying 50 per cent. (50%) of the fee as applicable for filing of a fresh scheme.

Contribution by the Fund Management Entity in Retail Scheme

Under a Retail Scheme, the Fund Management Entity or its associate shall invest at least one percent (1%) of the AUM of the retail scheme or USD 200,000, whichever is lower. However, the contribution by the FME or its associate shall not be mandatory in case of relocated funds /schemes established or incorporated or registered outside India to IFSC. The contribution by the FME or its associate shall not be mandatory in case of a fund of funds scheme investing in scheme(s) which has similar requirements.

The said investment of the Fund Management Entity or its associate entity will be made within 45 (forty-five) days and be maintained on an ongoing basis. The period of 45 (forty-five) days may be extended subject to the satisfaction of IFSCA. The said contribution if brought in by FME may be taken into consideration for the purpose of net-worth requirements as detailed under the IFSCA FM Regulations.

Disclosures to investors

1) The offer document for retail schemes shall clearly include all disclosures which are material for investors to make a decision regarding investing in such schemes and shall include disclosures regarding the investment objective, the targeted investors, proposed size, investment style or strategy, investment methodology, proposed tenure of the scheme fees and expenses, risk management practices, KMPs of the Fund Management Entity y and other relevant details of the FME and the scheme. The Fund Management Entity and the fiduciaries shall comply with the disclosure requirements in the offer document as may be specified by IFSCA.

2) Any material deviation or alteration to the fund strategy should be made with the consent of at least two-thirds of investors by value.

3) The FME shall ensure that the NAV is disclosed to the investors on a daily basis in case of an open ended scheme and on a weekly basis in case of a close ended scheme.

4) The Fund Management Entity shall ensure that the portfolio under the scheme is disclosed to the investors at least on a quarterly basis within one (1) month from the end of the quarter.
5) Any other material disclosure considered suitable by the Fund Management Entity, or the fiduciaries shall be informed to the investors immediately.
6) The Fund Management Entity shall provide investors information about their holding in the schemes at the end of every month and within ten working days in case of receipt of such a request from an investor.
7) The fiduciaries shall be bound to make such disclosures to the investors as are essential in order to keep them informed about any information which may have an adverse bearing on their investments.

Borrowing and Leverage

A retail scheme shall not borrow except to meet temporary liquidity needs for the purpose of redemption and in that case, it shall not borrow more than twenty percent (20%) of the AUM of the scheme and the duration of such a borrowing shall not exceed six (6) months.

Valuation and computation of NAV

1) Valuation: The Fund Management Entity and fiduciaries shall ensure compliance of investment valuation norms as specified in the sixth schedule of the IFSCA FM Regulations. In line with the investment valuation norms, the assets of the scheme shall be valued by an independent service provider, such as a fund administrator, a custodian or a credit rating agency, registered with the IFSCA, or a valuer registered with Insolvency and Bankruptcy Board of India, or such other person as may be specified by IFSCA. Provided that the above requirement shall not apply in case of a fund of funds scheme that invest in scheme(s), regulated by a financial sector regulator, directly or through a manager, in IFSC or India or foreign jurisdiction(s), which are valued by any independent entity.

2) NAV Computation: The Fund Management Entity shall ensure the NAV of each open-ended Retail Scheme is computed on a daily basis and in case of a close ended retail scheme the computation of NAV shall take place on a weekly basis. The procedure and methodology for calculating the NAV should be fully documented, and such documentation should be regularly verified and amended, if required.

Other terms and conditions

a) Merger, demerger and restructuring of the scheme(s) shall be in accordance with the conditions as may be specified by the IFSCA and with the prior approval by the IFSCA;
b) Appointment of Custodian: The Fund Management Entity shall appoint an independent custodian to carry out the custodial services for a Retail Scheme.
    i. The custodian appointed under this IFSCA FM Regulation shall be based in IFSC, unless the local laws of the jurisdiction where the securities have been issued mandate appointment of a custodian in that jurisdiction, in which case, the FME may appoint a custodian based in that jurisdiction regulated by the financial sector regulator in that jurisdiction for such securities and make necessary arrangement to provide such information to IFSCA whenever directed to do so.
    ii. In case of schemes which are required to appoint custodian in IFSC in terms of the abovementioned provision, if any agreement has been entered into with a custodian

which is not based in IFSC as on the date of notification of these regulations, such schemes shall be required to appoint custodian in IFSC within twelve (12) months from the date of notification of these IFSCA FM Regulation.

Further, IFSCA vide circular dated May 24, 2025 provides an extension of timeline for appointment of Custodian under Regulation 132 of the IFSCA (Fund Management) Regulations, 2025. Pursuant to the said circular an additional time period of six (6) months from the date of the issuance of this Circular is granted for the appointment of an independent custodian based in IFSC, if required, in terms of Regulation 132 for the schemes which are –

i taken on record by the Authority after the FM Regulations, 2025 came into effect (i.e., February 19, 2025), or

ii taken on record by the Authority prior to the FM Regulations, 2025 coming into effect but which did not enter into an agreement with a custodian as on February 19, 2025.

During the period of six (6) months, the FMEs of the aforementioned schemes may appoint an independent Custodian in India or any foreign jurisdiction which is regulated by the financial sector regulator in that jurisdiction and make necessary arrangement to provide such information to Authority whenever directed to do so. The FMEs shall make necessary arrangements to ensure strict compliance with Regulation 132 on or before the expiry of the 6 months period.

c) Appointment of Investment Committee: The Fund Management Entity may, at its discretion, constitute an Investment Committee to make investment decisions for the schemes. The members of such Investment Committee shall be subject to all responsibilities and obligations generally applicable to the Fund Management Entity and fund managers under the IFSCA FM Regulations.
d) Listing of close ended scheme: The FMEs may list its close ended schemes on recognised stock exchanges. Provided that a close-ended retail scheme in which the minimum amount of investment by an investor is less than USD 10,000 shall be mandatorily listed on at least one of the recognised stock exchanges.
e) The FME shall not undertake any business activities other than as specified under these regulations without prior approval of the IFSCA.
f) Disclosure of the valuation policy and procedures (with regard to valuation of each category of securities/financial product/assets where the scheme will invest, situation where these methods will be used, process and methodology and impact of implementation of these methods, if any) shall be made in offer document and on the website of the FME to ensure transparency of valuation norms to be adopted by FME.

Winding up of the Scheme:

1) A scheme may be wound up:-
   a) When the tenure of the scheme as mentioned in the placement memorandum / offer document is over;
   b) If seventy five percent (75%) of the investors, by value of their investment in the scheme, pass a resolution at a meeting of investors that the scheme be wound up.

2) IFSCA in the interest of investors and for orderly development of the financial market may direct a Fund Management Entity to:-
   a) wind up a scheme subject to such conditions as deemed appropriate;
   b) merge certain schemes; or
   c) manage schemes of other Fund Management Entities.

Annual Report and Auditor Report

(i) Scheme Annual Report:

1. The Fund Management Entity shall prepare in respect of each financial year an annual report of accounts of the scheme and abridged summary thereof and shall be submitted to IFSCA not later than four months from the end of the financial year.
2. The Annual Report and abridged summary shall contain details that are necessary for the purpose of providing a true and fair view of the operations of the scheme.
3. An abridged summary of the Annual Report shall be shared with investors within four months of the end of the financial year. Provided that if an investor seeks the full annual report, Fund Management Entity shall provide the same within fifteen (15) days from the date of the receipt of the request.

(ii) Auditor's report:

1. Every scheme launched by a Fund Management Entity shall have the annual statement of accounts audited by an auditor who is not in any way associated with the Fund Management Entity.
2. An auditor shall be appointed by the fiduciaries.
3. The auditor shall forward his report to the fiduciaries and such report shall form part of the Annual Report of the schemes.

(iii) Reporting norms for the FME

1. Every FME registered under the IFSCA shall submit information to the IFSCA on a quarterly basis in the prescribed format.
2. The quarterly report shall include quantitative information about the fund management operation of the FME, which shall be submitted in an editable excel file.
   i. A 'compliance report', the signed copy of which shall be submitted as a scanned PDF file.
   ii. The report shall be submitted to IFSCA by email.

Grievance Redressal

The IFSCA *vide* IFSCA Circular F. No. IFSCA-LPRA/3/2024-Legal and Regulatory Affairs dated December 2, 2024 titled "*Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC"* read with IFSCA Circular F. No. IFSCA-LPRA/3/2024-Legal and Regulatory Affairs dated January 13, 2025 tilted "*Extension of timeline for implementation of the Circular titled "Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC" dated December 02, 2024*" has provided a mechanism for handling of complaints and redressing the grievances of consumers for all entities regulated by the IFSCA dealing with any consumer other than their group entities, with the exception of a foreign university, a foreign educational institution, an ancillary service provider, a BATF service provider, a finance company/finance unit engaged in aircraft leasing or ship leasing and a global/regional corporate treasury centre in the IFSC, to which the circular is not applicable. The circular will come into force from the date of April 01, 2025, to allow regulated entities to align their complaint handling procedures in accordance with the same. The following is the policy for complaint handling and grievance redressal prescribed by the aforesaid circular:

1. General Provisions

(i) Regulated entities must have a policy approved by its governing body or its board of directors, as applicable, for fair, transparent, and timely complaint handling based on the nature, scale and complexity of its business along with its size and organizational structure.

(ii) The policies and procedures of the regulated entity for complaint handling and grievance redressal shall consider the nature, scale and complexity of its business along with its size and organizational structure.

(iii) The policy, along with contact details of the complaint redressal officer (CRO) and complaint redressal appellate officer (CRAO) must be prominently displayed on the entity's website or on a dedicated webpage of its group entity, as applicable, under the heading "Complaint Handling and Grievance Redressal".

(iv) The policy must clearly define what constitutes a "complaint" depending upon the nature of financial products and services undertaken by the regulated entity in the IFSC, in accordance with schedule I of the aforementioned circular, which provides an indicative list of matters not considered as 'complaints'.

2. Additional Requirements for Regulated Entities dealing with Retail Consumers

(i) **Complaint Handling Procedure**

1) On receipt of a complaint, CRO of the regulated entity shall make an assessment on the merits of the complaint. Pursuant to the assessment:

   a) Complaints must be acknowledged within three working days in writing if accepted.

   b) Complaints not accepted must be communicated to the complainant within five working days with reasons.

2) The regulated entity shall ensure that the CRO has sufficient authority to resolve the complaint or has access to other officials with the necessary authority to be able to handle the complaint in a fair and impartial manner: Provided that, where the CRO is or was involved in the conduct of the financial transaction which is the subject matter of the complaint, the complaint shall be handled by another officer designated by the regulated entity, in a fair and impartial manner.

3) The regulated entity shall dispose of complaints preferably within 15 days but ordinarily not later than 30 days of the acceptance of the complaint. The regulated entity may either resolve the complaint or reject the complaint. In case of rejection of a complaint, the regulated entity shall give reasons for rejection of the complaint, in writing.

(ii) **Appeal Mechanism**

1. If a complainant is not satisfied with the resolution provided by the regulated entity or if the complaint has been rejected by the regulated entity, the complainant may file an appeal before the CRAO of the regulated entity.
2. The CRAO of a regulated entity shall be at the level of or one level below key managerial personnel, provided that where the regulated entity is in the form of branch, the regulated entity may choose to designate the CRAO from its parent entity, if the same is permitted under the relevant and applicable regulations / framework under which the regulated entity is registered or authorized or licensed by the IFSCA. The regulated entity shall continue to be responsible for ensuring compliance with the requirements specified by the IFSCA in such a scenario.
3. The CRAO shall dispose of the appeal within a period of 30 days.

3. Filing Complaints with IFSCA

Where a complainant is not satisfied with the decision of the regulated entity and has exhausted the appellate mechanism of the regulated entity, he may file a complaint before the IFSCA through email to **grievance-redressal@ifsca.gov.in** preferably within 21 days from the receipt of the decision from the regulated entity.

4. Record Maintenance

(i) Regulated entities must maintain comprehensive records of complaints and related correspondence, including timelines and reasons for outcomes.

(ii) Records must be preserved in an electronic format for six years (or longer if litigation is ongoing).

5. Reporting Requirements

(i) The regulated entity shall file reports on handling of complaints in the form and manner specified by the IFSCA from time to time.

The regulated entity shall have a section with the heading “Complaint Handling and Grievance Redressal” in its annual report, if the entity is required to file an annual report for its business activities in the IFSC under the applicable laws. The section shall also provide data of all complaints received, resolved, rejected and pending during the year in a tabular/graphical format.

ANTI-MONEY LAUNDERING LEGISLATION

International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 (“**AML/KYC Guidelines**") have been notified by IFSCA which shall apply to every regulated entity which is licensed, recognized, authorized or registered by IFSCA (“**Regulated Entity**”).

<u>Risk-Based Approach:</u> The AML/KYC Guidelines mandate a Regulated Entity to adopt Risk-Based Approach to identify and assess the Money Laundering (ML) and Terrorist Financing (TF) risk to which the Regulated Entity is exposed, depending upon its nature of business and exposure with certain types of clients and countries. The results of the risk assessment shall be used to classify the ML/TF risks as low, medium and high, will shall be reviewed by the Regulated Entity periodically as specified.

Policies and procedures: A Regulated Entity shall put in place adequate policies, procedures, systems, compliance framework and controls to mitigate such ML/TF risks. The Regulated Entity shall also appoint a principal officer to oversee and monitor the compliance with AML/KYC Guidelines.

Assessing customer AML risks: The risk assessment shall be completed prior to undertaking Customer Due Diligence (CDD) for new customers, and also where the Regulated Entity otherwise feels necessary, for existing customers. The CDD procedure shall be followed as provided in the AML/KYC Guidelines.

Ongoing sanctions screening: A Regulated Entity shall review its customers and their transactions against United Nations Security Council (UNSC) sanctions lists and also against any other relevant sanctions list as part of ongoing due diligence. The Regulated Entities shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) Act, 1967 (UAPA) and amendments thereto, they do not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the UNSC.

Record Keeping: Regulated Entity shall maintain the specified records including documents pertaining to CDD, suspicious transaction reports etc. as specified in the AML/KYC Guidelines.

Process of identification of Suspicious Transactions and Reporting: A Regulated Entity shall establish policies, systems and controls in order to monitor and detect suspicious transactions with respect to potential ML/TF and shall furnish to the Director, Financial Intelligence Unit-India (FIU-IND), the required information referred to in the Prevention of Money laundering (Maintenance of Records) Rules, 2005.

WEAPONS OF MASS DESTRUCTION AND THEIR DELIVERY SYSTEMS (PROHIBITION OF UNLAWFUL ACTIVITIES) ACT, 2005

Ministry of Finance has issued an order dated September 01, 2023, detailing the procedure for implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 ("**WMD Act**"). The WMD Act seeks to prohibit unlawful manufacture, transport, or transfer of WMD (chemical, biological and nuclear weapons) and their means of delivery. Under the amendments of 2022, the scope of the WMD Act has been enhanced to include the financing of such banned activity. The order is applicable to the IFSCA and all regulated entities in IFSC ("Regulated Entity").

The Regulated Entity shall –

i. verify the details of entities/individuals who are party to the financial transactions, if the details match with the designated list (available on the portal of FIU-India) the Regulated Entity shall not carry out such transaction and shall immediately inform the transaction details with full particulars of the funds, financial assets or economic resources involved to the CNO by email, FAX and by post, without delay.

ii. run a check, on the given parameters, at the time of establishing a relation with an investor and on a periodic basis to verify whether individuals and entities in the designated list are holding any funds, financial assets or economic resources or related services, in the form of bank accounts, stocks, insurance policies, etc. In case, the particulars of any of their investors match with the particulars of designated list, the Regulated Entity shall immediately inform full particulars of the funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or insurance policies, etc. held on their books to the Central Nodal Officer by email, FAX and by post, without delay.

iii. Regulated Entity shall send a copy of the communication mentioned in (i) and (ii) above to the State Nodal Officer, where the account/ transaction is held and to the IFSCA, as the case may be, without delay.

iv. if there are reasons to believe beyond doubt that the funds or assets held by an investor would fall under the purview of clause (a) or (b) of sub-section (2) of Section 12A of the WMD Act, the Regulated

Entity shall prevent such investor from conducting such financial transactions, under the intimation to the Central Nodal Office by email, FAX and by post, without delay.

Further, the Regulated Entity are also required to maintain and update the designated list, without delay whenever there are changes made to it by the Ministry of External Affairs.

FOREIGN EXCHANGE CONTROL REGULATIONS

Foreign investment in India is regulated under the Foreign Exchange Management Act, 1999 ("**FEMA**"). The Reserve Bank of India ("**RBI**") and the Government of India are given the authority to regulate and monitor foreign investments under FEMA.

I. ***Foreign Exchange Management (International Financial Services Centre) Regulations, 2015***

Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 ("**FEMA IFSC Regulations**") shall be applicable to the financial institutions (as defined under regulation 2(b) of the FEMA IFSC Regulations) proposed to be established in IFSC.

Any financial institution or branch of a financial institution set up in the IFSC and permitted/recognized as such by the government of India or a regulatory authority shall be treated as a person resident outside India.

A financial institution or branch of a financial institution shall conduct such business in such foreign currency and with such persons, whether resident or otherwise, as the concerned regulatory authority may determine.

II. ***Foreign Exchange Management (Overseas Investment) Rules, 2022, Foreign Exchange Management (Overseas Investment) Regulations, 2022 and Foreign Exchange Management (Overseas Investment) Directions, 2022***

As per the Foreign Exchange Management (Overseas Investment) Rules, 2022, ("**OI Rules**") a person resident in India may make Overseas Investment in an IFSC India within the following limits:

a) In case of an Overseas Direct Investment ("**ODI**");

  i) The total financial commitment made by an Indian entity in all the foreign entities taken together at the time of undertaking such commitment shall not exceed 400 percent of its net worth as on the date of the last audited balance sheet or as directed by the Reserve Bank, in consultation with Central Government from time to time. Such financial commitment shall not include capitalization of the retained earnings for reckoning such limit, but shall include utlisation of the amount raised by the issue of American Depository Receipts or Global Depository Receipts and stock-swap of such receipts; and

  ii) Utilisation of the proceeds from External Commercial Borrowings to the extent the corresponding pledge or creation of charge on assets to raise such borrowings has not already been reckoned towards the above limit.

b) In case of an Overseas Portfolio Investment ("**OPI**");

  i) An Indian entity may make OPI which shall not exceed fifty percent of its net worth as on the date of its last audited balance sheet, in the manner and subject to the conditions laid down in Schedule II of the OI Rules.

Any resident individual making an overseas investment will be subject to the overall ceiling under the Liberalised Remittance Scheme ("**LRS**") of the Reserve Bank.

A person resident in India may make Overseas Investment in an IFSC in the manner as provided below:

a) in the case of an ODI made in an IFSC, the approval by the financial services regulator concerned, wherever applicable, shall be decided within forty-five days from the date of application complete in all respects failing which it shall be deemed to be approved;

b) an Indian entity not engaged in financial services activity in India, making ODI in a foreign entity, which is directly or indirectly engaged in financial services activity, except banking or insurance, who does not meet the net profit condition as required under these rules, may make ODI in an IFSC;

c) a person resident in India may make contribution to an investment fund or vehicle set up in an IFSC as OPI;

d) a resident individual may make ODI in a foreign entity, including an entity engaged in financial services activity, (except in banking and insurance), in IFSC if such entity does not have subsidiary or step down subsidiary ("**SDS**") outside IFSC where the resident individual has control in the foreign entity.

The provisions pertaining to ODI in financial services activity [paragraph 2 of schedule I and paragraph 2 of schedule V of OI Rules] are summarised below:

Indian entity	**in foreign entity**	**Subject to the financial commitment limit, reporting and n as per the OI Rules/Regulations and other applicable provisions as under**
a) Engaged in Financial Services activity	Engaged in Financial Services activity	Subject to the provisions contained in paragraph 2(1) of schedule I of the OI Rules. Where such investment is in IFSC, the requisite approval by the financial services regulator concerned shall be decided within 45 days from the date of receipt of application complete in all respects failing which it shall be deemed to be approved
	Not engaged in Financial Services activity	Subject to the guidelines issued by the respective regulator
b) Not engaged in Financial Services activity	Engaged in Financial Services activity except banking or insurance	Indian entity has posted net profits during the preceding three financial years. However, an Indian entity not meeting 3-year profitability condition may make such ODI in a foreign entity in IFSC in India.
	Engaged in general and health insurance	Apart from the 3 years profitability criteria, such insurance business is supporting the core activity undertaken overseas by such Indian entity. For instance, health insurance to support medical/hospital business, vehicle insurance to support the manufacturing/export of motor vehicles, etc.

c) Overseas investment in any sector by banks and non-banking financial institutions regulated by the Reserve Bank shall be subject to such other conditions as may be stipulated by the regulatory department concerned of the Reserve Bank in this regard.
d) A foreign entity will be considered to be engaged in the business of financial services activity if it undertakes an activity, which if carried out by an entity in India, requires registration with or is regulated by a financial sector regulator in India.

A resident individual may make overseas investment in accordance with schedule III of OI Rules. The following is further provided:

a. Where a resident individual has made ODI without control in a foreign entity that subsequently acquires or sets-up a subsidiary/SDS, such resident individual shall not acquire control in such foreign entity.
b. Overseas investment by way of capitalisation, swap of securities, rights/bonus, gift, and inheritance shall be categorised as ODI or OPI based on the nature of the investment. However, where the investment, whether listed or unlisted, by way of sweat equity shares, minimum qualification shares and shares/interest under Employee Stock Ownership Plan (ESOP)/Employee Benefits Scheme does not exceed 10 per cent of the paid-up capital/stock of the foreign entity and does not lead to control, such investment shall be categorised as OPI.
c. In case of swap of securities both the legs of the transaction shall comply with FEMA provisions, as applicable. However, where swap of securities results in acquisition of any equity capital which is not in conformity with the OI Rules/Regulations, e.g., ODI in foreign entity engaged in financial services activity, foreign entity having a subsidiary/SDS, etc., such equity capital must be disinvested within a period of six months from the date of such acquisition.
d. Resident individuals are not permitted to transfer any overseas investment by way of gift to a person resident outside India.
e. Shares/interest under ESOP/Employee Benefits Scheme - AD banks may allow remittances, towards acquisition of the shares/interest in an overseas entity under the scheme offered directly by the issuing entity or indirectly through a Special Purpose Vehicle (SPV) /SDS. Where the investment qualifies as OPI, the necessary reporting in Form OPI shall be done by the employer concerned in accordance with regulation 10(3) of OI Regulations. Where such investment qualifies as ODI, the resident individual concerned shall report the transaction in Form FC.
f. Foreign entities are permitted to repurchase the shares issued to residents in India under any ESOP Scheme provided (i) the shares were issued in accordance with the rules/regulations framed under FEMA, 1999, (ii) the shares are being repurchased in terms of the initial offer document, and (iii) necessary reporting is done through the AD bank.
g. Though there is no limit on the amount of remittance made towards acquisition of shares/interest under ESOP/Employee Benefits Scheme or acquisition of sweat equity shares, such remittances shall be reckoned towards the LRS limit of the person concerned.

A person resident in India, other than an Indian entity or a resident individual may make overseas investment in accordance with schedule IV of OI Rules. The following is further provided:

a. Mutual Funds (**MFs**) and Venture Capital Funds (**VCFs**)/Alternative Investment Funds (**AIFs**) registered with SEBI may, in accordance with paragraph 2 of schedule IV of OI Rules, invest overseas in securities as stipulated by SEBI within an overall cap of USD 7 billion and USD 1.5 billion, respectively. Further, a limited number of qualified MFs are permitted to invest cumulatively up to USD 1 billion in overseas Exchange Traded Funds, as may be permitted by SEBI. Such investment shall be considered as OPI irrespective of whether the securities are listed or not.
b. MFs/VCFs/AIFs desirous of availing this facility may approach SEBI for necessary permission.

Operational modalities regarding eligibility criteria, individual limits, identification of recognised stock exchanges, investible universe, monitoring of aggregate ceilings, etc., shall be as per the guidelines issued by SEBI. General permission is available to such Investors for sale of securities so acquired.

c. An AD bank, including its overseas branch, may acquire or transfer foreign securities in terms of host country regulations/laws, as applicable, in the normal course of its banking business. The provisions contained in OI Rules/Regulations shall not apply to such acquisition or transfer of foreign securities by an AD bank.
d. Any overseas investment by the sole proprietorship or unregistered partnership firms may be made by the proprietor concerned or the individual partners concerned within their limit available under the LRS in accordance with schedule III of the OI Rules. If the proposed investment is in strategic sector, any application for making overseas investment in excess of the LRS limit may be made under the government approval route.
e. Overseas investment by registered trust/society may be made under the approval route in accordance with paragraph 1 of schedule IV of OI Rules.

A person resident in India may make overseas investment in an IFSC in India in accordance with schedule V of OI Rules. The following is further provided:

a. A person resident in India, being an Indian entity or a resident individual, may make investment (including sponsor contribution) in the units of an investment fund or vehicle set up in an IFSC as OPI. Accordingly, in addition to listed Indian companies and resident individuals, unlisted Indian entities may also make such investment in IFSC.
b. The restriction of making ODI only in an operating foreign entity or not making ODI in a foreign entity engaged in financial services activity by resident individuals, shall not apply to an investment made in IFSC. Such investment, however, shall not be made in any foreign entity engaged in banking or insurance. Such foreign entity in IFSC may have subsidiary/SDS in IFSC. It may also have subsidiary/SDS outside IFSC where the resident individual does not have control in the foreign entity. Resident individual who has made ODI without control shall not acquire control in a foreign entity that subsequently acquires or sets-up a subsidiary/SDS outside India.

THE INFORMATION PRESENTED ABOVE IS A BROAD DISCUSSION ON THE IMPORTANT LEGAL AND REGULATORY CONSIDERATIONS APPLICABLE TO THE SCHEME, THE FME AND THE INVESTOR. FOR A COMPREHENSIVE UNDERSTANDING OF THE POSITION OF LAW, THE READER IS DIRECTED TO THE ORIGINAL TEXT OF THE STATUTES, REGULATIONS, RULES OR GUIDELINES MENTIONED ABOVE AND TO SEEK APPROPRIATE LEGAL COUNSEL IN CONNECTION THEREWITH.

TAXATION OF THE SCHEME

PROSPECTIVE BENEFICIARIES SHOULD CONSIDER THE FOLLOWING SUMMARY OF CERTAIN TAXATION ASPECTS AFFECTING THE SCHEME. PROSPECTIVE BENEFICIARIES ARE ADVISED TO INFORM THEMSELVES AS TO ANY INCOME OR OTHER TAX CONSEQUENCES WHICH ARE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THEIR RESPECTIVE INTERESTS IN THE SCHEME. IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, EACH PROSPECTIVE BENEFICIARY IS ADVISED TO CONSULT ITS OWN TAX ADVISER WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES ARISING DUE TO AN INVESTMENT IN THE SCHEME. THE SCHEME, THE FME, THE TRUSTEE, AND THEIR ADVISERS ACCEPT NO RESPONSIBILITY FOR ANY LOSS SUFFERED BY ANY BENEFICIARY AS A RESULT OF CURRENT TAXATION LAW AND PRACTICE OR ANY CHANGES THERETO.

THIS INFORMATION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL RELEVANT TAX CONSIDERATIONS; NOR DOES IT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL POTENTIAL TAX COSTS, TAX INCIDENCE AND RISKS INHERENT IN MAKING A CAPITAL COMMITMENT IN THE SCHEME.

THIS SUMMARY ON INDIAN TAX MATTERS CONTAINED HEREIN IS BASED ON EXISTING LAW AS ON THE DATE OF THIS OFFER DOCUMENT. NO ASSURANCE CAN BE GIVEN THAT FUTURE LEGISLATION, ADMINISTRATIVE RULINGS OR COURT DECISIONS WILL NOT SIGNIFICANTLY MODIFY THE CONCLUSIONS SET FORTH IN THIS SUMMARY, POSSIBLY WITH RETROACTIVE EFFECT.

THE FOLLOWING IS A SUMMARY OF CERTAIN RELEVANT PROVISIONS OF THE INCOME-TAX ACT, 1961 (**ITA**) AS AMENDED BY THE FINANCE (No. 2) ACT, 2024 (**FINANCE ACT**), ALONG WITH THE INCOME-TAX RULES, 1962, (**RULES**), AND VARIOUS CIRCULARS AND NOTIFICATIONS ISSUED THEREUNDER FROM TIME TO TIME.

THE SUMMARY IS BASED ON LAWS, REGULATIONS, RULINGS AND JUDICIAL DECISIONS NOW IN EFFECT, AND CURRENT ADMINISTRATIVE RULES, PRACTICES, AND INTERPRETATIONS, ALL OF WHICH ARE SUBJECT TO CHANGE, WITH POSSIBLE RETROSPECTIVE EFFECT. IT IS THE RESPONSIBILITY OF ALL PERSONS INTERESTED IN PURCHASING BENEFICIAL INTEREST OF THE SCHEME TO INFORM THEMSELVES AS TO ANY INCOME-TAX OR OTHER TAX CONSEQUENCES, WHICH ARE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THE BENEFICIAL INTEREST.

THE TAX RATES STATED BELOW ARE EXCLUSIVE OF SURCHARGE AND HEALTH AND EDUCATION CESS (UNLESS STATED OTHERWISE). THE TAX RATES ARE APPLICABLE FOR THE FINANCIAL YEAR 2024-25.

I. Taxation of the Scheme

The Scheme is settled under the Indian Trusts Act, 1882 with the name DSP Global Equity Fund ("Scheme") for the purpose of making investments permissible for an open-ended retail scheme, in accordance with Applicable Law and its investments objectives and is managed by DSP Fund Managers IFSC Private Limited, which is registered with IFSCA as a Registered Fund Management Entity (Retail). The Indenture of the Scheme is registered under the Registration Act, 1908. The Scheme is categorised as a Retail Scheme under the IFSCA FM Regulations.

Currently, under the ITA, no tax pass through status has been accorded to a Retail Scheme in IFSC. Further, there are no provisions under the ITA that specifically govern the taxability of Retail Scheme in IFSC. In such a scenario, the Scheme could be taxed per the general principles of taxation of trusts *viz.* sections 161 to 164 of ITA or sections dealing with revocable transfers (sections 61 to 63 of ITA) (subject to discussion hereunder).

Residential Status of the Scheme

The basis of charge of Indian income-tax depends upon:

- the residential status of the taxpayer during a tax year; and
- the nature of the income earned.

The Indian tax year runs from April 01 until March 31.

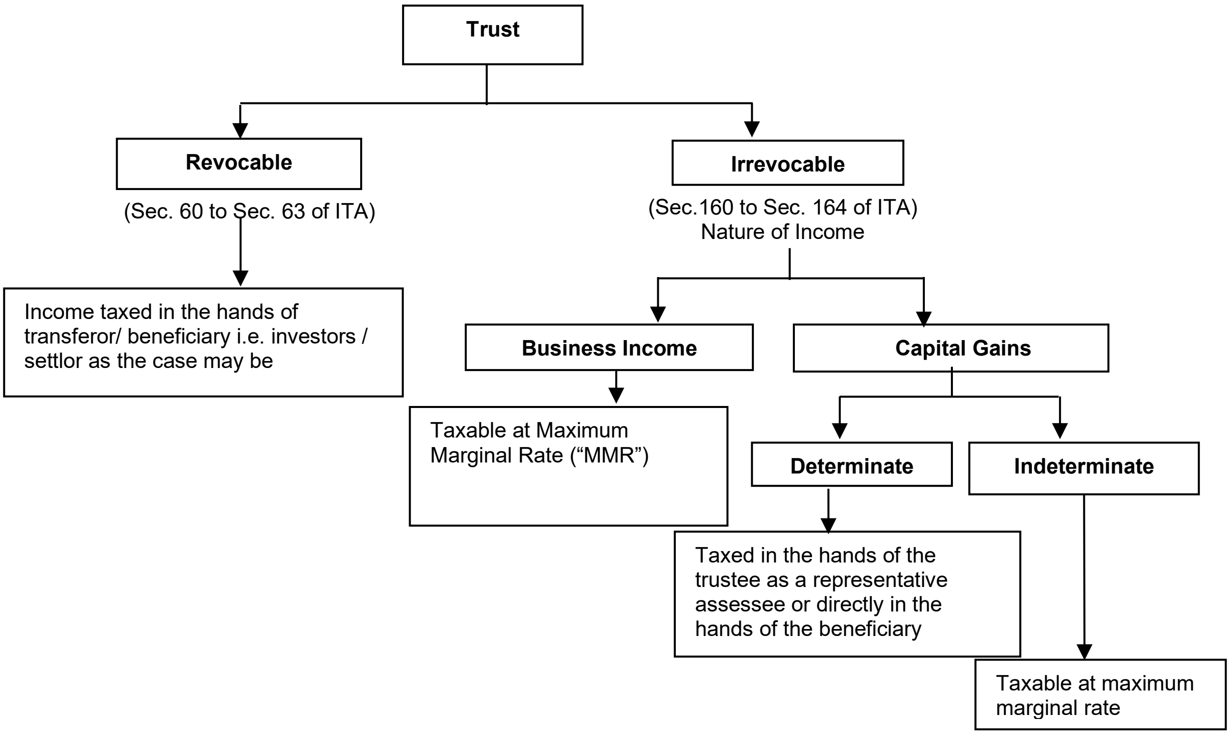
A person who is an Indian tax resident is liable to taxation in India on worldwide income, subject to certain tax exemptions, which are accorded under the provisions of the ITA. A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's Indian-sourced income or income received in India.

The Scheme would be regarded as a 'resident' for the purposes of ITA.

Trust Taxation per the ITA

The taxation of a trust depends on the nature of a transfer/contribution by investor (i.e. revocable or irrevocable) and whether beneficiaries and their respective interests in the Scheme are identified/ determined upfront or not (i.e. determinate or indeterminate trust) and the nature of activity undertaken by the Scheme (i.e. whether any business activity undertaken or not)

A diagrammatic representation of the trust taxation is depicted below:



The Scheme seeks to organize itself such that relying on certain principles laid down in certain income-tax rulings, there may be basis for it to be regarded as a **determinate trust**. However, the risk of the tax/ appellate authorities seeking to treat the Scheme as an indeterminate trust cannot be ruled out.

Revocable v. Irrevocable transfer

A transfer of an asset is considered revocable when the transfer document (e.g. contribution agreement) contains a provision for:

(i) the re-transfer, directly or indirectly, of the whole or any part of the income from the asset to the transferor, or
(ii) in any way gives a right to the transferor to reassume power, directly or indirectly, over the whole or any part of the income or asset.

If the capital contributions to the Scheme are considered to be revocable in nature within the meaning of sections 61 to 63 of the ITA, the beneficiaries would be liable to tax on the income attributable to such revocable contributions.

If the transfer is regarded as irrevocable, then the tax treatment ought to be determined on the basis whether the respective shares of the beneficiaries are determinate or not.

In case the Scheme is considered as irrevocable vis-à-vis its beneficiaries and determinate

a. Per Explanation to section 164 of the ITA, a trust is considered to be a determinate trust if it fulfils the following two conditions:

   (i) Beneficiaries of the income arising to the trust are identifiable on the date of the indenture of trust; and

(ii) The individual share of income of each beneficiary is ascertainable as on the date of the indenture of trust.

b. Based on a ruling rendered by the Authority for Advance Rulings ("**AAR**") in the case of AIG[2], a trust may be considered as determinate where the instrument of trust specifies the categories of beneficiaries in the trust and prescribes a methodology for the determination of each beneficiary. However, it is pertinent to note that a ruling rendered by the AAR is binding only in case of applicant who sought the ruling and in respect of the transaction for which the ruling was sought. The above view has also been upheld by the Hon'ble High Court of Karnataka in the case of *CIT vs. India Advantage Fund VII*[3]. It is pertinent to note that the High Court decisions (unless subsequently reversed) are binding on all the tax authorities and tribunals functioning under the jurisdiction of the High Court.

c. Further, an income-tax ruling has held that in order to form a determinate trust, the beneficiaries should be known, and the individual shares of those beneficiaries should be ascertainable as on the date of trust deed.

d. As mentioned above, whilst the Scheme seeks to organize itself such that relying on certain principles laid down in certain tax rulings, there may be basis for it to be regarded as a determinate trust, the risk of the tax authorities seeking to treat the Scheme as an indeterminate trust cannot be ruled out.

e. In case, the Scheme qualifies as a determinate trust, the trustee of the Scheme is assessed as a 'Representative Assessee' of the beneficiaries under section 161 of the ITA. Tax is levied on and payable by trustee in the like manner and to the same extent as it would be leviable on the beneficiaries i.e., the manner, rates and mechanism of taxation as applicable to the beneficiaries apply *vis-à-vis* share of income of each beneficiary.

f. Once the income is taxed in the hands of the trustee (in its capacity as a 'Representative Assessee'), no further tax implications on subsequent distribution of the said income by the trustee in the hands of the beneficiaries (subject to Minimum Alternative Tax ['MAT'] implications discussed below for corporate beneficiaries) arise. However, it should be noted that the tax authority may assess the income directly in the hands of beneficiaries under section 166 of the ITA, if not already assessed in the hands of trustee. Even if the tax authority tax the beneficiaries directly, the taxes, if any, paid by the trustee in their capacity as a representative assessee, could in principally, be available as credit against the tax liability, if any, of the beneficiaries. There may also be additional tax liability for corporate entities paying taxes per MAT provisions.

g. If any portion of the income of the trust is characterised as business income, the whole of the income of the trust could become chargeable to tax in the hands of the trustee at MMR under the provisions of section 161(1A) of the ITA subject to allowability of any deductible expenses of the trust.

In case the Scheme is considered as irrevocable vis-à-vis its beneficiaries and indeterminate

h. In case, the Scheme does not meet the criteria of a determinate trust as specified above, it would be considered as a discretionary (indeterminate) trust and the trustee of the Scheme could be taxable at MMR under section 164 of the ITA.

[2] Advance Ruling P. No. 10 of 1996 In re [1997] 224 ITR 473 (AAR)

[3] [2017] 78 taxmann.com 301 (Karnataka)

i. Relying on judicial precedents, it could be possible to take a view that concessional rates of capital gains tax shall gain precedence over MMR prescribed under section 164 of the ITA. However, the possibility of the Indian Tax authorities taking a contrary view cannot be ruled out.

Various streams of income of the Scheme

Basis the investment strategy of the Scheme, it is proposed to make investment in global equity and equity related instruments including derivatives which are listed/domiciled outside India and listed/domiciled in GIFT City. The investors of the Scheme would primarily earn income through the Scheme from the following streams:

a. Interest income;
b. Dividend income;
c. Gains arising on transfer/ redemption of securities; and
d. Gains on transfer of units of the Scheme.

II. Taxation of the investors

The tax implications with respect to each of the above-mentioned income streams are discussed as under. The tax rates given below would also be applicable where the Scheme computes and discharges the taxes on its own PAN. The Scheme shall have resident investors and the implications are specific to resident investors under the ITA. In case where there are non-resident investors in the Scheme, then the taxability of income streams of / from the Scheme will have to be separately evaluated, specifically considering the trust taxation principles (as discussed under 'Trust taxation under ITA') and chargeability of respective income under the ITA. Further, the income of the non-resident investor may be subject to benefit under the respective Double Taxation Avoidance Agreement, if any and to the extent applicable and available:

a. Interest income

Interest income earned by	Tax rate for domestic Beneficiaries
Companies (Refer Note 1)	30%/ 25%/ 22%/ 15%
Firms / LLPs	30%
Others, including the Scheme (Refer Note 2)	As per the applicable slab rates, maximum being 30%

The above-mentioned tax rates are exclusive of applicable surcharge and health and education cess.

Note 1: Corporate tax at the rate of 25% (plus applicable surcharge and health and education cess) should be applicable for the financial year 2024-25 in the case of domestic companies having total turnover or gross receipts in the financial year 2022-23 not exceeding INR 400 crores. Existing domestic companies may opt for beneficial tax rate of 22% (plus fixed surcharge at rate of 10% and applicable health and education cess) (as per section 115BAA of the Act) subject to prescribed conditions. Further, new domestic manufacturing companies may opt for beneficial tax rate of 15% (plus fixed surcharge at rate of 10% and applicable health and education cess) (as per section 115BAB of the Act) subject to prescribed conditions.

Note 2: As per the ITA, the rates provided under the sub-section (1A) of section 115BAC of the ITA shall be applicable for Individual / HUF / AOP (other than co-operative society) / BOI / AJP unless an option is exercised under the sub-section (6) of section 115BAC to opt out of the regime. Further, the option of opting back to the regime under sub-section (1A) of section 115BAC can be exercised only once by a taxpayer earning income from business or profession. However, a person not having income from business or profession shall be able to exercise this option every year.

Further, the Finance (No 2) Act 2024, has also amended the income-tax slab rates under section 115BAC of the ITA as per the table below.

Total Income	Tax rates
Up to INR 3,00,000	Nil
From INR 3,00,001 to INR 7,00,000	5%
From INR 7,00,001 to INR 10,00,000	10%
From INR 10,00,001 to INR 12,00,000	15%
From INR 12,00,001 to INR 15,00,000	20%
Above INR 15,00,000	30%

The new income-tax regime provided under section 115BAC is the default income-tax regime. However, any person will have the option to be taxed on its total income as per the tax rates under the old regime, provided he/she chooses the same.

The Finance Act 2023 amended Section 87A to further provide that where an Individual / HUF / AOP / BOI apply for lower slab rates provided under section 115BAC, a rebate shall be provided on tax to the extent of an amount equal to 100% of such income-tax or an amount of INR 25,000 (whichever is less) on total income where total income does not exceed INR 7,00,000.

Note 3: As per section 193 of the ITA, the tax deduction at source shall apply on payment of any income by way of 'interest on securities' to a resident at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier.

b. Dividend income

Per the provisions of the ITA, the dividend income is taxable in the hands of the shareholders under section 56 of the ITA under the head 'Income from other sources' at the applicable rates.

The Portfolio Company declaring dividend is required to deduct tax at the rate of 10% (in case of payment to resident shareholders) and at specified rates/ rates in force (in case of payment to non-resident shareholders).

The dividend income (net of deductions, if any) is taxable at the following rates:

Dividend income received by	Tax rates for resident Beneficiaries
Companies (Refer Note 1)	30%/ 25%/ 22%/ 15%
Firms / LLPs	30%
Others, including the Scheme (Refer Note 2)	As per the applicable slab rates, maximum being 30%

The above-mentioned tax rates are exclusive of surcharge and health and education cess.

Note 1 and 2 - Refer to notes mentioned under the head 'Interest income'.

c. **Gains arising on transfer/ redemption of securities (other than derivatives)**

Gains arising from the transfer of securities held in companies may be treated either as 'capital gains' or as 'business income' for tax purposes, depending upon whether such securities are held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterisation of gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the tax authorities.

There have been judicial pronouncements on whether gains from transactions in securities should be taxed as 'business profits' or as 'capital gain'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Also, the CBDT has provided guidance (*vide* its Instruction No. 1827, dated August 31, 1989 and Circular No. 4/2007, dated June 15, 2007) in respect of characterisation of gains as either capital gains or business income. Following are the key illustrative factors indicative of capital gains characterisation (not business income):

a. Intention at the time of acquisition – capital appreciation
b. Low transaction frequency
c. Long period of holding
d. Shown as investments in books of accounts (not stock in trade)
e. Use of owned funds (as opposed to loan) for acquisition
f. Main object in constitution document is to make investments
g. Higher level of control over the investee company

No single criteria should be decisive to determine whether or not the income is in the nature of capital gains or business income or income from other sources. The characterisation should depend on the total effect of all criteria applicable to the facts of the case. Therefore, in this regard, the characterisation of income of the Scheme would need to be evaluated every year, based on the facts existing in that year.

The Scheme intends to organize itself in a manner that it complies with the conditions and parameters mentioned in the CBDT Circular and instructions such that the income from sale of securities in the investee companies be generally categorised as capital gains. However, the possibility of the tax authorities seeking to treat such income as business income cannot be ruled out.

Further, the CBDT had issued a circular no. 6/2016 dated 29 February 2016, clarifying the issue of taxability of gains arising on sale of listed shares and securities. The circular laid down guiding principles to characterise the gains from sale of listed shares and securities, either as business income or capital gains. It had clarified that the Tax Officer would not dispute any income arising from transfer of listed shares and securities held for more than 12 months, if the same was treated as, and offered to tax under, the head 'Capital Gains', subject to genuineness of the transaction being established. However, as regards the securities sold within 12 months there is a risk that the tax officer could characterise the said income as 'Profits and gains from business or profession'.

Similarly for determining the tax treatment of income arising from transfer of unlisted shares for which no formal trading markets exists, the CBDT had issued an instruction dated 2 May 2016 where it has been decided that income arising from transfer of unlisted shares is considered as 'capital gains', irrespective of the period of holding, with a view to avoid litigations / disputes and to maintain uniform approach.

It is, however, clarified that the above would not be necessarily applied in the situations where:

a. the genuineness of transactions in unlisted shares itself is questionable; or
b. the transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
c. the transfer of unlisted shares is made along with the control and management of underlying business and the Assessing Officer would take appropriate view in such situations

If the gains are characterised as capital gains

Per section 45 of the ITA, any profits or gains arising from the transfer of capital assets are chargeable to income tax under the head 'capital gain'.

Section 48 of the ITA provides that income chargeable as capital gains would be computed as the difference between the full value of the consideration received or accrued on the transfer of the capital asset and the cost of acquisition / indexed cost of acquisition (as applicable) of such asset plus expenditure incurred wholly and exclusively in connection to such transfer. Under the ITA, capital gains will be taxable in the hands of the investors depending on the nature of securities and the period of holding. The capital gains would be classified as long-term or short-term, depending upon the period of holding of the assets.

Type of instrument	Period of holding	Characterisation
Listed securities on recognised stock exchange in IFSC (i.e. bonds) (Refer Note 1)	More than 12 months	Long-term Capital Asset
	12 months or less	Short-term Capital Asset
Unlisted securities (other than Unlisted Debentures and Bonds) (Refer Note 1)	More than 24 months	Long-term Capital Asset
	24 months or less	Short-term Capital Asset
Unlisted Debentures and Bonds (Refer Note 2)	-	Deemed Short-term Capital Asset

Note 1: The Finance Act, 2023 introduced section 50AA of the ITA, whereunder the capital gains arising on transfer/redemption/maturity of a specified mutual fund (acquired on or after the 1st day of April, 2023) or Market Linked Debenture were deemed to be short-term capital gains (irrespective of the period of holding).

Further, "Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

"Specified Mutual Fund" was defined to mean a Mutual Fund by whatever name called, where not more than thirty five per cent of its total proceeds is invested in the equity shares of domestic companies.

However, Finance Act, 2024 amended the definition of "Specified Mutual Fund" (with effect from AY 2026-27) to mean that:

(a) a mutual Fund by whatever name called, which invest more than sixty five percent of the total proceeds in debt and money market instrument or;

(b) a fund which invests sixty five percent or more of its proceeds in units of fund referred to in clause (a) above

For this purpose, "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.'.

Note 2: As per the amendments in section 50AA of the Act vide the Finance (No. 2) Act, 2024, gains on transfer or redemption or maturity of unlisted bond or an unlisted debenture which is transferred or redeemed or matures on or after 23 July, 2024 shall also be considered as deemed short term capital gains irrespective of the period of holding.

Taxability of capital gains under the ITA are as follows in case of resident investors:

Type of instrument	**Long-term capital gains**	**Short-term capital gains**
	Transfer on or after 23 July 2024	**Transfer on or after 23 July 2024**
Listed securities on recognised stock exchange in IFSC (i.e. bonds)	12.5% (without indexation)	30%
Unlisted securities (including overseas equity securities, overseas funds and ETFs other than Unlisted Debentures and Bonds)	12.5% (without indexation)	30%
Unlisted Debentures and Bonds	NA	30%

The above-mentioned tax rates are exclusive of surcharge and health and education cess.

Note 1: As per the Finance (No. 2) Act, 2024, the benefit of cost inflation index is not available while computing capital gains on transfer of long term capital asset on or after 23 July 2024.

Note 2: In case of a Company, the Corporate tax at the rate of 25% (plus applicable surcharge and health and education cess) should be applicable for the financial year 2024-25 in the case of domestic companies having total turnover or gross receipts in the financial year 2022-23 not exceeding INR 400 crores. Existing domestic companies may opt for beneficial tax rate of 22% (plus fixed surcharge at rate of 10% and applicable health and education cess) (as per section 115BAA of the Act) subject to prescribed conditions. Further, new domestic manufacturing companies may opt for beneficial tax rate of 15% (plus fixed surcharge at rate of 10% and applicable health and education cess) (as per section 115BAB of the Act) subject to prescribed conditions.

Note 3: As per the ITA, the rates provided under the sub-section (1A) of section 115BAC of the ITA shall be applicable for Individual / HUF / AOP (other than co-operative society) / BOI / AJP unless an option is exercised under the sub-section (6) of section 115BAC to opt out of the regime. Further, the option of opting back to the regime under sub-section (1A) of section 115BAC can be exercised only once by a taxpayer earning income from business or profession. However, a person not having income from business or profession shall be able to exercise this option every year.

If the gains are characterised as business income

If the gains arising from the transfer of securities are categorised as business income of the Scheme, the whole of the income of the Scheme (net of eligible expenses) is taxable at MMR under the provisions of section 161(1A) of the ITA which are applicable to the Scheme being a determinate trust.

d. Gains arising on transfer of derivatives

Gains arising from the transfer of derivatives, futures and options may be taxed as business income depending upon the nature of such investments (i.e. if it is to earn profit and not to hold them for a long period), the volume and frequency of these transactions (i.e. if generally purchase and sale on a daily basis). Further the characterisation of such investments in the books of accounts may also be relevant i.e. investments vs stock in trade. All these factors, put together, may indicate that the income earned by the Scheme on investment in derivatives should be in the nature of business income.

In case where such income is classified as business income, the tax rates as mentioned above for business income should continue to apply in such case.

e. Gains on transfer of units of the Scheme

Gains arising on transfer of units of the Scheme may be taxable directly in the hands of the investors. The Indian income tax implications shall depend on the characterisation of gains either as business income or capital gains in the hands of the investors. Accordingly, the tax rates mentioned above for capital gains and business income should continue to apply in such case.

Exit from the Scheme

The trustee intends to discharge the applicable taxes on any income arising on disposal of portfolio investments as a representative assessee of Beneficiaries. It may be argued that once the trustee has discharged the tax liability on such income, there may not be any further tax liability in the hands of Beneficiary on exit from the Scheme for the purpose of distributpion of such proceeds. However, there is a risk that arguably exit from the Scheme may be treated as a separate taxable transfer. In such an event, the Beneficiaries may be subject to tax on such exit in addition to the tax liability discharged by the trustee.

III. Other Provisions

Representative Assessee

If and to the extent the trustee may be regarded as a representative assessee in respect of income to be received in the trust on behalf of the Beneficiaries, all the rights and obligations of the trustee in his capacity as a representative assessee as encapsulated in the relevant provisions of the ITA may be applicable.

Minimum Alternative Tax

Per the ITA, if the income-tax payable on total income by any company is less than 15% (excluding applicable surcharge and health and education cess) of its book profits, the company is required to pay MAT at 15% of book profits (excluding applicable surcharge and health and education cess). Further, MAT provisions are not applicable to a foreign company if such company is a resident of a country or a specified territory with which India has a Tax Treaty and the company does not have a permanent establishment in India. Also, MAT provisions are not applicable if the company is a resident of a country or a specified territory with which India does not have a Tax Treaty, but the company is not required to seek registration under any law in relation to companies.

Further, the MAT credit is allowed to be carried forward up to 15 assessment years.

The Finance Act, 2017, has introduced the framework for computation of book profit for Ind AS compliant companies in the year of adoption and thereafter.

In case where the domestic company opts to be taxed as per the rates and manner prescribed under Section 115BAA and 115BAB of the ITA, then MAT provisions does not apply to such domestic companies. Also, MAT credit (if any) is not allowed to be carried forward once the company exercises the option to avail reduced tax rates as mentioned above.

Alternate Minimum Tax

Per the ITA, if the income-tax payable on total income by any person other than a company is less than the alternate minimum tax, the adjusted total income is deemed to be the total income of that person and he is liable to pay income-tax on such total income at the rate of 18.5%. Such provisions are not applicable if the adjusted total income does not exceed INR 20 lakhs.

Further, the above provisions are not applicable in case of a person who exercises the option referred to in section 115BAC or section 115BAD of the ITA.

Withholding at a higher rate

Section 206AA of the ITA

The income-tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a PAN, then tax is required to be deducted by the payer at the higher of the following:

- rates specified in the relevant provisions of the ITA; or
- rates in force; or
- 20%.

In the case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate does not apply if they furnish certain prescribed information/ documents. The CBDT had issued a notification granting certain relaxations from deduction of tax at a higher rate in the case of non-resident investors or a foreign company. The provisions of section 206AA of the ITA does not apply in respect of payments to be made which are in the nature of interest, royalty, fees for technical services, dividends, and payments on transfer of any capital asset, provided the deductee furnishes certain details and specified documents to the deductor.

Section 206AB of the ITA

The section 206AB of the ITA would apply on any sum or income or amount paid, or payable or credited, by a person (herein referred to as deductee) to a specified person[4]. This section shall not apply

[4] The specified person, for the purpose of section 206AB and 206CCA of the ITA, is a person who has not filed the returns of income for the assessment year relevant to the previous year which is immediately before the previous year in which tax is required to be deducted or collected, as the case may be. Further the time limit for filing tax return under sub-section (1) of section 139 of the ITA has expired for the said assessment year. There is another condition that aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years. It also provides that specified person shall not include a non-resident who does not have a permanent establishment in India. The section 206AB and section 206CCA of the ITA excludes a person who is not required to furnish the return of income and is

where the tax is required to be deducted under sections 192, 192A, 194B, 194BA, 194BB, 194LBC,194N, 194-IA, 194-IB and 194M of the ITA. The TDS rate in this section is higher of the followings rates:

- twice the rate specified in the relevant provision of the ITA; or
- twice the rate or rates in force; or
- the rate of five per cent

If the provision of section 206AA of the ITA is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA of the ITA.

Section 206AB of the ITA excludes a person who is not required to furnish the return of income and who is notified by the Central Government in the Official Gazette in this behalf.

TDS on purchase of goods

The section 194Q of the ITA provides for TDS by person responsible for paying any sum to any resident for purchase of goods at the rate of 0.1%. To ensure that compliance burden is only on those who can comply with it, the tax is only required to be deducted by those person (i.e., buyer) whose total sales, gross receipts or turnover from the business carried on by him exceed INR 10 crore during the Financial Year immediately preceding the Financial Year in which the purchase of goods is carried out. The Central Government may, by notification in the Official Gazette, exempt a person (i.e., buyer) from obligation under this section on fulfilment of conditions as may be specified in that notification.

Tax is required to be deducted by such person if the purchase of goods by him from the seller is of the value or aggregate of such value exceeding INR 50 lakhs in the previous year. It also provides that the provisions of this section shall not apply to-

- a transaction on which tax is deductible under any provision of the ITA; and
- a transaction, on which tax is collectible under the provisions of section 206C other than transaction to which sub-section (1H) of section 206C applies.

This means, if on a transaction a TDS or tax collection at source (**TCS**) is required to be carried out under any other provision, then it would not be subjected to TDS under this section. There is one exception to this general rule. If on a transaction TCS is required under sub-section (1H) of section 206C as well as TDS under this section, then on that transaction only TDS under this section shall be carried out. However, basis Circular No. 13 dated 30 June 2021, if, for any reason, tax has been collected by the seller under sub-section (1H) of section 206C of the Act, before the buyer could deduct tax under section 194Q of the Act on the same transaction, such transaction would not be subjected to tax deduction again by the buyer. This concession is provided to remove difficulty, since tax rate of deduction and collection are same in section 194Q and subsection (1H) of section 206C of the Act.

Where any sum is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.

It should however be noted that CBDT has issued a circular clarifying that the above provisions are not applicable to transactions in shares and commodities transacted through recognised stock exchanges/ recognised clearing corporations, including those located in International Financial Service Centres.

Collection of tax at source

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notified by Central Government from the definition of specified person.

Section 206C(1H) of the ITA mandates a seller to collect tax at source at the rate of 0.1% of the consideration value of the goods (likely to include shares and securities) sold exceeding value of INR 50 lakhs.

The term "**seller**" has been defined to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceeds INR 10 crores during the financial year immediately preceding the financial year in which the sale of goods is carried out.

The seller is not required to collect tax at source under section 206C(1H), if the buyer is liable to deduct tax at source under any other provision of this Act on the goods purchased by him from the seller and has deducted such amount.

The rate at which tax is required to be collected is to increase in specified situations (i.e., non-furnishing of the Permanent Account Number or the Aadhaar number to the seller or non-filing of returns subject to specified conditions).

The CBDT, in order to clarify on its applicability on transactions carried through various stock exchanges, issued a circular dated 29 September 2020. Per the said circular, it is clarified that the provisions of section 206C(1H) should not be applicable to transactions in securities traded through recognized stock exchange or cleared and settled by the recognized clearing corporation.

Collection of tax at higher rate

Section 206CC of the ITA provides that where any person paying any sum or amount (which is subject to collection of tax at source) does not furnish PAN, then tax is required to be collected by person responsible for collecting such tax at the higher of the following:

- at twice the rate specified in the relevant provision of this ITA, or
- 5%.

The aforesaid rate of 5% is replaced by 1% in case tax is required to be collected under section 206C(1H) of the ITA.

Further, section 206CCA of the ITA provides for collecting tax at higher rates on payments made to non-filers of income-tax returns. The said section applies where tax is required to be collected at source under the provisions of Chapter XVII-BB, on any sum or amount received by a person from a specified person, the tax shall be collected at the higher of the following two rates:

- at twice the rate specified in the relevant provision of the ITA; or
- 5%.

However, the rate of TCS under section 206CCA shall not exceed 20%. The term 'specified person' has been defined to mean a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be collected, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. Also, the specified person does not include a non-resident who does not have a permanent establishment in India and a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by Central Government in Official Gazette in this behalf).

If provisions of section 206CC and section 206CCA of the ITA are applicable to a specified person, then, tax is required to be collected at higher of the two rates provided under the respective sections of the ITA.

Deemed income on transfer of shares

As per section 50CA of ITA, if there is a transfer of shares (other than quoted share) of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT vide notification dated July 12, 2017 (with effect from April 1, 2017) has issued rules for computation of FMV for the purpose of section 50CA of the ITA. Where the actual sales consideration is disregarded and the fair market value, as computed under section 50CA read with the IT Rules is considered for the purpose of determination of capital gains, the investors or the Scheme may be taxable on an amount that may be greater than gains actually realised. The taxability of such gains would be as discussed above.

Redemption premium

There are no specific provisions contained in the ITA, with regard to the characterisation of the premium received on redemption of debentures. Considering the fact that the securities are held as a capital asset, premium on redemption of securities can either be treated as 'interest' or as 'capital gains'. The characterisation of premium on redemption of securities as interest or a capital gains has to be decided based on factors surrounding the relevant case. Taxability of 'interest' and 'capital gains' in the hands of resident and non-resident Beneficiaries has been provided above.

Capital losses

In terms of section 70 read with section 74 of the ITA, short-term capital loss arising during a year can be set-off against short-term as well as long-term capital gains. Balance loss, if any, can be carried forward for subsequent eight assessment years.

A long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, is carried forward and set-off against long-term capital gains arising during the subsequent eight assessment years.

Elimination of double taxation

The Scheme may be subject to taxes in the overseas jurisdiction. Further, under the ITA, there are provisions which permit credit of such taxes (discharged outside India) while computing the tax liability on such overseas income in India. Further, the tax treaties may also provide for provisions for elimination of double taxation, if applicable.

Given that the Scheme is a trust with resident beneficiaries, availability of benefit under the tax treaties and availability of credit of taxes paid outside India will have to be evaluated based on facts of the case.

Income Stripping

As per section 94(1) of the ITA, where any person owning securities sells or transfers the same or similar securities and buys back or reacquires those securities and the result of the transaction is that any interest becoming payable in respect of the securities is receivable otherwise than by such owner, the said interest payable, whether it may or may not have been chargeable to income tax apart from the provisions of Section 94(1) of the ITA, may be deemed to be the income of the owner of the securities and not to be the income of any other person subject to certain specified conditions.

As per Section 94(2) of the ITA, where any person has had at any time during any previous year any beneficial interest in any securities, and the result of any transaction relating to such securities or the income thereof is that, in respect of such securities within such year, either no income is received by him or the income received by him is less than the sum to which the income may have amounted if the income from such securities had accrued from day to day and been apportioned accordingly, then the income from such securities for such year is deemed to be the income of such person.

Dividend stripping

Where any person buys or acquires any securities or units of a mutual fund or the Unit Trust of India within a period of 3 (three) months prior to the record date (i.e., the date that may be fixed by a company for the purposes of entitlement of the holder of the securities to receive dividend or by a mutual fund or the administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive income, or additional unit without any consideration, as the case may be) and such person (i) sells or transfers such securities within a period of 3 (three) months after such record date, or (ii) sells or transfers such unit within a period of 9 (nine) months after such record date, and (iii) the dividend or income on such securities or unit received or receivable by such person is exempt, then, any loss arising to such person on account of such purchase and sale of securities or unit, to the extent such loss does not exceed the amount of such dividend or income received or receivable, would be ignored for the purposes of computing his income chargeable to tax.

Finance Act, 2022 modified the definition of unit, so as to include units of business trusts such as Infrastructure Investment Trust ('InvIT'), Real Estate Investment Trust ('REIT') and AIF, within the definition of units.

Bonus stripping

Where any person buys or acquires any units of a mutual fund or the Unit Trust of India within a period of 3 (three) months prior to the record date (i.e., the date that may be fixed by a Mutual Fund or the administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive additional unit without any consideration) and such person is allotted additional units (without any payment) on the basis of holding of the aforesaid units on the record date, and if such person sells or transfers all or any of the original units within a period of 9 (nine) months after the record date while continuing to hold all or any of the additional units, then any loss arising to him on account of such purchase and sale of all or any of the units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional units as are held by him on the date of sale or transfer of original units.

Finance Act, 2022 extended the above provisions to securities as well and also modify the definition of unit, so as to include units of business trusts such as Infrastructure Investment Trust ('InvIT'), Real Estate Investment Trust ('REIT') and AIF, within the definition of units.

GAAR

The GAAR regime as introduced in the ITA is effective from April 1, 2017. GAAR may be invoked by the tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the four below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's-length;
- It results in directly / indirectly misuse or abuse of the ITA;

- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

In such cases, the tax authorities are empowered to reallocate the income from such arrangement, or recharacterize or disregard the arrangement. Some of the illustrative powers are:

- Disregarding or combining or recharacterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure;
- Reallocating and re-characterizing equity into debt, capital into revenue, etc.;
- Disregarding or treating any accommodating party and other party as one and the same person; and
- Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The GAAR provisions override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it does not apply, have been enumerated in Rules 10U to 10UC of the Rules. The Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

On 27 January 2017, the CBDT issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause ("**LOB**") in a Tax Treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting ('MLI')

The Organisation of Economic Co-operation and Development ("**OECD**") released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting.

MLI is an agreement negotiated under Action 15 of the OECD/G20 BEPS Project. As opposed to bilateral Double Taxation Avoidance Agreements, the MLI is intended to allow jurisdictions to swiftly amend their tax treaties to include the Tax Treaty-related BEPS recommendations in multiple Tax Treaties. MLI seeks to curb tax planning strategies that have the effect of shifting profits to low or no tax jurisdictions, supplements or modifies existing tax treaties etc.

The final impact of the MLI on a Tax Treaty is dependent on both the contracting states to the Tax Treaty having deposited their respective instruments of ratification with their final MLI Positions with the OECD Depositary. The MLI includes both mandatory provisions (i.e. the minimum standards under the BEPS Project) as well as non-mandatory provisions.

India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs. The Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement Tax Treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax Treaty. On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. The MLI entered into force from 1 October 2019 and operational with effect from the financial year beginning from 1 April 2020 in respect of certain treaties signed by India.

Once MLI evolves and is implemented in future, one should need to analyse its impact at that point in time on the existing tax treaties that India has entered into with other countries. There is limited guidance or jurisprudence at present on how the above will be interpreted by the Revenue authorities and applied.

FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act ("**FATCA"**) provisions and the Common Reporting Standards ("**CRS**"), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government.

The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May.

The Reporting Financial Institution is expected to maintain and report the following information with respect to each reportable account:

a. the name, address, taxpayer identification number [("**TIN**") (assigned in the country of residence)] and date and place of birth ['DOB' and 'POB' (in the case of an individual)];
b. where an entity has one or more controlling persons that are reportable persons:
    i. the name and address of the entity, TIN assigned to the entity by the country of its residence; and
    ii. the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling person by the country of his residence;
c. account number (or functional equivalent in the absence of an account number);
d. account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
e. the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and Other reportable accounts (i.e. under CRS).

Surcharge

In the case of individuals / Hindu undivided family / association of persons / body of individuals:

- If total income does not exceed INR 0.5 crore - NIL
- If total income exceeds INR 0.5 crore but does not exceeds INR 1 crore - 10%
- If total income exceeds INR 1 crore but does not exceed INR 2 crore - 15%
- If total income exceeds INR 2 crore but does not exceed INR 5 crore - 25%

- If total income exceeds INR 5 crore - 37%

However, in the case where the total income includes any income by way of dividend or income referred to in Section 111A, 112 or Section 112A of the ITA, surcharge on such income shall not exceed 15%.

Further, in case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of income-tax shall not exceed 15%.

As per the ITA, the rates provided under the sub-section (1A) of section 115BAC of the ITA shall be applicable for Individual / HUF / AOP (other than co-operative society) / BOI / AJP unless an option is exercised under the sub-section (6) of section 115BAC to opt out of the regime. Further, the option of opting back to the regime under sub-section (1A) of section 115BAC can be exercised only once by a taxpayer earning income from business or profession. However, a person not having income from business or profession shall be able to exercise this option every year. Under this new regime, the rate of surcharge shall be capped at 25% (instead of 37%).

In the case of foreign companies:

- If total income does not exceed INR 1 crore - NIL
- If total income exceeds INR 1 crore but does not exceed INR 10 crore - 2%
- If total income exceeds INR 10 crore - 5%

Health and education cess

4% on income-tax and surcharge, applicable to all assessees.

Goods and Service Tax

GST is not applicable on services received by a unit in IFSC and also on services provided to IFSC/ SEZ units. As management fees will be paid by the Scheme to the FME set-up as a unit in the IFSC, the same should not be subject to GST.

However, in case where services procured by the unit in IFSC does not satisfy certain conditions laid down under the GST law, the benefit of the exemption would not be available, and the GST charged will become a cost.

IMPORTANT QUALIFICATION

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION OF THE SCHEME AND TAXATION OF INVESTORS OF THE SCHEME WOULD BE NECESSARILY ACCEPTED BY THE INCOME-TAX AUTHORITIES UNDER THE ITA. NO REPRESENTATION IS MADE EITHER BY THE TRUSTEE OR THE FME OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE FME IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION OF THE SCHEME AND TAXATION OF INVESTORS OF THE SCHEME BY THE INCOME TAX AUTHORITIES UNDER THE ITA. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

SECTION XI: DISCIPLINARY HISTORY

Disciplinary history of the Trust, Trustee, FME and their respective promoters, directors, partners and Associates (as may be applicable) are provided hereunder:

Details of disciplinary history of the FME and their respective directors and Associates (as may be applicable):

1) Details of outstanding/pending and past cases (where the person has been found guilty) of litigations, criminal or civil prosecution, disputes, non-payment of statutory dues, overdues to/defaults against banks or financial institutions, contingent liabilities not provided for, proceedings initiated for economic offences or civil offences, adverse findings with respect to compliance with securities laws, penalties levied, disputed tax liabilities, etc.

   Nil.

2) any disciplinary action taken by any other regulatory authority (including the overseas regulator).

   Nil.

3) Operational actions such as administrative warnings/deficiency letters:

   Nil.

The details with respect to the disciplinary history of the Trustee and its directors are provided hereunder:

1) Details of outstanding/pending and past cases (where the person has been found guilty) of litigations, criminal or civil prosecution, disputes, non-payment of statutory dues, overdues to/defaults against banks or financial institutions, contingent liabilities not provided for, proceedings initiated for economic offences or civil offences, adverse findings with respect to compliance with securities laws, penalties levied, disputed tax liabilities, etc.:

   Nil.

2) any disciplinary action taken by regulatory authority (including the overseas regulator). :-

   Nil.

3) Operational actions such as administrative warnings/deficiency letters:-

   Nil.

SECTION XII: ILLUSTRATION OF FEES, EXPENSES AND OTHER CHARGES

Year 1

Particulars / Illustration of Fees (Amounts mentioned in USD)					
Sr. No.	**Particulars of Fees**	**Basis of Calculation**		**A**	**B**
A	Net contribution received from the Unit holders			5,000.00	5,000.00
B	Income earned / Gain or Loss*	(A*10%)	10% annual return (assumed)	500	500
C	Fees and other expenses				
	a. Management Fees	(A+B) * Management Fees Rate applicable for respective shares class		1.50%	0.75%
				82.5	41.25
	b. Operating Expenses	(A+B) * 0.10%^	Actuals - 0.10% ^	5.5	5.5
		Total Expenses		88.00	46.75
D	Net invested amount in the Portfolio Companies	(A+B-C)		5412.00	5453.25

*Net of Trading Expenses (Other Expenses) which are charged on actual basis over and above the Operating Expenses and Management Fees

Notes:

1. The format provided above is indicative and provided for reference only. Investors should review and examine the detailed terms mentioned in the Offer Document.
2. Please note that the above table is for illustration purposes only and actuals may differ
3. The illustration is for a 1-year period; however, the actual tenure of the Scheme could be different
4. ^ Operating Expenses will all be charged on actuals and for illustration purpose it is assumed to be 0.10%

SECTION XIII: GLOSSARY

20/25 rule	has the meaning ascribed to such term in paragraph 26 under the heading '*Minimum Number of Investors'* in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Additional Subscription	has the meaning ascribed to such term in paragraph 9 under the heading '*Initial Subscription and Additional Subscription*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Application Form	means the subscription form signed by the Investor to subscribe to the Units of the Scheme.
Applicable Laws	shall mean any applicable statute, law, ordinance, regulation, rule, order, bye-law, notification, circular, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law, in India and outside India, as is in force from time to time, including the IFSCA FM Regulations, SEZ Act, the FPI Regulations, the Foreign Exchange Management (Overseas Investment) Regulations, 2022, Foreign Exchange Management (Debt Instruments) Regulations, 2019, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Income-tax Act, 1961, and any other laws as may be applicable to the Trust set-up in IFSCA, also including any double taxation avoidance agreement entered into by the Government of India with governments of other jurisdictions.
AUM	means Asset Under Management as on a particular Business Day.
Benchmark	has the meaning ascribed to such term in paragraph 3 under the heading '*Benchmark*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Beneficial Interest	means the proportionate interest held by an Investor as evidenced by the number of Units held by such Investor in the Scheme multiplied by the Net Asset Value per Unit (as determined in accordance with the Offer Documents).
Business Day	means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India or United States are authorized or required by Applicable Laws to remain closed or any such day as the FME may specify from time to time.
Class	means a class or category of Units, as distinct from another class or category of Units of the Trust.
Class A Units	has the meaning assigned to such term in paragraph 5 titled "Plans and Options" in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Class B Units	has the meaning assigned to such term in paragraph 5 titled "Plans and Options" in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
CRAO	has the meaning assigned to such term in paragraph 38 titled "Grievance Redressal" in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.

CRO	has the meaning assigned to such term in paragraph 38 titled "Grievance Redressal" in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Custodian / Global Custodian	**The Hongkong and Shanghai Banking Corporation Limited, Hong Kong** is the Custodian / Global Custodian of the Scheme.
Deceased Investor	has the meaning ascribed to such term in paragraph 23 under the heading '*Pledge of Units and Transmission of Units*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Eligible Person	means a Person who complies with know-your-customer (KYC) norms stipulated by the FME or IFSCA or any other regulatory authority and is permitted to invest in the Scheme as per Applicable Laws.
Exit Charge	has the meaning ascribed to such term in paragraph 14 under the heading '*Redemption*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
FATCA Implementation Rules	has the meaning ascribed to such term in paragraph 3 under the heading '*FATCA / CRS Reporting*' of the Supplementary Information in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Financial Year	means the complete year of 12 (Twelve) months commencing from 1st April of a calendar year and ending on 31st March of the following calendar year.
Fund Management Entity (FME)	means 'DSP Fund Managers IFSC Private Limited', having its registered office address at Office No. 508 & 509, 5th Floor, Pragya II, Block 15-C1, Road 11, Zone 1, Gift SEZ, Gift City, Gandhinagar – 382050, Gujarat, India, appointed by the Trustee as the fund management entity to the Scheme under the Investment Management Agreement and is registered with the IFSCA as a Registered FME (Retail) under the IFSCA FM Regulations with registration number IFSCA/FME/III/2023-24/021.
Global Custodian	means any person, company, firm or institution approved by an appropriate regulator in relevant jurisdiction and acting as a custodian for the time being of all or any of the Investments.
GIFT City	means the Gujarat International Finance Tec-City.
Government	means any Indian central, state or local government authority, agency, branch or body or any instrumentality thereof or relevant applicable governmental authority, agency, body outside India.
GST	means goods and services tax.
IFSCA or "IFSC Authority"	means International Financial Services Centres Authority established under the International Financial Services Centres Authority Act, 2019.
IFSCA FM Regulations	means the International Financial Services Centres Authority (Fund Management) Regulations, 2025 and various notifications, directives, circulars, guidelines and clarifications issued by IFSCA and includes any

	amendment issued from time to time or any modification or re-enactment thereof by IFSCA.
Indemnified Persons	has the meaning ascribed to such term in paragraph 28 under the heading '*Indemnification*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Indenture	means the indenture of trust dated August 06, 2024, executed by and between, the Settlor and the Trustee, for the creation of Trust and registered under the provisions of the Registration Act, 1908, together with all annexures, schedules and exhibits, if any, as may be further amended, modified, reinstated or supplemented from time to time.
Independent Valuer	shall mean an independent third-party service provider such as a fund administrator or custodian registered with the IFSCA, a valuer registered with Insolvency and Bankruptcy Board of India or such other person as may be specified by the IFSCA, as may be appointed for carrying out valuation of Investments.
Indian Rupees or **Rupees** or **Rs.** or **INR**	means the currency of the Republic of India.
Initial Settlement	means a sum of USD 100 (United States Dollar One Hundred), being the initial amount irrevocably transferred or delivered by the Settlor to the Trustee towards creation of the corpus of the Trust.
Initial Subscription	has the meaning ascribed to such term in paragraph 9 under the heading '*Initial Subscription and Additional Subscription*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Institutional Investor	means any applicable company, bank, pension or other fund, financial institution or other institutional body or entity or any other permissible body/entity/investor, but not including an individual.
Interested Parties	means the FME and its affiliate/group entities, directors, employees and agents.
"International Financial Services Centre" or "IFSC"	means International Financial Services Centre located in the Gujarat International Finance Tec-City, Special Economic Zone, Gandhinagar, Gujarat.
Investment Management Agreement	means the investment management agreement entered into by and between the Trustee and the FME for advising, managing and administering the Scheme, together with all annexures, schedules and exhibits, if any, as maybe further amended, modified, reinstated or supplemented from time to time.
Investment/s	means investments in (i) securities listed or to be listed or traded on stock exchanges in IFSC, India or foreign jurisdictions; (ii) securities issued by unlisted entities; (iii) money market instruments; (iv) debt securities; (v) securitised debt instruments, which are either asset backed or mortgage backed securities; (vi) other investment schemes including mutual fund / retail schemes set up in the IFSC, India and foreign jurisdiction; (vii) derivatives including commodity derivatives only for the purpose of hedging subject to suitable disclosures; (viii) units of mutual funds and alternative investment funds in India and foreign jurisdiction; (ix) such

	other securities, instruments, assets and properties, quoted or unquoted, listed or unlisted, issued by the company, body corporate, local authority or by the Government of, or any local authority or body corporate in, IFSC, India and foreign jurisdictions as may be permissible under the IFSCA FM Regulations and Applicable Laws from time to time.
Investor/s or Unitholders	means the Eligible Persons each of whom have made an investment in the Scheme, in accordance with the subscription forms and Offer Document and shall include without limitation any Eligible Persons becoming transferees of Units in accordance with the provisions of the Offer Document.
IPO	means an initial public offering.
IST	means Indian standard time.
ITA	means the Income-tax Act, 1961, as amended and restated from time to time and rules prescribed thereunder.
Losses	has the meaning ascribed to such term in paragraph 28 under the heading '*Indemnification*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Malfeasance	means with respect to any Person, any act or omission which results in a criminal conviction of such Person or which constitutes fraud, gross negligence or willful misconduct as decided by a court of competent jurisdiction.
Management Fee	has the meaning ascribed to such term in paragraph 19 under the heading '*Management Fees*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Net Asset Value or **NAV**	means the amount determined pursuant to this Offer Document and as listed out in "**SECTION VI: DETERMINATION OF NET ASSET VALUE OF THE UNITS**" of this Offer Document.
NFO Period	has the meaning ascribed to such term in paragraph 6 under the heading '*New Fund Offer Period*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Offer Document	means this document by which the Scheme invites the public for subscription to the Units of the Scheme and also provides facilities for redemption, switch etc.
Operating Expenses	has the meaning ascribed to such term in paragraph 20 under the heading '*Total Fixed Fee Expense Ratio*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Other Expenses	has the meaning ascribed to such term in paragraph 20 under the heading '*Total Fixed Fee Expense Ratio*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
PAN	means Permanent Account Number.
p.a.	means per annum.

Person	means and includes an individual , banks, insurance companies, bodies corporate, estates, family offices, pension funds, endowment funds, sovereign wealth funds, non-banking finance companies, societies, corporation, partnership (whether limited or unlimited), limited liability company, alternative investment funds, body of individuals, association, trust, proprietorship, Foreign Portfolio Investor, institutional investors or any other institution, entity or any other institution, entity or organization, whether Indian or foreign, whether incorporated or not, including a government or an agency or instrumentality thereof and, where the context so requires, includes a reference to such Person's, executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns, permissible/eligible under the IFSCA FM Regulations to invest in Retail Fund from time to time.
Placement Agent/s	has the meaning ascribed to such term in paragraph 21 under the heading '*Placement Fees*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Placement Fee	has the meaning ascribed to such term in paragraph 21 under the heading '*Placement Fees*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
PML Norms	has the meaning assigned to such term in paragraph 1 under the heading "*AML/KYC*" under supplementary section in **"SECTION V: PRINCIPAL TERMS OF THE SCHEME"** of this Offer Document.
Portfolio Entity/ies	means such company, special purpose vehicle, limited liability partnership, body corporate or other permissible entity/enterprise in whose securities/instruments/products including units of alternative investment funds and funds set up in India or offshore jurisdictions, where the monies are invested in accordance with the Offer Document and Applicable Laws.
Redemption Day	mean every Business Day on which redemption transactions are recorded. The Redemption Request should be received within the cut-off time as specified in paragraph 14 titled 'Redemption' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Redemption Request	has the meaning ascribed to such term in paragraph 14 under the heading 'Redemption' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Redemption Price	has the meaning ascribed to such term in paragraph 14 under the heading 'Redemption' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Redemption Proceeds	has the meaning ascribed to such term in paragraph 14 under the heading 'Redemption' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Resident Indian	shall have the meaning as ascribed to such term under the ITA.
RBI	means the Reserve Bank of India.
Retail Scheme	means a retail scheme as defined under Regulation 2(1)(ff) of the IFSCA FM Regulations.

Scheme or Trust	means '**DSP Global Equity Fund**' being the first and only Scheme of the Trust.
Scheme Documents	means this Offer Document, the Investment Management Agreement, the Indenture and such other document designated as a Scheme Document by the Trustee/FME, as originally executed and amended, modified, supplemented or restated from time to time, together with the respective annexures, schedules and exhibits, if any.
SEZ Act	means the Special Economic Zones Act, 2005, as amended/modified and reinstated from time to time including the circulars and notifications issued pursuant thereto.
Set-up Costs	has the meaning ascribed to such term in paragraph 20 under the heading '*Total Fixed Fee Expense Ratio*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Settlor	means '**DSP Fund Managers IFSC Private Limited**', which has settled the Trust.
Scheme Expenses	shall include the expenses of the Scheme as set out in the Offer Document.
Statement of Accounts or Unit Certificates	means a statement/certificate issued by the Trustee or the FME to the Unit Holders specifying the number of Units held by the Investors in the Scheme.
Subscription Day	mean every Business Day on which the Investors can subscribe to the Units of the Scheme. The request for subscription should be received within the cut-off time as specified in paragraph 7 titled '*Subscription/Offering Price*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Subsequent Investors	has the meaning ascribed to such term in paragraph 6 under the heading '*New Fund Offer Period*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Super-Majority of the Investors	means such number of Investors whose Units in aggregate amount to at least 75% (Seventy-Five Percent) of the aggregate of all Units of the Trust.
Tax or Taxes	shall mean: (i) all forms of tax, levy, duty, surcharge, cess, impost, withholding tax, including income tax, tax collected at source, value added tax, goods & services tax, tax payable in a representative assessee capacity, minimum alternate tax or other amount whenever or wherever created or imposed by, or payable to any tax authority, whether due to past, present or potential obligations; and (ii) all charges, fees, interest, penalties and fines incidental or relating to any Tax falling within (i) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax. It is hereby clarified that Taxes shall include any goods and services tax payable by/chargeable to, the FME or any of its affiliates on

	account of any pay-outs or distribution by the Fund to the FME or any of its affiliates**.**
Temporary Investments	has the meaning ascribed to such term in paragraph 29 under the heading '*Temporary Deployment of Surplus Funds*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Total Expense	has the meaning ascribed to such term in paragraph 20 under the heading '*Total Fixed Fee Expense Ratio*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Trading Expenses	has the meaning ascribed to such term in paragraph 20 under the heading '*Total Fixed Fee Expense Ratio*' in "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Trust Property	means the Initial Settlement and all other contributions, additions, and accretions thereto or any other Investments for the time being representing the same and income thereof (and the said sum of Initial Settlement).
Trustee / Fiduciaries	means "**Orbis Trusteeship Services Private Limited (IFSC Branch)**", or such other Person that may be appointed under the terms of the Indenture.
Trusteeship Fee	has the meaning ascribed to such term in paragraph 18 under the heading '*Trusteeship Fees*' under "**SECTION V: PRINCIPAL TERMS OF THE SCHEME**" of this Offer Document.
Two-Third Majority	means such number of Investors whose Units in aggregate amount to at least two-third of the aggregate of value (i.e. NAV) of the outstanding Units of the Scheme.
Unit	means the interest of the Unit Holder in the Scheme, which consists of each unit representing one undivided share in the assets of the Scheme.
USD	means United States Dollars.
Valuation Day	means the day on which NAV per Unit of the Scheme is calculated. The valuation frequency for Units of the Scheme will be held on a daily basis.