PRIVATE PLACEMENT MEMORANDUM

The Mayur Hedge Fund
(A company incorporated with limited liability under the laws of Mauritius)

CONFIDENTIAL
STRICTLY NOT FOR CIRCULATION

The Directors, whose names appear on pages 37 and 38, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

2 July, 2008
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THE FINANCIAL SERVICES COMMISSION OF MAURITIUS ("FSC") HAS ISSUED A CATEGORY 1 GLOBAL BUSINESS LICENCE TO THE FUND AND THE FUND SHALL BE REGULATED TO OPERATE AS AN COLLECTIVE INVESTMENT SCHEME UNDER THE SECURITIES ACT 2005. IT MUST BE UNDERSTOOD THAT IN GIVING THIS AUTHORIZATION, FSC DOES NOT VOUCH FOR THE FINANCIAL SOUNDNESS OR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THE FUND.

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND MAY BE OFFERED TO INVESTORS IN THE UNITED STATES IN RELIANCE UPON AN EXEMPTION FROM SAID ACT. NEITHER THE SHARES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE UNITED STATES IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT AND UNDER ANY APPLICABLE STATE SECURITIES OR BLUE SKY LAWS EXCEPT PURSUANT TO EXEMPTIONS THEREFROM.

THE SHARES BEING OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY OF ANY COUNTRY OR JURISDICTION, NOR HAS ANY GOVERNMENT AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PROSPECTIVE PURCHASERS SHOULD REVIEW THIS PRIVATE PLACEMENT MEMORANDUM CAREFULLY AND CONSULT WITH LEGAL AND FINANCIAL ADVISORS IN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE AND DOMICILE TO DETERMINE THE POSSIBLE TAX OR OTHER CONSEQUENCES OF PURCHASING AND HOLDING THE SHARES UNDER THE LAWS OF THEIR RESPECTIVE JURISDICTIONS.

THIS INVESTMENT INVOLVES SIGNIFICANT RISK AND IS SUITABLE ONLY FOR INVESTORS OF SUBSTANTIAL NET WORTH WHO ARE WILLING AND HAVE THE FINANCIAL CAPACITY TO PURCHASE A HIGH RISK INVESTMENT WHICH MAY NOT PROVIDE ANY IMMEDIATE CASH RETURN. SEE “RISK FACTORS” IN THIS PRIVATE PLACEMENT MEMORANDUM FOR A DESCRIPTION OF CERTAIN OF SUCH RISKS. AN INVESTOR SHOULD BE ABLE TO BEAR THE COMPLETE LOSS OF AN INVESTMENT IN THE FUND.

THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SHARES (I) IN ANY JURISDICTION WHERE SOLICITATION OR SALE WOULD BE PROHIBITED BY LAW OR (II) TO ANYONE WHO HAS NOT COMPLETED A SUBSCRIPTION AGREEMENT SATISFACTORY TO THE FUND. THE FUND MAY REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, MAY INCREASE OR DECREASE THE AMOUNT OF THIS PRIVATE PLACEMENT, AND MAY TERMINATE OR MODIFY THE TERMS HEREOF, NOTWITHSTANDING ANY OFFER OR SOLICITATION.

ANY DISTRIBUTION OF THIS PRIVATE PLACEMENT MEMORANDUM TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT IS UNAUTHORIZED. ANY REPRODUCTION OF THIS PRIVATE PLACEMENT MEMORANDUM, INCLUDING ANY EXHIBITS AND OTHER ATTACHMENTS HERETO, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ANY OF ITS CONTENTS TO ANY PERSON OTHER THAN SUCH RECIPIENT AND ITS ADVISORS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE FUND, IS PROHIBITED.

THE RECIPIENT, BY ACCEPTING DELIVERY OF THIS PRIVATE PLACEMENT MEMORANDUM, AGREES TO RETURN TO THE FUND THIS PRIVATE PLACEMENT MEMORANDUM, ANY EXHIBITS AND OTHER ATTACHMENTS HERETO, AND ANY OTHER WRITTEN INFORMATION SupPLIED TO THE OFFERE IN CONNECTION THEREWTH IF THE OFFEREE DOES NOT PURCHASE ANY OF THE SHARES OFFERED HEREBY.

THIS PRIVATE PLACEMENT MEMORANDUM SHOULD BE READ CAREFULLY BY THE OFFERE AND RETAINED FOR FUTURE REFERENCE IF THE OFFERE PURCHASES SHARES.

NO OFFERING LITERATURE, ADVERTISING, OR OTHER INFORMATION IN WHATEVER FORM WILL, OR MAY BE, EMPLOYED IN THIS PRIVATE PLACEMENT, EXCEPT FOR THIS PRIVATE PLACEMENT MEMORANDUM (INCLUDING AMENDMENTS AND SUPPLEMENTS HERETO), STATEMENTS CONTAINED OR DOCUMENTS SUMMARIZED HEREIN, AND SUPPLEMENTARY WRITTEN INFORMATION AND WRITTEN ANSWERS TO QUESTIONS PROVIDED BY THE FUND AT THE REQUEST OF A PROSPECTIVE INVESTOR. PROSPECTIVE INVESTORS MAY NOT RELY ON ANY OTHER INFORMATION. NO PERSON HAS BEEN AUTHORIZED TO MAKE
Representations with respect to the shares offered hereby and prospective investors may not rely on any representations other than those set forth in this private placement memorandum (including any amendments or supplements hereto) or in the supplementary written information or written answers to questions referred to above. Neither the delivery at any time of this private placement memorandum, any amendment or supplement hereto, or any supplementary written answers to questions as set forth above nor any sale made hereunder shall imply that information contained herein, in any amendment or supplement hereto, or in any such supplementary written information or written answers to questions is correct as of any time subsequent to the date of the document in which it is presented.

Restrictions on distribution

The distribution of this private placement memorandum and the offering of the shares is restricted in certain jurisdictions. This private placement memorandum does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any of the shares in the fund by anyone in any jurisdiction in which such an offer or solicitation is not authorised or may not lawfully be made (without compliance with any registration or other legal requirements) or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer in any jurisdiction.

The above information is for general guidance only, it is the responsibility of all persons interested in subscribing for the shares to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, as well as any foreign exchange or other fiscal, or legal or regulatory restrictions which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of the shares. The fund has no present plans to apply for any certifications or registrations, or to take any other actions, under the laws of any jurisdiction which would afford relief to local investors therein from the normal tax / regulatory regime otherwise applicable to an investment in the shares of the private placement memorandum. Investors should review the following legends carefully to determine whether any apply to them.

Notice to residents of the United Kingdom

The fund is an unregulated collective investment scheme as defined in the financial services and markets act 2000 ("FSMA") and accordingly cannot be marketed in the united kingdom to the general public. The distribution in the united kingdom of this private placement memorandum and any other marketing material relating to the fund:

(A) if effected by a person who is not an authorised person under FSMA, is being made to, or directed at, only the following persons: (i) persons who are "investment professionals" as defined in article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "financial promotion order") and (ii) persons falling within any of the categories of persons described in paragraphs (2)(a) to (d) of article 49 (high net worth companies, unincorporated associations etc) of the financial promotion order and (iii) any other person to whom it may otherwise lawfully be distributed; and

(B) if effected by a person who is an authorised person under FSMA, is being made to, or directed at, only the following persons: (i) persons falling within one of the categories of "investment professionals" as defined in article 14(5) of the financial services and markets act 2000 (promotion of collective investment schemes) (exemption) order 2001 (the "promotion of cis order"), (ii) persons falling within any categories of persons described in paragraphs (2)(a) to (d) article 22 ("high net worth companies, unincorporated associations etc") of the promotion of cis order and (iii) any other person to whom it may otherwise lawfully be distributed in accordance with the promotion of cis order or the FSA conduct of business sourcebook chapter 4 rule 4.12.1.
PERSONS OF ANY OTHER DESCRIPTION IN THE UNITED KINGDOM MAY NOT RECEIVE AND SHOULD NOT ACT OR RELY ON THIS PRIVATE PLACEMENT MEMORANDUM OR ANY OTHER MARKETING MATERIALS RELATING TO THE FUND. POTENTIAL SUBSCRIBERS FOR, OR PURCHASERS OF, THE SHARES IN THE UNITED KINGDOM ARE ADVISED THAT ALL, OR MOST, OF THE PROTECTIONS AFFORDED BY THE UNITED KINGDOM REGULATORY SYSTEM WILL NOT APPLY TO AN INVESTMENT IN THE FUND AND THAT COMPENSATION WILL NOT BE AVAILABLE UNDER THE UNITED KINGDOM FINANCIAL SERVICES COMPENSATION SCHEME.

Notice To Residents Of Switzerland
THE FUND HAS NOT BEEN APPROVED BY THE SWISS FEDERAL BANKING COMMISSION AS A FOREIGN COLLECTIVE INVESTMENT SCHEME PURSUANT TO ARTICLE 120 OF THE SWISS COLLECTIVE INVESTMENT SCHEMES ACT OF 23 JUNE 2006 (THE “CISA”). ACCORDINGLY, THE SHARES MAY NOT BE PUBLICLY OFFERED IN OR FROM SWITZERLAND AND NEITHER THIS MEMORANDUM NOR ANY OTHER OFFERING MATERIALS RELATING TO THE SHARES MAY BE MADE AVAILABLE THROUGH A PUBLIC OFFERING IN OR FROM SWITZERLAND. THE SHARES MAY ONLY BE OFFERED AND THIS MEMORANDUM MAY BE DISTRIBUTED IN OR FROM SWITZERLAND EXCLUSIVELY TO “QUALIFIED INVESTORS” (AS DEFINED IN THE CISA AND ITS IMPLEMENTING ORDINANCE).

Notice To Residents Of Hong Kong
THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS MEMORANDUM, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE. THE INTERESTS IN THE SHARES IN THE COMPANY DESCRIBED IN THIS MEMORANDUM WILL NOT BE OFFERED TO THE PUBLIC IN HONG KONG OR WITH THE VIEW TO OR IN CONNECTION WITH ANY FURTHER SALE IN HONG KONG. THIS MEMORANDUM WILL ONLY BE DISTRIBUTED TO, AND INTERESTS IN THE SHARES IN THE COMPANY WILL ONLY BE OFFERED TO PERSONS OUTSIDE OF HONG KONG OR TO PERSONS WHO ARE PROFESSIONAL INVESTORS UNDER THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) AND ANY RULES MADE THEREUNDER. YOU SHALL NOT PUBLISH OR REPRODUCE, IN WHOLE OR IN PART, NOR DISCLOSE THE CONTENTS OF THIS MEMORANDUM TO ANY OTHER PERSON. THIS MEMORANDUM IS NOT FOR USE IN HONG KONG BY ANY PERSON OTHER THAN THOSE TO WHOM IT IS ADDRESSED. INTERESTS IN THE SHARES IN THE COMPANY MAY NOT BE OFFERED FOR SALE TO THE PUBLIC IN HONG KONG.

Notice To Residents Of Singapore

ACCORDINGLY, EACH INVESTMENT MANAGER HAS REPRESENTED AND EACH FURTHER INVESTMENT MANAGER WILL BE REQUIRED TO REPRESENT AND AGREE, THAT IT HAS NOT OFFERED OR SOLD AND WILL NOT OFFER OR SELL ANY SHARES, NOR WILL IT CIRCULATE OR DISTRIBUTE THE PRIVATE PLACEMENT MEMORANDUM OR ANY OTHER OFFERING DOCUMENT OR MATERIAL RELATING TO THE PRIVATE PLACEMENT MEMORANDUM, DIRECTLY OR INDIRECTLY, TO THE PUBLIC OR ANY MEMBER OF THE PUBLIC IN SINGAPORE OTHER THAN (A) TO AN INSTITUTIONAL INVESTOR OR OTHER PERSON SPECIFIED IN SECTION 274 OF THE SFA, OR (B) TO A RELEVANT PERSON UNDER SECTION 275(1) AND/OR ANY PERSON UNDER SECTION 275 (1A) OF THE SFA, AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA, OR (C) PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISIONS OF THE SFA.

WHERE THE SHARES ARE ACQUIRED PURSUANT TO AN OFFER MADE UNDER SECTION 275 OF THE SFA BY:-

(A) A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR UNDER THE SFA) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR UNDER THE SFA; OR
(B) A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR UNDER THE SFA) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN ACCREDITED INVESTOR UNDER THE SFA, THE SHARES, DEBENTURES OR UNITS OF THE SHARES OR DEBENTURES OF THAT CORPORATION, OR THE BENEFICIARIES’ RIGHTS AND INTEREST IN THAT TRUST, AS THE CASE MAY BE, SHALL NOT BE TRANSFERABLE FOR SIX MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS SO ACQUIRED THE SHARES UNLESS: (i) THE TRANSFER IS TO AN INSTITUTIONAL INVESTOR UNDER SECTION 274 OF THE SFA, OR TO A RELEVANT PERSON OR TO ANY PERSON UNDER SECTION 275(1) AND SECTION 275(1A) OF THE SFA RESPECTIVELY, AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA; (ii) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER; OR (III) THE TRANSFER IS BY OPERATION OF LAW.

Notice To Residents Of United Arab Emirates

THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT, AND IS NOT INTENDED TO, CONSTITUTE A PUBLIC OFFER, SALE OR DELIVERY OF SECURITIES IN THE UNITED ARAB EMIRATES OR AN INVITATION OR AN OFFER OF SECURITIES IN THE UAE, AND SHOULD NOT BE CONSTRUED AS SUCH.

THE OFFERING OF THE SECURITIES HAS NOT BEEN REVIEWED, APPROVED OR LICENSED BY THE UAE CENTRAL BANK OR ANY OTHER RELEVANT LICENSING AUTHORITIES IN THE UNITED ARAB EMIRATES, AND DOES NOT CONSTITUTE A PUBLIC OFFER OF SECURITIES IN THE UNITED ARAB EMIRATES IN ACCORDANCE WITH THE COMMERCIAL COMPANIES LAW, FEDERAL LAW NO. 8 OF 1984 (AS AMENDED) OR OTHERWISE. ACCORDINGLY THE SECURITIES MAY NOT BE OFFERED TO THE PUBLIC IN THE UNITED ARAB EMIRATES.

NO MARKETING OF ANY SECURITIES HAS BEEN OR WILL BE MADE FROM WITHIN THE UAE AND NO SUBSCRIPTION TO ANY SECURITIES MAY OR WILL BE CONSUMMATED WITHIN THE UAE. THE FUND IS NOT A LICENSED BROKER OR DEALER OR INVESTMENT ADVISOR UNDER THE LAWS APPLICABLE IN THE UAE, AND DOES NOT ADVISE INDIVIDUALS RESIDENT IN THE UAE AS TO THE APPROPRIATENESS OF INVESTING IN OR PURCHASING OR SELLING SECURITIES OR OTHER FINANCIAL PRODUCTS. NOTHING CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM IS INTENDED TO CONSTITUTE UAE INVESTMENT, LEGAL, TAX, ACCOUNTING OR OTHER PROFESSIONAL ADVICE. THIS PRIVATE PLACEMENT MEMORANDUM IS FOR YOUR INFORMATION ONLY AND NOTHING IN THIS PRIVATE PLACEMENT MEMORANDUM IS INTENDED TO ENDORSE OR RECOMMEND A PARTICULAR COURSE OF ACTION. YOU SHOULD CONSULT WITH AN APPROPRIATE PROFESSIONAL FOR SPECIFIC ADVICE RENDERED ON THE BASIS OF YOUR SITUATION. THIS PRIVATE PLACEMENT MEMORANDUM IS STRICTLY PRIVATE AND CONFIDENTIAL AND IS BEING ISSUED TO A LIMITED NUMBER OF INDIVIDUAL AND INSTITUTIONAL INVESTORS UPON THEIR REQUEST AND MUST NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT, AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

Notice To Residents Of Oman

THE INFORMATION CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM NEITHER CONSTITUTES A PUBLIC OFFER OF SECURITIES IN THE SULTANATE OF OMAN AS CONTEMPLATED BY THE COMMERCIAL COMPANIES LAW OF OMAN (SULTANI DECREE 4/74) OR THE CAPITAL MARKET LAW OF OMAN (SULTANI DECREE 80/98) NOR DOES IT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF ANY OFFER TO BUY NON-OMANI SECURITIES IN THE SULTANATE OF OMAN AS CONTEMPLATED BY ARTICLE 6 OF THE EXECUTIVE REGULATIONS TO THE CAPITAL MARKET LAW (ISSUED VIDE MINISTERIAL DECISION NO.4/2001). ADDITIONALLY, THIS PRIVATE PLACEMENT MEMORANDUM IS NOT INTENDED TO LEAD TO THE CONCLUSION OF ANY CONTRACT OF WHATSOEVER NATURE WITHIN THE TERRITORY OF THE SULTANATE OF OMAN.

BY RECEIVING THIS PRIVATE PLACEMENT MEMORANDUM, THE PERSON OR ENTITY TO WHOM IT HAS BEEN ISSUED UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT THIS PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED BY THE CAPITAL MARKET AUTHORITY OF OMAN (THE “CMA”) OR ANY OTHER REGULATORY BODY OR AUTHORITY IN THE SULTANATE OF OMAN (“OMAN”), NOR HAS THE FUND RECEIVED AUTHORIZATION, LICENSING OR APPROVAL FROM THE CMA OR ANY OTHER REGULATORY AUTHORITY IN OMAN, TO MARKET, OFFER, SELL, OR DISTRIBUTE THE SECURITIES WITHIN OMAN.

NO MARKETING, OFFERING, SELLING OR DISTRIBUTION OF ANY FINANCIAL OR INVESTMENT PRODUCTS OR SERVICES HAS BEEN OR WILL BE MADE FROM WITHIN OMAN AND NO SUBSCRIPTION TO ANY SECURITIES, PRODUCTS OR FINANCIAL SERVICES MAY OR WILL BE CONSUMMATED WITHIN OMAN. THE FUND IS NEITHER
A COMPANY LICENSED BY THE CMA TO PROVIDE INVESTMENT ADVISORY, BROKERAGE, OR PORTFOLIO MANAGEMENT SERVICES IN OMAN, NOR A BANK LICENSED BY THE CENTRAL BANK OF OMAN TO PROVIDE INVESTMENT BANKING SERVICES IN OMAN. THE FUND DOES NOT ADVISE PERSONS OR ENTITIES RESIDENT OR BASED IN OMAN AS TO THE APPROPRIATENESS OF INVESTING IN OR PURCHASING OR SELLING SECURITIES OR OTHER FINANCIAL PRODUCTS.

NOTHING CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM IS INTENDED TO CONSTITUTE OMANI INVESTMENT, LEGAL, TAX, ACCOUNTING OR OTHER PROFESSIONAL ADVICE. THIS PRIVATE PLACEMENT MEMORANDUM IS FOR YOUR INFORMATION ONLY, AND NOTHING HEREIN IS INTENDED TO ENDORSE OR RECOMMEND A PARTICULAR COURSE OF ACTION. YOU SHOULD CONSULT WITH AN APPROPRIATE PROFESSIONAL FOR SPECIFIC ADVICE ON THE BASIS OF YOUR SITUATION.

Notice To Residents Of Gulf Cooperation Council (GCC) Other Than UAE/Oman

THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT, AND IS NOT INTENDED TO, CONSTITUTE A PUBLIC OFFER, SALE OR DELIVERY OF SECURITIES IN ANY GCC JURISDICTION OR AN INVITATION OR AN OFFER OF SECURITIES IN ANY GCC JURISDICTION, AND SHOULD NOT BE CONSTRUED AS SUCH. THE SECURITIES MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY TO THE PUBLIC IN ANY GCC JURISDICTION.

THE OFFERING OF SECURITIES HAS NOT BEEN REVIEWED, APPROVED OR LICENSED BY ANY GOVERNMENT AUTHORITY OR ANY OTHER RELEVANT LICENSING AUTHORITIES IN ANY GCC JURISDICTION.

NO MARKETING OF ANY SECURITIES HAS BEEN OR WILL BE MADE FROM WITHIN ANY GCC JURISDICTION AND NO SUBSCRIPTION TO ANY SECURITIES MAY OR WILL BE CONSUMMATED WITHIN A GCC JURISDICTION. THE FUND IS NOT A LICENSED BROKER OR DEALER OR INVESTMENT ADVISOR UNDER THE LAWS APPLICABLE IN ANY GCC JURISDICTION, AND DOES NOT ADVISE INDIVIDUALS RESIDENT IN ANY GCC JURISDICTION AS TO THE APPROPRIATENESS OF INVESTING IN OR PURCHASING OR SELLING SECURITIES OR OTHER FINANCIAL PRODUCTS. NOTHING CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM IS INTENDED TO CONSTITUTE INVESTMENT, LEGAL, TAX, ACCOUNTING OR OTHER PROFESSIONAL ADVICE. THIS PRIVATE PLACEMENT MEMORANDUM IS FOR YOUR INFORMATION ONLY AND NOTHING HEREIN IS INTENDED TO ENDORSE OR RECOMMEND A PARTICULAR COURSE OF ACTION. YOU SHOULD CONSULT WITH AN APPROPRIATE PROFESSIONAL FOR SPECIFIC ADVICE RENDERED ON THE BASIS OF YOUR SITUATION.

THIS PRIVATE PLACEMENT MEMORANDUM IS STRICTLY PRIVATE AND CONFIDENTIAL AND IS BEING ISSUED TO A LIMITED NUMBER OF INDIVIDUAL AND INSTITUTIONAL INVESTORS UPON THEIR REQUEST AND MUST NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT, AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

General Information

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFERING AND SALE OF SHARES MAY BE RESTRICTED IN CERTAIN JURISDICTIONS. THE ABOVE INFORMATION IS FOR GENERAL GUIDANCE ONLY, AND IT IS THE RESPONSIBILITY OF ANY PERSON OR PERSONS IN POSSESSION OF THIS MEMORANDUM AND WISHING TO MAKE APPLICATION FOR SHARES TO INFORM THEMSELVES OF, AND TO OBSERVE, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR SHARES SHOULD INFORM THEMSELVES AS TO LEGAL REQUIREMENTS ALSO APPLYING AND ANY APPLICABLE EXCHANGE CONTROL REGULATIONS AND APPLICABLE TAXES IN THE COUNTRIES OF THEIR RESPECTIVE CITIZENSHIP, RESIDENCE OR DOMICILE.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.
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I. DEFINITIONS

“Administrator” means International Management (Mauritius) Ltd of Les Cascades, Edith Cavell St. Port Louis, Mauritius;

“Administration Agreement” means the agreement entered into between the Fund and the Administrator, pursuant to which the Administrator shall administer the operations of the Fund;

“Auditors” means KPMG having its office at KPMG Centre, 30 St George Street, Port Louis, Mauritius;

“Advisory Agreement” means the agreement entered into between the Investment Manager (defined below) and the Investment Advisor, pursuant to which the Investment Advisor (defined below) shall render non-binding advisory services to the Investment Manager and shall receive investment advisory fees as compensation for such services;

“Advisory Fees” means the fee paid by the Investment Manager to the Investment Advisor for the advisory services rendered by the Investment Advisor;

“Board” or “Board of the Fund” means the board of directors of the Fund;

“Business Day” means any day on which banks are open for business in Mauritius, India and/or such other place or places as the Board of the Fund or the Investment Manager may from time to time determine;

“Custodian” means The Hongkong and Shanghai Banking Corporation Limited or such other reputed bank appointed as a custodian for the Fund by the Board of the Fund from time to time;

“Class A Shares” means redeemable participating shares of par value USD 100, in the Fund, designated as Class A Shares, which shall be issued in series and available for subscriptions by Eligible Investors;

“Class Account” means a separate sub-account designated in the books of the Fund for the purposes of determining the Net Asset Value per Share and series Shares;

“Class B Shares” means redeemable participating shares of par value USD 0.01, in the Fund, designated as Class B Shares and to be issued to the Investment Manager or its nominees;

“Class” means a class of redeemable participating shares in the Fund representing the assets of a particular fund. Currently, under this Private Placement Memorandum, the Fund is offering only one class of shares i.e. the Class A Shares and its series;
“Constitution” means the Constitution of the Fund;

“Dealing Day” means the first Business Day of each month and/or such other day or days as the Board of the Fund or the Investment Manager may from time to time determine;

“Directors” means the members of the Board of the Fund for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time;

“Eligible Investor” means an eligible investor as defined on page 32;

“FII” means a foreign institutional investor, as approved by SEBI to invest in Indian securities;

“FSC” means the Financial Services Commission of Mauritius;

“FS Act” means the Financial Services Act, 2007 of Mauritius;

“Fund” or “Company” means The Mayur Hedge Fund;

“High Water Mark” in respect to this Fund, means the greater of (i) the Net Asset Value per series Class A Share at the time of issue / purchase of that Share and (ii) highest Net Asset Value of each series of Shares in any preceding fiscal year-end, after reduction of Performance Profit Allocation assessed at the end of such fiscal year/ Performance Period;

“India” means the Republic of India;

“Ineligible Applicant” means an ineligible applicant as described on page 30;

“Initial Fee” means a fee of 2% percent of the subscription amount up to USD 499,999, a fee of 1.5% percent of the subscription amount up to USD 999,999 and a fee of 1.0% percent of the subscription amount above USD 1,000,000 payable by Eligible Investors when subscribing for Class A Shares, which may be charged by the Fund at the time of subscriptions;

“Initial Offer Period” means the period determined by the Board of the Fund or the Investment Manager during which the Shares are offered for subscription at a fixed price and which will commence on 2 July, 2008 and will close at 5:00 PM (Mauritius time) on 15 October, 2008 (or such other dates and/or times as the Board of the Fund or the Investment Manager may determine);
“Investment Advisor” means Global Investment House India Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 17/25A, Hiranandani House, Saraswat Lane, Linking Road, Santacruz (West), Mumbai-400054, India;

“Investment Committee” means a committee formed by the Investment Manager from time to time;

“Investment Manager” Mayur Asset Management Limited, an asset management company incorporated under the laws of Mauritius set up by and as a 100% subsidiary of the Sponsor (defined below);

“Investment Management Agreement” means the agreement entered into between the Fund and the Investment Manager pursuant to which the Investment Manager shall manage and operate the Fund and shall receive Management Fees for the management services provided;

“Lock-up Period” means the period before any Dealing Day falling on or after the first anniversary of the date on which the Shares were first issued or the date of acquisition if acquired in the secondary market during which the Shares will not be redeemed;

“Management Fee” means the fee payable to the Investment Manager by the Fund under the Investment Management Agreement;

“Management Shares” means irredeemable non-participating shares of par value USD 1, in the Fund designated as Management Shares and held by the Investment Manager;

“Mauritius” means the Republic of Mauritius;

“Member Meeting” means a meeting of the Members held in accordance with the Constitution;

“Member” means a holder of Class A Shares or Class B Shares or Management Shares in the Fund;

“Minimum Holding” means USD 250,000 in the case of Class A Shares;

“Net Asset Value per Share” means the Net Asset Value of the relevant Class Accounts divided by the number of Shares of the relevant Class and series in issue or deemed to be in issue;

“Net Asset Value” means the net asset value of the Fund or a Class or series, as the case may be, determined in accordance with the Constitution and as provided in this Private Placement Memorandum (defined below);
“Non-Resident Indian” or “NRI” means a person resident outside India who is a citizen of India or is a Person of Indian Origin;

“Non-United States Person” means a person which is not a “United States Person” as defined in Regulation S under the Securities Act of 1933, as amended;

“Offer Period” means the period determined by the Board of the Fund or the Investment Manager during which the Shares are offered for subscription at a fixed price, which will commence on 5 (five) days before each Dealing Day and will close at 5:00 PM (Mauritius time) on the Dealing Day (or such other dates and/or times as the Board of the Fund or the Investment Manager may determine);

“Ordinary Resolution” means a resolution proposed and passed as an ordinary resolution by an absolute majority of the total number of votes of those present and entitled to vote in person or by proxy at a duly convened Member Meeting;

“Overseas Corporate Body” means a company, partnership, firm, society and other corporate body owned directly or indirectly to the extent of at least sixty percent by Non-resident Indian and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably;

“Performance Period” means the period for calculating the Performance Profit Allocation, which shall be the period beginning January 1 and ending on December 31 of each calendar year. For the Initial Offer Period, the Performance Period shall be the period beginning the date after the closure of the Initial Offer Period and ending on December 31, 2008. If a Class A Share is redeemed anytime during the Performance Period, the Performance Profit Allocation for that Class A Share shall be deemed to end on the date of such redemption;

“Performance Profit Allocation” means performance profit allocation entitlement of the Investment Manager and/or its nominee based on the performance of the Class A Shares of the Fund during each Performance Period. The Performance Profit Allocation will be allocated to the Class B Shares of the Fund;

“Person of Indian Origin” means a citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held Indian Passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b);

“Prime Broker/s” means brokers as may be appointed by the Fund or the Investment Manager on behalf of the Fund;
“Private Placement Memorandum” or “Memorandum” means this Private Placement Memorandum along with any annexures, addendum or amendments hereto;

“RBI” means Reserve Bank of India;

“Redemption Price” means the price per Share of a Class at which Shares of that Class or series are redeemed;

“Reference Price” means, with respect to any Share or series, the Net Asset Value of such Share or series at the beginning of the first business day immediately following the date as of which the last Performance Profit Allocation with respect to such Share was determined (net of the Management Fee) or if no Performance Profit Allocation has yet been determined with respect to such Share, the issue price of such Share;

“SEBI” means the Securities and Exchange Board of India;

“Shareholder” means a person recorded as a holder of Shares in the Fund’s register of shareholders;

“Shares” means the redeemable participating shares in the Fund;

“Special Meeting” means a meeting of Members held pursuant to the Constitution;

“Special Resolution” means a resolution proposed and passed as a special resolution by a majority consisting of seventy-five percent (75%) or more of the total number of votes of those present and entitled to vote in person or by proxy at a duly convened Member Meeting or a duly convened Special Meeting;

“Sponsor” or “Global” means Global Investment House, a company incorporated under the laws of Kuwait and having its registered office at P.O. Box 28807, Safat 13149, Kuwait which acts as a sponsor of the Fund;

“Subscription Agreement” means the agreement to be entered into in between each Eligible Investor, the Fund and the Investment Manager primarily to regulate the acceptance and disbursals of subscriptions and the income thereon;

“Subscription Price” means the price per Share of a Class at which Shares of that Class are issued;

“United States” or “US” means the United States of America (including the states and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;
“US Person” means a person other than a Non-United States Person;

“Valuation Day” means the last Business Day of each month and/or such other day or days as the Board of the Fund or the Investment Manager may from time to time determine;

“Valuation Point” means close of business in the last relevant market to close on each Valuation Day or such other time on such day or days as the Board of the Fund may from time to time determine;

In this Private Placement Memorandum all references to “Rupee” are to the lawful currency of India and all references to “US Dollars” and “USD” are to the currency of the United States. All references to time are to Mauritius time, unless otherwise stated. Capitalized terms not otherwise defined herein shall have the same meaning as ascribed to them in the Constitution.
II. Key Information

Reliance on Private Placement Memorandum
The Shares are offered solely on the basis of the information and representations contained in this Private Placement Memorandum and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund, the Investment Manager or the Directors. Neither the delivery of this Private Placement Memorandum nor the allotment or issue of the Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

Establishment

The Fund
The Fund has been incorporated on 20 June 2008 as a public company with limited liability under the laws of Mauritius and is registered as a collective investment scheme with the Financial Services Commission of Mauritius. The Fund is organized as an open ended fund under the Companies Act, 2001 of Mauritius. The Fund shall have its registered office in Mauritius. The Fund shall issue different Classes of Shares and in different series. Each Class, individually or together with other Classes, may represent multiple funds, which may be organized by the Fund. Each of these Classes shall primarily invest in securities of Indian companies. Presently the Fund is only offering series of Class A Shares. The Investment Manager may organize Alternate Investment Vehicles (as defined below) that will invest in the Fund or parallel structures that will invest alongside the Fund in order to address tax or regulatory issues of certain Eligible Investors. The Fund has appointed a Mauritian Administrator, registrar and corporate secretary and three Mauritian resident directors and will hold all Board meetings in Mauritius.

The Fund has obtained a tax residency certificate from the Mauritius Revenue Authority and hence should be able to obtain the benefit of the India-Mauritius Double Tax Avoidance Treaty, and other treaties as appropriate. As a Mauritian tax resident, the Fund would under the India-Mauritius Double Tax Avoidance Treaty be entitled to receive from India, distribution proceeds from the disposal of Indian securities without being subject to payment of any capital gains tax in India, provided the Fund does not have a permanent establishment in India. It is the intention of the Investment Manager to conduct its affairs and the affairs of the Fund in a manner such that the Fund should not have a permanent establishment in India. Further information is set out under Section XVIII titled “Legal and Regulatory Considerations” of this Memorandum. Please also refer to the risk factors pertaining to taxation mentioned under the Section XVI titled “Risk Factors”.

The Fund will seek registration as a broad based sub-account of the Sponsor and will invest in Indian securities under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 (“FII Regulations”).

The Sponsor
The Fund has been sponsored by Global Investment House K.S.C.C., a private company incorporated under the laws of Kuwait and will be managed by Mayur Asset Management Company, a Category 1 Global Business Company registered with the Financial Services Commission as a CIS Manager. Global Investment House K.S.C.C. is a leading Kuwait based investment bank in the Middle East providing a comprehensive range of financial services with operations across the GCC region and in other emerging markets. The company was founded in 1998 by a team of investment professionals led by Mrs. Maha K. Al-Ghunaim, with the intention of being the “preferred investment bank in the Middle East”.


Global is currently listed on the Kuwait Stock Exchange (since May 2003), the Bahrain Stock Exchange (since October 2004) and the Dubai Financial market (since September 2005) and is regulated by Central Bank of Kuwait, Central Bank of Bahrain, Central Bank of Jordan and several capital markets regulatory authorities. Global has also listed its Global Depositary Receipts (“GDRs”) on the regulated market for listed securities of the London Stock Exchange plc (“LSE”) (ticker GLOB) on 21 May 2008. Global has become the 34th company from the Middle East to list on the Exchange and the fifth this year.

Global has assets under management in excess of USD 9.5 billion, and a market capitalization of approximately USD 5.1 billion as of July 3, 2008. Global is the largest private sector investment company in the entire GCC and broader MENA region, with over 450 employees and shareholders that include Dubai Investment Group Capital, Public Institute for Social Security of Kuwait and various other financial institutions in the region.

Global plays an important role in promoting investment opportunities to investors through expert financial engineering. The Company operates all of its business based on its core values which include trust, ethical approach, quality, commitment and innovation. The Company serves a client base in excess of 6500 corporate and retail clients through a dedicated client relationship department.

In recognition of its performance and reputation in the region, Global has won numerous local and international awards, such as “Best Equity House in Kuwait” in 2006 and 2005 awarded by Euromoney, “Deal of the Year Award” in 2006 awarded by The Banker magazine, “Best Investment Bank in Kuwait” in 2007 awarded by Euromoney, and ranked 4th best Distressed Fund of Hedge Funds in November 2007.

The Investment Manager
Mauritius company (the “Investment Manager”) and a subsidiary of the Sponsor, has been engaged by the Fund to manage the investment program of the Fund pursuant to the Investment Management Agreement. The Investment Management Agreement grants discretionary investment authority over the assets of the Fund and authorizes the Investment Manager to manage the Fund’s securities portfolio on a daily basis, subject to the overall supervision of the Board of the Fund. The Investment Manager shall have the right to delegate certain investment functions of the Fund to a branch office set up either in Mauritius or any other jurisdiction as the Investment Manager in its sole discretion may deem fit. The Investment Manager will subscribe to the Management Shares of the Fund and receive a Management Fee for the services rendered to the Fund under the Investment Management Agreement.

The Investment Committee
Mayur Asset Management Company, a Mauritius company (the “Investment Manager”) and a subsidiary of the Sponsor, has been engaged by the Fund to manage the investment program of the Fund pursuant to the Investment Management Agreement. The Investment Management Agreement grants discretionary investment authority over the assets of the Fund and authorizes the Investment Manager to manage the Fund’s securities portfolio on a daily basis, subject to the overall supervision of the Board of the Fund. The Investment Manager shall have the right to delegate certain investment functions of the Fund to a branch office set up either in Mauritius or any other jurisdiction as the Investment Manager in its sole discretion may deem fit. The Investment Manager will subscribe to the Management Shares of the Fund and receive a Management Fee for the services rendered to the Fund under the Investment Management Agreement.

Omar M. El Quqa, CFA - Executive Vice President, Global Investment House
A cofounder of the Company with 27 years of experience in the financial sector, primarily in asset management and corporate finance. Mr. El-Quqa is currently a Board Member of Al Manar Financing & Leasing Co., First Jordan Investment Company, Real Estate Investment Company, REEF, Syria Gulf Bank, Al Salam Bank, Shurooq Investments, Union Bank, Amwal Investment, Tameer Jordan, Palestine Real Estate Investment
Company, FINA Group, J5 Global Limited, Bank of Bahrain and Kuwait, Investment House (Qatar) and Jordan Trade Facilities Co. Previously, he worked with the National Bank of Kuwait Money Market Operations Department, and Kuwait Foreign Trade Contracting and Investment Company in the Portfolio Management Department. Mr. El-Quqa obtained the Chartered Financial Analyst certification in 1989 and an MBA from Sul Ross University in 1982.

Shailesh Kumar Dash, CFA - Head of Alternative Investments Department, Global Investment House
Over 14 years of professional experience in financial research, fund management, investment banking and corporate finance, Shailesh heads alternative investments at Global with more than USD 2.3 billion under management. He is a member of the Investment Committee of Barings Private Equity Asia Ltd., and a board member of several portfolio companies in the Middle East. He joined Global in 2000. He has an MBA from FORE School of Management (India) and is a CFA charterholder.

Joseph Joseph - Head of Hedge Funds, Global Investment House
Over 12 years of experience in hedge funds, private equity and corporate finance, he has completed several equity transactions primarily in the GCC / MENA region and also other emerging markets such as India and China. He sits on the investment committee of Global’s private equity funds which collectively has over USD 1.4 billion assets under management. Prior to joining Global, he was with Ernst & Young, India responsible for M&A private equity and transactions advisory services. He has a degree in Engineering and an MBA from T.A. Pai Management Institute, India.

Shalena Hanif – Assistant Fund Manager - Hedge Funds, Global Investment House
Over 7 years of experience in various industry such as insurance, equity investment & hedge funds, she has worked with CIMB Investment Bank’s proprietary desk, a role which involved Asia Japan equity analysis, trading and portfolio management. She is a CPA (Australia), holds a MSc Finance & Investment from Ustinov College, Durham University (UK) & BSc Accounting & Finance from Charles Sturt University (Australia).

The Investment Advisor
Global Investment House India Private Limited, a company incorporated under Indian Companies Act, 1956, will act as the Investment Advisor to the Investment Manager. The Investment Advisor has entered into the Advisory Agreement with the Investment Manager in pursuance to which the Investment Advisor will render non-binding advice to the Investment Manager and receive Advisory Fees as compensation for its services.

The Investment Advisor will comprise the following persons:

Dileep Madgavkar – Director & Head Funds Advisory, Global Investment House India
Has over 20 years work experience in bull & bear markets and has traded through the Asian contagion. Dileep is a qualified chartered accountant in India and formerly Chief Investment Officer of ICICI Prudential Asset Management Co. Ltd., one of India’s largest mutual funds, and has managed Indian funds with assets under management in excess of USD 4 billion. From ICICI Prudential, Dileep moved to Prudential Asset Management in Hong Kong as Investment Director.

Pravin M. Bokade – Director & India Representative, Global Investment House India
Over 11 years of experience in equity research, economic research, equity strategy and feasibility studies. He has been involved in conducting equity and economic researches across the GCC, MENA and other emerging markets like India. He was instrumental in opening Global’s India office. Prior to joining Global, he was with Unit Trust of India - India’s largest mutual fund at that time, and was responsible for buy side equity research. He has a degree in Engineering and an MBA from Jamnalal Bajaj Institute of Management Studies, India.
Sandeep Chopra – Senior Analyst, Global Investment House India

Over 3 years of experience in sell-side equity research with key focus on banking and financial services. He has worked with the best research houses in India and has provided the domestic and overseas institutional investors with the research inputs on various investment opportunities arising from time to time in the secondary market. Prior to joining Global India, he was with B&K Securities India tracking and advising clients on various listed stocks in the Indian banking and financial services space. He has a graduate degree in management and an MBA from ICFAI-Hyderabad, India.

Investment Rationale

The Investment Case for India is Powerful

The country and its 1 billion plus population, present lucrative and diverse opportunities for exporters with the right products, services, and commitment. The population is young, with approximately a large percentage of the population between 15 and 29 years old, and a life expectancy of approximately 65 years. India’s infrastructure, transportation, energy, environmental, health care, high-tech, and defense sector requirements for equipment and services will exceed tens of billions of dollars in the mid-term as the Indian economy globalizes and expands.

India’s GDP is expected to grow at 8% despite the slowdown in the global economy, making it one of the fastest growing economies in the world. Construction of nearly everything from airports to container ports to teleports, is setting the stage to remake India.

India - part of the BRIC (Brazil, Russia, India, and China) conglomerate - is already the fourth largest economy in the world in terms of purchasing power parity, and is projected to be approximately 60% of the size of the US economy by 2025. The growth dynamic in India is based on domestic consumption, services, high levels of investment and infrastructure spending. India is now experiencing the positive impact of a ‘baby boomer’ generation comprised of people born in the 1980s supporting a much smaller proportion of older workers. This favorable demographic profile, called the ‘demographic dividend’, is having a positive impact upon the Indian economy. In fact, India has one of the highest proportions of economically active citizens in the world and a population size of 1.13 billion people, 60% of whom are below 30 years of age.

This highly educated and skilled middle class is growing, earning more, spending more, saving more and setting the stage for a long term consumer-driven boom. Furthermore, there is a huge amount of wealth being created by entrepreneurs, many of whom control some of India’s biggest companies. The Indian economy has been through a fundamental shift over the past 30 years, moving from an agriculturally-based economy to one in which services account for more than 50% of GDP. This particular characteristic sets it apart from other emerging economies. India is an open economy and there is substantial potential for growth bolstered by foreign exchange inflows. However, the economy is not dependent on foreign money as it is underpinned by domestic institutional money such as domestic life insurance companies which are amongst the biggest investors at present. India plans to spend an estimated USD 475 billion between now and 2012 on roads, railways, ports, electricity transmission lines and other infrastructure. The development of a world class infrastructure is central to India’s emergence as a global economic powerhouse.

The Indian stock market offers one of the world’s most diversified basket of stocks and sectors. There are nearly 6,000 companies listed on the Indian stock exchange of which over 180 have a market capitalization over USD 1 billion compared to less than 40 in 2005. The stock market is also broad based and one of the most liquid in the world, with turnover of USD 204 billion a day. Equity is the most appropriate asset class to capture the potential of the fast growing Indian economy. Until recently valuations were historically high, but Indian companies continue to exhibit the most efficient use of capital compared to companies in other emerging economies.
While the Indian securities exchange indices have risen strongly over the last two years, price/earnings ratios are somewhat lower than they have been during previous periods of strong market performance, indicating that the current growth has been driven by rising profits reported by listed companies.

There are a range of sound medium to long-term investment opportunities in listed companies based in India, in particular within small to medium sized companies which are often overlooked by other institutional funds with shorter investment horizons. The potential for economic growth, combined with positive demographics, should provide the Fund with attractive investment opportunities.

**Investment Objective**

The Fund’s investment objective is absolute return oriented with a long bias to achieve long-term capital appreciation through investing predominantly either directly or indirectly in equity-related instruments of Indian companies. The Fund will primarily invest directly or indirectly in listed Indian securities. For this purpose, an Indian company means a company incorporated in India or which has its principal place of business or operations in India or which derives a material part of its revenues and/or profits from activities in India. The Fund will invest in equities and equity-related instruments, including stock and index futures on a long and short basis, trade in futures and options contracts, investments in American Depository Receipts (“ADRs”) / Global Depository Receipts (“GDRs”), pre Initial Public Offerings (“IPOs”), and borrow and lend securities in accordance with prevailing regulations. The Fund intends to seek registration as a sub-account to the Sponsor, which is registered with the SEBI as an FII under the SEBI (FII) Regulations, 1995 (“FII Regulations”) and has registration number INKUFA128506. Once the Fund obtains a sub-account registration, it shall make investments in Indian companies under the FII Regulations.

During the Initial Offer Period, the Fund is offering up to 5,000,000 Class A Shares at the fixed price of USD 100 per Share aggregating up to USD 500,000,000. The Board of the Fund may at its sole discretion increase the size of the Fund by USD 500 million. However, the aggregate size of the Fund shall not exceed USD 1 billion. The minimum amount that may be subscribed for by an Eligible Investor for Class A Shares is USD 250,000/-. However, the Board may, upon the recommendation of the Investment Manager and at its discretion, accept lower subscription amounts.

**Investment Process**

The Investment Advisor will pursue an investment process that will seek to source investment opportunities through a combination of research, company visits and extensive personnel contacts at various firms, evaluated on the basis of a range of fundamental, operational, managerial and valuation criteria. Investments will only be made in companies that meet the relevant criteria.

**Evaluation and selection strategy**

The Investment Advisor’s investment evaluation and selection strategy will involve a disciplined approach to investing by carrying out detailed and careful studies of opportunities on a case by case basis in companies which it believes have the potential for strong growth. The Investment Advisor will only recommend that investments are made in target companies where it believes the management quality should lead to growth outperforming its peer group. The Investment Advisor will seek to identify target companies which demonstrate a substantial difference between the valuation of their securities and their market price or proposed acquisition price. In order to achieve this strategy, it will, taking into account other relevant factors, carry out in-house valuations using discounted cash flow analysis, comparable company analysis and an analysis of financial results. The Investment Advisor will undertake this disciplined investment process to identify target companies that have the potential for superior performance and will operate an extensive due diligence process before making or advising on any investment. The Investment Advisor will follow an absolute return focus to investing rather than ‘relative-performance’ stock selection.
**Holding and exit strategy**
The criteria for liquidating a position will include (but is not limited to) (i) significant reductions in the difference between valuations and the market/acquisition price; (ii) the price earnings to growth ratio is deemed excessive; (iii) the occurrence of declining returns on capital; (iv) the management of the target companies do not deliver the levels of performance expected.

**Risk Management**
The extensive risk management activities will focus primarily on the following four areas. Firstly, the Fund’s positions will be the result of extensive research and due diligence analysis. This includes diversification by industries, geographies, security types and market capitalization. Secondly, the valuation of each position will include consistent analysis via proven methodologies. For instance, the securities in the portfolio will not exceed a reasonable valuation given an expected rate of growth. Thirdly, the positions in the portfolio will comply with certain concentration limits. The areas of concentration include limits on exposure to any single security, market sector concentration and market capitalization concentration. Additionally, the portfolio may deploy a net long exposure of minimum 25%, maximum 75%. This means that on the low side the portfolio would have to be 62.5% long and 37.5% short to have a net exposure of 25%. On the maximum side the portfolio could be 87.5% long and 12.5% short to achieve a net long exposure of 75%. In the event that the Fund has tactically switched to cash to the max 25% allowable, it could be 50% long and 25% short and still achieve the net 25% long.

**Administration**
The administration of the Fund will be undertaken by IMM which will, among other things, provide registration and secretarial services, manage the Fund’s taxation affairs in Mauritius and maintain the necessary books and records for the Fund.

**Custodian**
The Fund has appointed The Hongkong and Shanghai Banking Corporation Limited as the custodian in India.

**Risk Factors**
Investment in the Fund carries substantial risk. There can be no assurance that the Fund’s investment objective will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment program for any Eligible Investor. Prospective Eligible Investors should carefully consider whether an investment in the Shares is suitable for them in light of their circumstances and financial resources (see further under the Section XVI titled “Risk Factors”).

*If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional advisor.*
III. Summary Of Principal Terms

The following is a summary of the principal features of the Fund and should be read in conjunction with the full text of this Private Placement Memorandum.

Structure

The Fund has been incorporated on 20 June 2008 as a public company with limited liability under the laws of Mauritius and is registered as a collective investment scheme with the Financial Services Commission of Mauritius. The Fund is organized as an open ended fund under the Companies Act, 2001 of Mauritius.

The Fund shall/ has received the certificate of tax residence from the Mauritius Revenue Authority in Mauritius. The Fund shall / has its registered office in Mauritius. The Fund shall have three resident directors on its Board and shall retain a resident company secretary. The Fund will appoint a resident Administrator and Custodian and maintain its books of account, records and register of Shareholders at its registered office.

The Investment Manager may organize Alternate Investment Vehicles that will invest in the Fund or parallel structures that will invest alongside the Fund in order to address tax or regulatory issues of Eligible Investors.

The Fund will apply for approval from SEBI to invest in India as broad based sub-account of the Sponsor.

Fund

The Mayur Hedge Fund has been organized as a collective investment vehicle in Mauritius. The Fund is being established as an investment vehicle for Eligible Investors. The Fund will seek registration as a broad based sub-account of the Sponsor with the SEBI under the SEBI (FII) Regulations 1995. The Investment Manager, as a discretionary manager of the assets of the Fund, will conduct the Fund’s investment activities, subject to overall supervision of the Board of the Fund. The Fund together with the Alternate Investment Vehicles (as and when organized) will be collectively referred to as the Fund in this Private Placement Memorandum.

Alternate Investment Vehicles

The Investment Manager may, to address tax or regulatory issues of particular Eligible Investors, organize funds in any suitable jurisdiction/s in its discretion to facilitate investments. The Alternate Investment Vehicles will invest all of their assets into the Fund. The Investment Manager may also organize Alternate Investment Vehicles as parallel structures that will co-invest alongside the Fund.

The Investment Manager

Mayur Asset Management Company, a Mauritius company (the “Investment Manager”), has been engaged by the Fund to manage the investment program of the Fund pursuant to the Investment Management Agreement.
The Investment Management Agreement grants discretionary investment authority over the assets of the Fund and authorizes the Investment Manager to manage the Fund’s securities portfolio on a daily basis, subject to the overall supervision of the Board of the Fund. The Investment Manager shall have a right to delegate certain investment functions of the Fund to a branch office set up either in Mauritius or any other jurisdiction as the Investment Manager in its sole discretion may deem fit. The Investment Manager is controlled by its board of directors (the “Board of the Investment Manager”). The Board of the Investment Manager consists of Mr. Omar M. El Quqa, Mr. Shailesh Kumar Dash, Mrs. Premila Pydia Dewoo, Mr. Poovazhagan Soobramanien and Mr. Ashraf Ramtoola.

The Investment Advisor

The Investment Manager has appointed Global Investment House India Private Limited, a company incorporated under Indian Companies Act, 1956 as the Investment Advisor (the “Investment Advisor”) to provide the Investment Manager with non-binding investment advice. The Investment Advisor will be compensated in the form of Advisory Fee by the Investment Manager at an arm’s length price. Mr. Dileep Madgavkar will serve as a Director of the Indian Advisor and head fund advisory operations at the Investment Advisor.

Capital Structure

The Fund will issue three classes of shares:

Class A Shares: Class A Shares having a par value of USD 100 per share (“Class A Shares”), will represent the Eligible Investor capital in the Fund. The Eligible Investors / Alternate Investment Vehicles (as and when organized) will purchase Class A Shares at a price of USD 100 per share. Class A Shares will not carry any right to vote except that, if the class rights attaching to Class A Shares are varied adversely, the affirmative vote of the holders of three-quarters of the holders of Class A Shares that are entitled to vote and voting will be required. Votes may be given in person or by proxy.

Class B Shares: Class B Shares having a par value of USD 0.01 per share (“Class B Shares”), will have the right to receive incentive cash distributions/ Performance Profit Allocation (“Performance Profit Allocation”) from the Fund as outlined in this Private Placement Memorandum. The Investment Manager or its nominees will subscribe to 1000 Class B Shares at a price per share of USD 0.01. The Board of the Fund may, in its discretion, issue further Class B Shares if deemed appropriate. The Performance Profit Allocation shall be allocated to the Class B Shares. Class B Shares will be redeemable at the option of the Shareholder, provided that in no case shall the Redemption Price for such Class B Shares exceed the aggregate amount distributable to the Shareholders of Class B Shares in accordance with the Performance Profit Allocation allocable to Class B Shares. The Class B Shares shall participate in the profits but not the losses of the Fund.
Management Shares: Management Shares having a par value USD 1 per share, will hold all the voting rights in the Fund, except (a) as provided in the Constitution, and (b) for the right of Shares of each Class to vote on variations of its Class rights. The Investment Manager (or one of its affiliates) will hold all the Management Shares issued by the Fund, which are non-redeemable, at a price per share equal to its par value. The Management Shares will have no rights to receive dividends or other distributions from the Fund except for a return of their par value when the Fund is wound up.

The Fund may also offer Shares, prior to or subsequent to the date hereof, on terms different than those received by the Shareholders set forth above and, accordingly, the Board of the Fund reserves the right to create additional classes and series of Shares with rights, powers and duties different than those set forth above. This right of the Board of the Fund will be subject to the statutory restriction that no action will be taken to vary the class rights attaching to Class A Shares without the prior approval by special resolution of the holders of the Class A Shares.

Except as otherwise provided herein, all Classes of Shares will participate in the profits and losses attributable to all assets of the Fund.

Administrator

The Fund has entered into an administration agreement (the “Administration Agreement”) with IMM (the “Administrator”). The Administrator will perform certain administrative, accounting, registrar and secretarial services for the Fund.

Eligible Investors

No offer to sell (or solicitation of an offer to buy) is being made in any jurisdiction in which such offer or solicitation would be unlawful. The Shares are a speculative investment and their purchase involves a high degree of risk. A subscription for the Shares should be considered only by subscribers who have carefully read and understood this Private Placement Memorandum, including, but not limited, to the information set forth under the heading “Risk Factors” herein.

Indian residents, Non-resident Indians (“NRIs”) and Overseas Corporate Bodies must consult the Investment Manager prior to making such investments.

Fund Expenses

The Fund shall pay or reimburse the Investment Manager for all costs and expenses incurred by or on behalf of the Fund or for its benefit.

All expenses are estimated and accrued accordingly in the calculation of the Net Asset Value of the Fund.

Any preliminary establishment expenses of the Fund shall be recognized in the financial period in which they are incurred. The Fund will reimburse the
The Mayur Hedge Fund

Investment Manager for the Fund’s preliminary establishment expenses, up to the lesser amount of a) 2% of the aggregate subscriptions received by the Fund in the Offer Period, or b) USD 2 million.

For further information please refer to Section titled “Fees and Expenses”.

Initial Offering

The Fund shall initially offer the 500,000,000 Class A Shares at a fixed issue price of USD 100 per share, aggregating up to USD 500,000,000 during the initial offer period commencing on 15 July, 2008 and ending on 15 October, 2008 ("Initial Offer Period"). The Board of the Fund may at its sole discretion increase the size of the Fund by USD 500 million. However, the aggregate size of the Fund shall not exceed USD 1 billion.

After the Initial Offer Period, the Class A Shares will be offered for subscription on a monthly basis ("Offer Period") at a fixed price as detailed below. The minimum amount that may be subscribed for by an Eligible Investor for Class A Shares is USD 250,000/-. However, the Board may upon the recommendation of the Investment Manager and at its discretion accept lower amounts.

Subsequent Subscriptions

After the Initial Offer Period, the Class A Shares will be offered to Eligible Investors for subscription on a monthly basis ("Offer Period"). The subscription price per Class A Share shall be the Net Asset Value per Class A Share as on the Valuation Day. The acceptance of such Subsequent Subscriptions will commence 5 days before each Dealing Day and will close at 5:00 PM (Mauritius time) on the Dealing Day (or such other dates and/or times as the Board of the Fund or the Investment Manager may determine). An application for Class A Shares made in respect of the Subsequent Subscriptions and cleared funds in respect thereof, should be received not later than 5:00 PM (Mauritius Time) on the Valuation Day day immediately preceding the Dealing Day.

However, the minimum amount, which may be subscribed for Class A Shares, is USD 250,000 (or such lower number as the Board of the Fund or the Investment Manager may determine). Existing Shareholders may also subscribe for additional Class A Shares.

Investment Objective

The Fund’s investment objective will be to achieve long-term capital appreciation through investing predominantly either directly or indirectly in equity-related instruments of Indian companies. The Fund will primarily invest in equity and equity-related instruments including stock and index futures on a long and short basis, trade in futures and options contracts, ADRs/GDRs, IPOs and borrow and lend securities in accordance with prevailing regulations. The Fund will invest directly or indirectly in listed Indian securities. For this purpose, an Indian company means a company incorporated in India or which has its principal place of business or operations in India or which derives a material part of its revenues and/or profits from activities in India.
Investment Strategy

The Fund will have a diversified portfolio with a long bias and an orientation towards businesses in areas of the Investment Manager’s core competence of investing in India-related securities.

The principal tenets of the Investment Manager’s investment strategy are:

• Investing with a bias towards growth at reasonable valuations
• The investment focus will be market cap agnostic but have a cap on the maximum mid and small cap net exposure in the portfolio
• Rigorous bottom-up investment process
• Diversified Portfolio but diversified across industries: The Investment Manager is likely to have a diversified portfolio of (but not necessarily restricted to) about 30-50 stocks at any given point in time

For further information please refer to Section titled “Investment Objective, Approach and Risk Management”.

Investment Conditions

If registered as a sub-account to an FII, the Fund shall make investments in India in compliance with the SEBI (FII) Regulations.

Initial Fee

The Fund reserves the right to charge an initial fee (“Initial Fee”) based on the amount subscribed by an Eligible Investor when subscribing for Class A Shares.

Management Fee

The Investment Manager will be entitled to receive an Management Fee from the Fund of 2 percent per annum of the Net Asset Value of the Class A Shares (before deduction of that month’s Management Fee and before deduction of any accrued Performance Profit Allocation) as at the Valuation Day of each month, payable in arrears.

Performance Profits Allocation

The holder of Class B Shares shall be entitled to a Performance Profit Allocation based on the performance of the Class A Shares of the Fund. The Performance Profit Allocation will be allocated to the Class B Shares of the Fund.

Purchase Of The Shares

Any Eligible Investor desiring to subscribe for the Shares of the Fund will be asked to complete and execute a copy of the “Subscription Documents” in the form furnished by the Fund/ the Administrator, offering in the Subscription Documents to purchase a specified dollar amount of the Shares and send such copy first by facsimile and then by courier, to: International Management Mauritius Ltd, Les Cascades, Edith Cavell Street, Port Louis, Mauritius; Telephone: (230) 212 9800 Fax: (230) 212 9833 Email: services. hee@imm.mu and by fax to Global at +965 2951269.
Redemption Of Shares

Shares will be not be redeemed before any Dealing Day falling on or after the first anniversary of the date on which the Shares were first issued or the date of acquisition if acquired in the secondary market ("Lock-up Period"), at the prescribed Redemption Price. However, the Board of the Fund or the Investment Manager may in their absolute discretion permit a redemption request made by reference to a Dealing Day occurring during the Lock-up Period or in the case of compulsory redemptions.

The Shares may be redeemed after the completion of the Lock-up Period, on the first Dealing Day of every quarter at the request of a Shareholder, (subject to the discretion of the Board) upon delivery of a prior written notice to the Fund at least 45 (forty-five) Business Days in advance of the Dealing Day. The redemption will be at the Net Asset Value prevailing on the close of business of the relevant Dealing Day. The number of Shares which a Shareholder may redeem at any time will be subject to such Shareholder continuing to hold Shares whose aggregate Net Asset Value is not less/more than USD 5,000 or such other number as the Board of the Fund will determine from time to time. If a redemption request is made, as a result of which the redeeming Shareholder will hold less than minimum value of USD 5,000 mentioned above, the Board will have the power to redeem all such Shares on the Valuation Day subsequent to the redemption date. If the number of Class A Shares to be redeemed on any redemption day (as applicable to Class A Shares) is equal to or exceeds one-tenth of the total number of issued and outstanding Class A Shares on that day, the Board may, at their discretion, refuse to redeem any Class A Shares in excess of 10% of the total number of issued and outstanding Class A Shares on that day, and, if it so refuses, the redemption request(s) for redemption on such redemption day will be reduced rateably (i.e. on a pro rata basis) and the Class A Shares to which such redemption request relates which are not redeemed by reason of such refusal will be treated as if a redemption request for redemption had been made in respect of each subsequent redemption day until all the Class A Shares to which the original redemption request(s) related have been redeemed. Redemption requests for redemption which have been carried forward from an earlier redemption day will (subject to the foregoing limits) be given a priority over subsequent requests. All redemptions will be at the Net Asset Value of the Shares on the applicable redemption day. Under the Constitution of the Fund, the figure of “USD 5,000” may be varied from time to time by the Board upon consideration of all relevant circumstances, including the best interest of all Shareholders.

Shareholders should send a completed redemption request in the form available from the Administrator to be received by the Administrator no later than 5:00 PM (Mauritius time) on the Business Day falling at least 45 (forty-five) Business Days, or such lesser period as the Board of the Fund or the Investment Manager may in any particular case determine, before the relevant Dealing Day, failing which the redemption request
will be held over until the next following Dealing Day and Shares will be redeemed at the relevant Redemption Price applicable on that Dealing Day. For the purposes of obtaining redemption request form The Administrator or Global can be contacted:
Administrator: telephone: (230) 212 9800 fax: (230) 212 9833
Global: telephone: (965) 2951000 fax: (965) 2951269

Redemption Price

The Redemption Price per Share will be equal to the Net Asset Value per Share of the relevant Class/series at the close of business on the relevant Dealing Day.

Report

Each Investor will receive unaudited performance information of the Fund semi-annually and will receive audited year-end financial statements. The Fund’s fiscal year-end is December 31.

Risk Factors

An investment in the Fund involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their investment and who have limited need for liquidity in their investment. There can be no assurance that the Fund will achieve its investment objective. An investment in the Fund carries with it the inherent risks associated with investments in securities and other instruments. See Sections of this Private Placement Memorandum on “Legal and Regulatory Considerations” and “Risk Factors”. Each prospective Eligible Investor should review the Private Placement Memorandum and the agreements referred to herein before deciding to invest in the Fund.

Tax Status

The Fund will be liable to tax in Mauritius on its net income at the rate of 15 percent. However, credit for foreign tax is currently available against Mauritian income tax payable. Such credit is the higher of actual tax paid (comprising withholding tax on dividends and underlying tax on the profits of the payor company out of which the dividends are paid where the shareholding of the Fund in the payor company is over 5 percent) or a deemed credit equal to 80 percent of the Mauritian income tax payable on foreign source income in the relevant year. This will result in an effective tax rate on foreign source income of 3 percent.

The Offering

During the Initial Offer Period, the Fund is offering up to 5,000,000 Class A Shares at the fixed price of USD 100 per Share aggregating up to USD 500,000,000. The Board of the Fund may at its sole discretion increase the size of the Fund by USD 500 million. However, the aggregate size of the Fund shall not exceed USD 1 billion.
The minimum investment in the Fund is USD 250,000/-, (subject to change in the sole discretion of the Board of the Fund) at a fixed price of USD 100 during the Offer Period. Subsequent Subscriptions are permitted during the Offer Period at the Net Asset Value per Share as on the Valuation Day. The Minimum Holding for Subsequent Subscriptions is USD 250,000. The Fund may, in its sole discretion, at the time of an Investor’s purchase of Shares designate the series of Class A Shares which such Investor will receive. Shares of the Fund are speculative securities intended for persons who are experienced and sophisticated investors.

**Valuations**

The Net Asset Value of each Class of Shares of the Fund will be calculated on a monthly basis by the Administrator on the relevant Valuation Day. The Administrator will also calculate the various Net Asset Value based fees described in this Private Placement Memorandum. Valuations will be made in accordance with the valuation rules as set out in the Constitution of the Fund, the relevant provisions of which are described under the Section XIII titled “Net Asset Value” in the Private Placement Memorandum. All valuations will be made in USD.
IV. Investment Objective, Approach and Risk Management

Investment Objective
The Fund’s investment objective will be absolute return oriented and to achieve long-term capital appreciation through investing predominantly either directly or indirectly in equity-related instruments of Indian companies and equities of Indian companies listed outside of India. The Fund will primarily invest in equity and equity-related instruments including stock and index futures on a long and short basis and trade in futures and options contracts, ADRs/GDRs, IPOs and borrow and lend securities in accordance with prevailing regulations. The Fund will primarily invest directly or indirectly in listed Indian securities. For this purpose, an Indian company means a company incorporated in India or which has its principal place of business or operations in India or which derives a material part of its revenues and/or profits from activities in India. It may trade equities and equity-related instruments, stock and index futures on a long and short basis. It will also buy and sell covered call and put options. The Fund intends to seek registration as a sub-account to the Sponsor, which is registered with the SEBI as an FII under the SEBI (FII) Regulations, 1995 ("FII Regulations") and has registration number INKUFA128506. Once the Fund obtains a sub-account registration, it shall make investments in Indian companies under the SEBI (FII) Regulations.

Investment Approach
The Fund’s investment approach will be to invest in growth opportunities that are available at reasonable valuations.

The Investment Manager will also actively trade equity-related instruments and equities of Indian companies listed in and outside of India with a view to achieving long term capital appreciation. The Investment Manager may also seek to protect the Fund through the use of derivatives which may be rated or unrated. The Fund will have a long bias and is not expected to be net short in respect of the overall portfolio at any time.

Great emphasis will be placed on the disciplines of focus and prudence. The Fund will invest only in areas where the Investment Manager believes that it has an edge and it will tend to reduce or realize positions when the fundamentals deteriorate. Risk management will therefore be an integral feature of the Fund. The Fund will have maximum flexibility to invest in a wide range of investments, including listed and unlisted equities, options, warrants, futures, other equity derivatives and debt securities.

The Fund will have a diversified net long portfolio with an orientation towards businesses in areas of the Investment Manager’s core competence of investing in India related securities.

The principal tenets of the Investment Manager’s investment strategy are:

- The Fund will be market cap agnostic but there will be a maximum exposure limit on the small/ mid caps in the portfolio
- Rigorous bottom-up investment process: While the Fund will likely prove to be a beneficiary of macroeconomic trends favoring India and will seek to use such trends in its portfolio management activities, all of the Fund’s individual security investments will be based on the Investment Manager’s proprietary investment process that will involve, among other things, rigorous bottom-up research on the company whose securities are to be purchased or sold

Utilizing the above stated investment strategy, the Fund will primarily invest in stocks and other securities (both directly and via participatory notes) of public companies for the long-term. Securities may be acquired directly from issuers or in secondary offerings.
Some of the securities may be relatively illiquid, either because they are thinly traded, they are traded in the over-the-counter market or on a regional exchange. Consequently, the Fund may not be able to promptly liquidate those investments if the need should arise, and its ability to realize gains, or to avoid losses in periods of rapid market activity, may therefore be affected. In addition, the value assigned to such securities for purposes of valuing Interests and determining net profits and net losses may differ from the value the Fund is ultimately able to realize.

The Fund may also invest in covered stock and index put and call options and may create straddle positions through options. The Fund may engage in arbitrage activity between differing classes of a company’s securities or between the securities of different companies. Further, if the Investment Manager believes that it is appropriate to maintain a cash position, the Fund may invest in short-term corporate or government obligations, money market instruments, cash or other cash equivalents. While the Fund is primarily a net long fund, subject to applicable legal and regulatory requirements the Fund may short securities.

There can be no guarantee that the Fund will achieve its investment objective or that the Fund’s thesis will prove to be true in whole or in part. In the event the Investment Manager elects to materially change the Fund’s Investment Objective or Investment Strategy, the Investment Manager will provide written notice to the Shareholders, and Shareholders will be provided the opportunity to redeem from the Fund without regard to any otherwise applicable Redemption Fees or “Lock-Up Period”.

Investment Process
The Investment Advisor will pursue an investment process that will seek to source investment opportunities through a combination of research, company visits and extensive personnel contacts at various firms, evaluated on the basis of a range of fundamental, operational, managerial and valuation criteria. Investments will only be made in companies that meet the relevant criteria.

Evaluation and selection strategy
The Investment Advisor’s investment evaluation and selection strategy will involve a disciplined approach to investing by carrying out detailed and careful studies of opportunities on a case by case basis in companies which they believe have the potential for strong growth. The Investment Advisor will only recommend that investments are made in target companies where they believe the management quality should lead to growth outperforming its peer group. The Investment Advisor will seek to identify target companies which demonstrate a substantial difference between the valuation of their securities and their market price or proposed acquisition price. In order to achieve this strategy, they will, taking into account other relevant factors, carry out in-house valuations using discounted cash flow analysis, comparable company analysis and an analysis of financial results. The Investment Advisor will undertake this disciplined investment process to identify target companies that have the potential for superior performance and will operate an extensive due diligence process before making or advising on any investment. The Investment Advisor will follow an absolute return focus to investing rather than ‘relative-performance’ stock selection.

Holding and exit strategy
The criteria for liquidating a position will include (but is not limited to) (i) significant reductions in the difference between valuations and the market/acquisition price; (ii) the price earnings to growth ratio is deemed excessive; (iii) the occurrence of declining returns on capital; (iv) the management of the target companies do not deliver the levels of performance expected.
Risk Management

The extensive risk management activities will be primarily on the following four areas.

Firstly, the Fund’s positions will be the result of extensive research and due diligence analysis. This includes diversification by industries, geographies, security types and market capitalization. Secondly, the valuation of each position will include consistent analytics via proven methodologies. For instance, the securities in the portfolio will not exceed a reasonable valuation given an expected rate of growth. Thirdly, the positions in the portfolio will comply with certain concentration limits. The areas of concentration include limits on exposure to any single security, market sector and market capitalization concentration. Additionally, the portfolio may deploy a net long exposure of minimum 25%, and maximum 75%. This means that on the low side the portfolio would have to be 62.5% long and 37.5% short to have a net exposure of 25%. On the maximum side the portfolio could be 87.5% long and 12.5% short to achieve a net long exposure of 75%. In the event that the Fund has tactically switched to cash to the max 25% allowable, it could be 50% long and 25% short and still achieve the net 25% long.

Borrowing and Leverage

The fund does not intend to use leverage at present, however where deemed appropriate, subject to the guidelines relating to gross market exposure set out under “Investment Approach” above, the Fund may leverage its capital by borrowing (including, but not limited to, margin lending agreements, and through the use of futures, forward contracts, options and derivative instruments) provided however, the borrowings on a long term basis will be subject to a maximum cap of 50% of the assets under manangement.

If the Fund registers as a broad-based sub-account of a FI registered with SEBI, the Fund’s Investments will be constrained by certain investment restrictions that apply under Indian regulations to broad-based sub-accounts. Please see “Exchange Control and Other Restrictions” for more information.
V. Investment Manager

The Fund has appointed Mayur Asset Management Company, Mauritius, a subsidiary of the Sponsor, as the Investment Manager under the Investment Management Agreement, to manage and invest the assets of the Fund in accordance with the investment objective, approach and restrictions described in this Private Placement Memorandum. Mayur Asset Management Company was incorporated private company limited by shares on 20 June 2008. The Investment Manager will be responsible for the management of the affairs of the Fund and shall take investment / divestment decisions on behalf of the Fund. In the management of the affairs of the Fund, the Investment Manager will at all times be subject to the overall supervision of the Board. The Investment Manager shall be entitled to receive a 2% Management Fee for the management services rendered to the Fund under the Investment Management Agreement. The Investment Manager shall have a right to delegate certain investment functions of the Fund to a branch office set up either in Mauritius or any other jurisdiction as the Investment Manager, in its sole discretion. The Investment Manager will subscribe to the Management Shares of the Fund and receive a Management Fee for the services rendered to the Fund under the Investment Management Agreement.

The Fund has delegated certain administrative duties to the Administrators as described under “Administrators”. Omar M. El Quqa, Shailesh Kumar Dash, Premila Pydia Dewoo, Poovazhagan Soobramanien and Ashraf Ramtoola, directors of the Investment Manager, will have the principal responsibility for the management of the investments of the Fund. Their details are set out below:

Details of Directors:

Omar M. El Quqa, CFA - Executive Vice President, Global Investment House
A co-founder of the Company with 27 years of experience in the financial sector, primarily in asset management and corporate finance. Mr. El-Quqa is currently a Board Member of Al Manar Financing & Leasing Co., First Jordan Investment Company, Real Estate Investment Company, REEF, Syria Gulf Bank, Al Salam Bank, Shurooq Investments, Union Bank, Amwal Investment, Tameer Jordan, Palestine Real Estate Investment Company, FINA Group, J5 Global Limited, Bank of Bahrain and Kuwait, Investment House (Qatar) and Jordan Trade Facilities Co. Previously, he worked with the National Bank of Kuwait Money Market Operations Department, and Kuwait Foreign Trade Contracting and Investment Company in the Portfolio Management Department. Mr. El-Quqa obtained the Chartered Financial Analyst certification in 1989 and an MBA from Sul Ross University in 1982.

Shailesh Kumar Dash, CFA - Head of Alternative Investments Department, Global Investment House
He has over 14 years of professional experience in financial research, fund management, investment banking and corporate finance. Shailesh heads alternatives investments at Global with more than USD 2.3 billion under management. He is a member of the Investment Committee of Barings Private Equity Asia Ltd. and a board member of several portfolio companies in the Middle East. He joined Global in 2000. He has an MBA degree from FORE School of Management (India) and is a CFA charterholder.

Premila Dewoo, Finance Manager, International Management (Mauritius) Ltd
She has over 15 years of experience in auditing and accounting, having worked for one of the leading audit firms in Mauritius. She has carried out various assignments for both domestic and global business companies operating in various sectors such as financial services, manufacturing, hospitality and leisure, agriculture and retail. Since July 2005, Mrs. Dewoo joined International Management (Mauritius) Ltd and holds the position of Finance Manager. She completed her studies in the United Kingdom and is a fellow of the Association of Chartered Certified Accountants.
Poovazhagan Soobramanien, (Ganessen) – Business Development Manager, International Management (Mauritius) Ltd.

He has considerable experience in the structuring and administration of investment vehicles, ranging from private companies to private equity funds and hedge funds, which experience is expected to be useful to the Fund. Ganessen sits on the board of a few investment management companies. Ganessen joined IMM in 2004. Prior to working with IMM, he worked with another fund administrator in Mauritius from 1999 to 2004. He is a qualified member of the Association of Chartered Certified Accountants (UK) and holds a BSc (Hons) degree in Economics.

Ashraf Ramtoola – Director, International Management (Mauritius) Limited

Mr. Ashraf Ramtoola is a citizen of the Republic of Mauritius. He is a UK qualified FCCA and has worked in England for a few years. He specializes in the structuring of Mauritius Companies to benefit from Mauritius’ network of Double Tax Treaties. Mr Ramtoola is a Director in International Management (Mauritius) Limited and has more than 10 years of experience working closely in terms of investment in India, Pakistan and Sri Lanka.

The Investment Committee

The Investment Manager shall constitute an Investment Committee to take investment and divestment decisions. The Investment Committee is currently comprised of 4 Kuwait based professionals. The Investment Committee shall, on the basis of the non-binding advice and information provided by the Investment Advisor, source investment opportunities, evaluate target companies, and conduct due diligence and accordingly take investment and divestment decisions for the Fund, which shall be reviewed and ratified by the Board of the Investment Manager on a periodic basis.

The Investment Committee will comprise the following persons:

Omar M. El Quqa, CFA - Executive Vice President, Global Investment House

A co-founder of the Company with 27 years of experience in the financial sector, primarily in asset management and corporate finance. Mr. El-Quqa is currently a Board Member of Al Manar Financing & Leasing Co., First Jordan Investment Company, Real Estate Investment Company, REEF, Syria Gulf Bank, Al Salam Bank, Shurooq Investments, Union Bank, Amwal Investment, Tameer Jordan, Palestine Real Estate Investment Company, FINA Group, J5 Global Limited, Bank of Bahrain and Kuwait, Investment House (Qatar) and Jordan Trade Facilities Co. Previously, he worked with the National Bank of Kuwait Money Market Operations Department, and Kuwait Foreign Trade Contracting and Investment Company in the Portfolio Management Department. Mr. El-Quqa obtained the Chartered Financial Analyst certification in 1989 and an MBA from Sul Ross University in 1982.

Shailesh Kumar Dash, CFA - Head of Alternative Investments Department, Global Investment House

He has over 14 years of professional experience in financial research, fund management, investment banking and corporate finance. Shailesh heads alternatives investments at Global with more than USD 2.3 billion under management. He is a member of the Investment Committee of Barings Private Equity Asia Ltd. and a board member of several portfolio companies in the Middle East. He joined Global in 2000. He has an MBA degree from FORE School of Management (India) and is a CFA charterholder.

Joseph Joseph, Head of Hedge Funds, Global Investment House

He has over 12 years of experience in hedge funds, private equity and corporate finance. He has completed several equity transactions primarily in the GCC / MENA region and also other emerging markets such as India and China. He sits on the investment committee of Global’s private equity funds which collectively has
over USD 1.4 billion assets under management. Prior to joining Global, he was with Ernst & Young, India responsible for M&A, private equity and transactions advisory services. He has a degree in Engineering and an MBA from T.A. Pai Management Institute, India.

**Shalena Hanif – Assistant Fund Manager - Hedge Funds, Global Investment House**

She has over 7 years of experience in various industry such as insurance, equity investment & hedge funds. She has worked with CIMB Investment Bank’s proprietary desk, a role which involved Asia Japan equity analysis, trading and portfolio management. She is a CPA (Australia), holds a MSc Finance & Investment from Ustinov College, Durham University (UK) & BSc Accounting & Finance from Charles Sturt University (Australia).
VI. Investment Advisor

The Investment Manager has appointed an Investment Advisor to provide the Investment Manager with non-binding investment advice. The Investment Advisor was incorporated in India on August 9, 2006. The Investment Advisor – Global Investment House India Private Limited - is a private limited company incorporated under the Indian Companies Act, 1956 and is engaged in providing advisory services. The Investment Advisor has an experienced team of professionals with a strong network within the fields it operates.

The Investment Advisor

Global Investment House India Private Limited, a company incorporated under Indian Companies Act, 1956, will act as the Investment Advisor to the Investment Manager. The Investment Advisor has entered into the Advisory Agreement with the Investment Manager in pursuance to which the Investment Advisor will render non-binding advice to the Investment Manager and receive Advisory Fees as compensation for its services.

The Investment Advisor shall maintain skilled staff of investment professionals for the purposes of advising, investigation, structuring, monitoring and disposition of investments in Portfolio Companies. In addition to the services of its own personnel, the Investment Advisor may to the extent as requested by the Investment Manager, arrange for and co-ordinate the services of other professionals and consultants, if deemed necessary by the Investment Advisor, subject to the approval of the Investment Manager.

The Investment Advisor will comprise the following persons:

**Mr. Dileep Madgavkar - Director & Head Funds Advisory, Global Investment House India Pvt Ltd.**

Has over 20 years work experience in bull & bear markets and has traded through the Asian contagion. Dileep is a qualified chartered accountant in India and formerly Chief Investment Officer of ICICI Prudential Asset Management Co. Ltd., one of India’s largest mutual funds and has managed Indian funds with assets under management in excess of USD4 billion. From ICICI Prudential, Dileep moved to Prudential Asset Management in Hong Kong as Investment Director.

**Mr. Pravin M. Bokade – Director & India Representative, Global Investment House India Pvt. Ltd.**

Over 11 years of experience in equity research, economic research, equity strategy and feasibility studies. He has been involved in conducting equity and economic research across the GCC, MENA and other emerging markets like India. He was instrumental in opening Global’s India office. Prior to joining Global, he was with Unit Trust of India - India’s largest mutual fund at that time, and was responsible for buy side equity research. He has a degree in Engineering and an MBA from Jamnalal Bajaj Institute of Management Studies, India.

**Mr. Sandeep Chopra – Senior Analyst, Global Investment House India Pvt. Ltd.**

Over 3 years of experience in sell-side equity research with key focus on banking and financial services. He has worked with the best research houses in India and has provided domestic and overseas institutional investors with the research inputs on various investment opportunities arising from time to time in the secondary market. Prior to joining Global India, he was with B&K Securities India tracking and advising clients on various listed stocks in the Indian banking and financial services space. He has a graduate degree in management and an MBA from ICFAI-Hyderabad, India.
VII. Board Of The Fund

Board's Functions
The Board is responsible for the overall management and control of the Fund. The Directors on the Board will review the operations of the Fund at regular meetings and it is the current intention of the Board to meet at least twice a year. For this purpose, the Directors receive periodic reports from the Investment Manager detailing the performance of the Fund and providing an analysis of the Fund’s investment portfolio. The Investment Manager will provide such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings. The Board may, as it deems appropriate, appoint Prime Brokers for the Fund from time to time.

Directors of the Fund
The following Directors of the Fund, will have the principal responsibility for the management of the investments of the Fund. Their details are set out below:

Mrs. Maha K. Al-Ghunaim, Chairperson & Managing Director, Global Investment House
Appointed in June 1998. Mrs. Al-Ghunaim is currently Board Member of the National Industries Group (NIG); and Vice Chairman of National Ranges Company (Mayadeen). Mrs. Al-Ghunaim took over as Chairperson of Global in March 2007. A founding member of the Company with 22 years experience in portfolio management and investment banking, Mrs. Al- Ghunaim is also a member of many financial institutions, including the DIFX, Bank of Bahrain and Kuwait, and the Financial & Investment Committee at the Kuwait Chamber of Commerce & Industry. Mrs. Al-Ghunaim was previously a Member of the Board at the Industrial Bank of Kuwait and Vice Chairman of Kuwait Finance & Investment Co. Mrs. Al-Ghunaim obtained a Bachelor of Science in Mathematics from San Francisco State University, California.

Mr. Bader A. Al-Sumait, Executive Vice President, Global Investment House
Mr. Al-Sumait has over 30 years of experience in Kuwait’s capital markets. Mr. Al Sumait has held several executive positions during his career, and currently holds the positions of Vice Chairman of Gulf Franchising Holding Co. and is the Chairman of Al Manar Financing & Leasing Co. Additionally, Mr. Al Sumait is the Managing Director for Arab Financial Consultant Company and has helped establish Al Oula Brokerage Company, where he served as the Chairman and Managing Director. Mr. Al Sumait has been on the Board of various companies including Kuwait Investment Co., Kuwait International Fairs Co., Bank of Bahrain & Kuwait Educational Services Co. and Palm Agriculture Production Co. Mr. Al Sumait received his degree in 1980 from Chapman University, U.S.A.

Mr. Bilal Ibrahim Sassa - Managing Director, International Management (Mauritius) Limited
Mr. Sassa, holds a Bachelor of Commerce Honours in Economics from the University of Natal, Pietermaritzburg, South Africa. He also holds a Stockbroking licence from the Financial Services Commission since 1999. He joined Cim Stockbrokers in 2001 as Financial Analyst and is now the Chief Business Development Executive of the Cim Group. Bilal is also a Director on the Stock Exchange of Mauritius and is the vice chairman of the Central Depository & Settlement Co. Ltd.

Mr. Heerdaye Jugbandhan - General Manager, International Management (Mauritius) Limited
Mr. Jugbandhan is a Manager and serves as head of the Fund Administration Department for IMM, a position that he has held since August 2005. He works across a wide range of investment fund structures, including long equity and other hedge funds as well as private equity funds. Between January 2001 and July 2005 he served as a Client Relationship Manager with Northern Trust Group and Guernsey Channel Islands, where he was the relationship manager for Europe and the Asia Pacific region. Between January 1998 and December 2000 he
The Mayur Hedge Fund

was employed by Multiconsult Ltd in Mauritius, where he was involved in fund administration services. Mr. Jugbandhan is a fellow of the Association of Chartered Certified Accountants (UK) and member of the Securities Institute (UK). He is also a member of Mauritius Institute of Public Accountants.

Mrs. Rooksana Shahabally - Manager, International Management (Mauritius) Limited
Mrs. Shahabally is an Associate of the Institute of Chartered Secretaries and Administrators (UK). She is also a registered student of the Society of Trust and Estate Practitioners, London. She has 13 years experience in corporate administration, trust and compliance. She joined IMM in 2001 and has under her responsibility several teams handling a portfolio of clients consisting of high net worth individuals, institutional investors and multinationals.
VIII. Administrator To The Fund

The Fund has appointed IMM as the administrator to the Fund pursuant to the terms of an administration agreement between the Fund and the Administrator (the “Administration Agreement”).

The Administrator is a Mauritius-based company licensed by the Financial Services Commission to provide incorporation and company secretarial services as well as fund administration services. The administration of the Fund will be undertaken by the Administrator in Mauritius which will, among other things, administer the Fund’s taxation affairs in Mauritius, act as a Registrar, maintain the necessary books and records for the Fund and generally act as registrar and secretary.

The Fund reserves the right to change the administration and corporate secretarial arrangements described above by agreement with the Administrator and Secretary and/or in their discretion to appoint an alternative administrator and secretary.

IX. Custodian To The Fund

The Fund has appointed The Hongkong and Shanghai Banking Corporation Limited, (“Custodian”) as its custodian.

An agreement has been entered between the Fund and The HongKong and Shanghai Banking Corporation, Mumbai, India under which the Custodian was appointed as custodian to safe keep the assets of the Fund. This agreement may be terminated by either party as provided in the agreement.

The Custodian has ultimate responsibility for the assets of the Fund in Mauritius. The Custodian will retain all assets, including securities, and other assets not deposited as margin, in a segregated client account. Those assets will be separately identifiable and will be unavailable to the creditors of the Custodian in the event of its insolvency. The Custodian may appoint sub-custodians for the safe keeping of the securities and other assets of the Fund. The Custodian will use reasonable skill, care and diligence in the selection of suitable sub-custodians and shall be responsible to the Fund for the duration of the sub-custodian agreement for satisfying itself as to the ongoing suitability of the sub-custodian to provide custodial services to the Fund. The Custodian will maintain an appropriate level of supervision over any sub-custodian and will make appropriate enquiries, periodically to confirm that the obligations of the sub-custodian continue to be competently discharged. Subject to the foregoing, the Custodian will not further or otherwise be responsible for assets placed with sub-custodians. It also acts as custodian or trustee of a wide variety of offshore funds.
X. Subscriptions

Offer
During the Initial Offer Period, the Fund is offering up to 5,000,000 Class A Shares at the fixed price of USD 100 per Share aggregating up to USD 500,000,000. No part of the initial offer has been underwritten or guaranteed. 1000 Class B Shares of USD 0.01 each shall be subscribed to by the Investment Manager or its nominees.

The Fund reserves the right to charge an initial fee of 2% percent of the subscription amount up to USD 499,999, a fee of 1.5% percent of the subscription amount up to USD 999,999 and a fee of 1.0% percent of the subscription amount above USD 1,000,000 (“Initial Fee”) of the amount payable by applicants/ investors when subscribing for Class A Shares. Such Initial Fee shall be payable, to the Investment Manager or to intermediaries, over and above the subscription amount or at the discretion of the Board of the Fund such fee may be paid by the Fund.

Initial Offer
Class A Shares are available for issue during the Initial Offer Period at a price of USD 100 per Share with a minimum subscription of USD 250,000/-. The Initial Offer Period will commence on 15 July, 2008 and will close at 15 October, 2008. The Board of the Fund or the Investment Manager may extend or shorten the Initial Offer Period to such dates and/or times as they determine in their discretion.

Subsequent Subscriptions
After the Initial Offer Period, the Class A Shares will be offered to Eligible Investors for subscription during the Offer Period at the Net Asset Value per Share as on the Valuation Day. Any Class A Shares issue with respect to each Offer Period shall be a separate and distinct series.

An application for Class A Shares made in respect of the subsequent subscriptions and cleared funds in respect thereof, should be received not later than 5:00 PM (Mauritius Time) on the day immediately preceding the Valuation Day. However, the minimum amount, which may be subscribed for Class A Shares, is USD 250,000 (or such lower number as the Board of the Fund or the Investment Manager may determine). Existing Shareholders may also subscribe for additional Class A Shares.

The Board of the Fund or the Investment Manager reserve the right from time to time to close the Fund or any Class of Shares to new subscriptions, either for a specified period or until they otherwise determine and in respect of all investors or new investors only.

Procedure
Applicants for the Shares during the Initial Offer Period should complete an Application Form or, if a US Person, a US Person Application Form and send it to the Administrator or Global by mail (with a copy thereof by facsimile) so as to be received by the Administrator or Global, as the case may be no later than 5:00 PM (Mauritius time) on the last day of the Initial Offer Period. Cleared funds in respect of the subscription monies must be received by the Administrator by the same time. If the relevant Application Form and/or subscription monies is/ are not received by this time, the application will be held over until the first Dealing Day following the close of the Offer Period and the Shares will then be issued at the relevant Subscription Price on that Dealing Day.

Thereafter, applicants for the Shares and Shareholders wishing to apply for additional Shares, must send their completed Application Form by mail (with a copy by facsimile) so as to be received by the Administrator or Global by no later than 5:00 PM (Mauritius time) on the Valuation Day preceding the relevant Dealing Day.
and so that cleared funds are received by the Administrator by wire transfer no later than 5:00 PM (Mauritius time) on the same day, failing either of which the application will, subject to the discretion of the Board of the Fund or the Investment Manager, be held over to the following Dealing Day and the Shares will then be issued at the Subscription Price on that Dealing Day.

Fractions of Shares will, if necessary, be issued. The Fund reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming acceptance of their application. Once completed applications have been received by the Administrator, they are irrevocable.

Applications for Shares will not be dealt with and Shares will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of the subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

Minimum Investment
The minimum initial investment and additional subscription in Class A Shares is USD 250,000/- per Eligible Investor or such lesser amount as the Board of the Fund or the Investment Manager may in any particular case determine. These requirements will not apply to direct or indirect subscriptions by the Investment Manager or any of its members who perform an executive function, employees or connected persons. Existing Shareholders may also subscribe for additional Class A Shares.

Ineligible Applicants
The Application Form requires each prospective applicant for the Shares to represent and warrant to the Fund that, among other things, he is able to acquire and hold the Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Board of the Fund or the Investment Manager, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund or the Investment Manager being required to register under any applicable US securities laws.

Eligible Investors
Investment in the Shares is limited to Eligible Investors. An Eligible Investor is any person whose:

(a) ordinary business or professional activity includes the buying and selling of investments, whether as principal or agent; or
(b) (if a natural person) individual net worth, or joint net worth with his or her spouse, exceeds USD 100,000; or
(c) (if an institution) assets under discretionary management exceed USD 1 million.

Each applicant for and transferee of the Shares must warrant on the relevant Application Form that he is an Eligible Investor and that he has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund, is aware of the risks inherent in investing in the assets in which the Fund will invest and the method by which these assets will be held and/or traded and can bear the loss of his entire investment in the Fund.
**Indian-related restrictions**
Shares may generally not be issued or transferred to any Indian resident, Non-Resident Indian, Person of Indian Origin or Overseas Corporate Body, except that the Board of the Fund or the Investment Manager may authorise the issue or transfer of Shares to or for the account of an Indian resident, Non-Resident Indian, Person of Indian Origin or Overseas Corporate Body provided that such issue or transfer does not result in a direct or indirect violation by the Fund of the SEBI (FII) Regulations 1995 or the securities laws of India.

**Form of Shares**
All the Shares will be registered Shares and share certificates will be issued within 28 days of the issue or registration of the transfer, of shares in the company.

**Suspension**
The Board of the Fund or the Investment Manager may declare a suspension of the issue of the Shares in certain circumstances as described under “General and Statutory Information”. No Shares will be issued during any such period of suspension.

**Anti-Money Laundering**
Measures aimed at the prevention of money laundering may require an applicant for the Shares to verify his identity and/or the source of funds to the Administrator.

The Administrator will notify applicants if proof of identity is required. By way of example, an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with two documents verifying his residential address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (and any change of name) and of the Memorandum and Articles of Association (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners.

The details given above are by way of example only and the Administrator will request such information and documentation as it considers is necessary to verify the identity or source of funds of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided. As a general rule, the Administrator will only pay redemption proceeds to the account, held on the name of the Investor, from which the subscription monies were remitted. Each applicant for the Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process his application for the Shares if such information and documentation as has been requested by the Administrator has not been provided by the applicant.

Each applicant for the Shares will be required to make such representations as may be required by the Board of the Fund or the Investment Manager in connection with anti-money laundering programs, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury’s Office of Foreign Assets Control (“OFAC”) website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.
XI. Redemptions

The Shares will be redeemable at the option of the Shareholder on any Dealing Day falling on or after the first anniversary of the date on which the Shares were first issued or the date of acquisition if acquired in the secondary market (“Lock-up Period”), at the prescribed Redemption Price. However, the Board of the Fund or the Investment Manager may in their absolute discretion permit a redemption request made by reference to a Dealing Day occurring during the Lock-up Period or in the case of Compulsory Redemptions. The Shares may be redeemed after the completion of the Lock-up Period, on the first Dealing Day of every quarter beginning from the close of the Offering at the request of a Shareholder, (subject to the discretion of the Board) upon delivery of a prior written notice to the Fund at least 45 (forty-five) Business Days in advance of the Dealing Day. The redemption will be at the Net Asset Value prevailing on the corresponding Valuation Day.

The number of Shares which a Shareholder may redeem at any time will be subject to such Shareholder continuing to hold Shares whose aggregate Net Asset Value is not less than USD 5,000 or such other number as the Board will determine from time to time. If a redemption request is made, as a result of which the redeeming Shareholder will hold less than minimum value of USD 5,000 mentioned above, the Board will have the power to redeem all such Shares on the Valuation Day subsequent to the Redemption Date. If the number of Class A Shares to be redeemed on any redemption day (as applicable to Class A Shares) is equal to or exceeds one-tenth of the total number of issued and outstanding Class A Shares on that day, the Board may, at their discretion, refuse to redeem any Class A Shares in excess of 10% of the total number of issued and outstanding Class A Shares on that day. If it so refuses, the redemption request(s) for redemption on such redemption day will be reduced rateably (i.e., on a pro rata basis) and the Class A Shares to which such redemption request relates which are not redeemed by reason of such refusal will be treated as if a redemption request for redemption had been made in respect of each subsequent redemption day until all the Class A Shares to which the original redemption request(s) related have been redeemed. Redemption requests which have been carried forward from an earlier redemption day will (subject to the foregoing limits) be given a priority over subsequent requests. All redemptions will be at the Net Asset Value of the Shares on the applicable redemption day. Under the Constitution of the Fund, the figure of USD 5,000 may be varied from time to time by the Board upon consideration of all relevant circumstances, including the best interest of all Shareholders.

Shareholders should send a completed redemption request in the form available from the Administrator or Global to be received by the Administrator and Global no later than 5:00 PM (Mauritius time) on the Business Day falling at least 45 (forty-five) Business Days, or such lesser period as the Board of the Fund or the Investment Manager may in any particular case determine, before the relevant Dealing Day, failing which the redemption request will be held over until the next following Dealing Day and Shares will be redeemed at the relevant Redemption Price applicable on that Dealing Day. The Administrator or Global can be contacted for the purposes of obtaining a form of redemption request by fax at (230) 212 9833 or (965) 295 1269 respectively and telephone at (230) 212 9800 or (965) 295 1000 respectively.

Redemption requests may be submitted by fax to Global or the Administrator at the above fax number provided that: (1) the original signed redemption request is received by the Administrator prior to the relevant Dealing Day; and (2) the Investor receives written confirmation from the Administrator that the faxed redemption request has been received.

The Administrator will confirm in writing within 5 (five) Business Days of receipt all faxed redemption requests which are received in good order. Investors failing to receive such written confirmation from the Administrator within 5 (five) Business Days should contact the Administrator to obtain the same. Failure to obtain such written confirmation will render faxed instructions void.
A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety if, as a result of such partial redemption, the Net Asset Value of the Shares would be less than the Minimum Holding.

A redemption request, once given, is irrevocable unless the Board of the Fund or the Investment Manager determine otherwise.

Redemption Price
The Redemption Price per Share will be equal to the Net Asset Value per Share of the relevant Class at the close of business of the relevant Dealing Day.

Settlement
Payment of the redemption proceeds will be made as soon as practicable after the relevant Dealing Day and normally within 14 (fourteen) Business Days of the relevant Dealing Day. Payment will be made by the Administrator in US Dollars for the Shares by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator (through the Administrator) and at the Shareholder’s risk and cost. The Administrator may, in its absolute discretion, agree to make payment in other currencies, in which case the cost of conversion into the relevant currency will be borne by the redeeming shareholder.

Compulsory Redemptions
The Board of the Fund or the Investment Manager have the right to require the compulsory redemption (“Compulsory Redemptions”) of all or some of the Shares held by or for the benefit of a holder of Shares at any time, including, without limitation, if the Board of the Fund or the Investment Manager determine that the Shares are held by or for the benefit of any holder of Shares, who is or becomes an Ineligible Applicant and/or is not or is no longer an Eligible Investor as described under “Subscriptions.” The Board of the Fund reserves the right to compulsorily redeem all outstanding Shares of the Fund in the event the aggregate net assets of the Fund are below USD 5 Million for a consecutive period of 3 months. In addition to the above, the Board may compulsorily redeem Shares under certain circumstances including situations where Shares held by certain Persons could create regulatory or tax concerns for the Fund and other Shareholders.

The Fund also reserves the right to require compulsory redemption of all Shares held by a holder of Shares if the Net Asset Value of the Shares held by the holder of Shares is less than the Minimum Holding and in certain other circumstances as described under “General and Statutory Information”. Where the Net Asset Value of the Shares held by a holder of Shares is less than the Minimum Holding and the Fund decides to exercise its right to compulsorily redeem, the Fund will notify the Shareholder in writing and allow such holder of Shares 30 (thirty) days to purchase additional Shares to meet the minimum requirement.

Conversion/ Consolidation of Shares
Upon Crystallization, all Shares in all series which shall have borne a Performance Profit Allocation in respect of the relevant year will normally be consolidated into a single series, being the oldest series of Shares in issue to have borne a Performance Profit Allocation in respect of the relevant year. Thereupon the Reference Price shall be deemed to be reset to the Net Asset Value that relates to the Performance Period for which the Performance Profit Allocation has accrued.

Anti-Money Laundering
Investors should note that the Board of the Fund or the Investment Manager may refuse to accept a redemption request, if it is not accompanied with such additional information as they or the Administrator and/or the Administrator on their behalf may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for money laundering verification purposes as described under “Subscriptions”. Investors should note specifically that redemption proceeds will not be paid by the Administrator to an account which is not in the name of the Investor or if such additional information as has been requested by the Administrator and/or Administrator has not been provided by the Shareholder.
XII. Net Asset Value

The Net Asset Value of the Fund and the Net Asset Value per Share of each Class or each series of Shares will be determined by the Investment Manager and which will be delegated to the Administrator as at the close of business on each Valuation Day or at such other times as the Board of the Fund or the Investment Manager of the Fund may determine. The Net Asset Value of the Fund will be equal to the value of its respective total assets less its respective total liabilities.

On any Valuation Day of a Class or series, the value of investments of that Class or series will be computed as set forth in the Constitution. The Board may, at their discretion, permit any other method of valuation if they consider that such method better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice.

The Net Asset Value for each Class or series and Net Asset Value per Share for that series will be calculated by the Administrator in the manner described below at each Valuation Day.

The Net Asset Value for each Class of that series as at the relevant Valuation Day shall be the value of all the assets of the Class less the liabilities of that Class, calculated in accordance with the Constitution.

The Net Asset Value per participating Share of a Class as at any Valuation Day shall be the Net Asset Value at the applicable Valuation Point divided by the total number of Shares of that Class in issue immediately before that Valuation Point and rounding the resultant amount to the nearest four decimal places. The Net Asset Value and Net Asset Value per participating Share will include both realized and unrealized gains and losses in securities and other assets of that Class. Any variation to this in relation to a Class will be set out in the relevant Fund document.

The Net Asset Value will be valued in accordance with the following principles:

(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 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 Fund shall be included in the liabilities of the Fund and while the value of the currency to be received shall be included in the assets of the Fund;

(iii) except in the case of any interest in a unit trust, mutual fund corporation, open-ended investment company or other similar open-ended investment vehicle (a “managed fund”) to which paragraph (iv) applies and subject as provided in paragraphs (v), (vi) and (vii) below, all calculations based on the value of the investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange, futures exchange or over-the-counter market shall be made by reference to the last traded price (or, lacking any sales, at the mean between the last available bid and asked prices) on the principal stock exchange for such investments as at the close of business in such place on the day as of which such calculation is to be made; and where there is no such stock exchange, commodities exchange, futures exchange or over-the-counter market all calculations based on the value of the investment quoted by any person, firm or institution making a market in the investment (and if there shall be more than one such market maker then
such particular market maker as the Board may designate) shall be made by reference to the mean of the
latest bid and asked price quoted thereon; provided always that if the Board in their discretion consider
that the prices ruling on a stock exchange other than the principal stock exchange provide in all the
circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;

(iv) the value of each interest in any managed fund shall be the last published net asset value per unit, share or
other interest in such managed fund (where applicable) or (if the same is not available) the last published
redemption or bid price for such unit, share or other interest;

(v) if no net asset value, bid and asked prices or price quotations are available as provided in paragraphs (iii)
or (iv) above, the value of the relevant asset shall be determined from time to time in such manner as the
Board shall determine;

(vi) for the purpose of ascertaining quoted, listed, traded or market dealing prices, the Board, the Administrator
or their agents shall be entitled to use and rely upon mechanized and/or electronic systems of valuation
dissemination with regard to valuation of investments of the Funds and the prices provided by any such
system shall be deemed to be the last traded prices for the purpose of paragraph (iii) above, provided that
notwithstanding the foregoing, the Board may, at their absolute discretion, permit some other method of
valuation to be used if they consider that such valuation better reflects the fair value;

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

(viii) any security which is listed or quoted on any securities exchange or similar electronic system and regularly
traded thereon will be valued at its last traded price on the relevant Valuation Day;

(ix) when the securities are traded on more than one recognized stock exchange, the securities shall be valued
at the last traded price on the stock exchange where the security is principally traded;

(x) when a particular Valuation Day, a security has not been traded on the principal stock exchange, the value
at which it is traded on another stock exchange may be used;

(xi) when a security (other than debt securities) is not traded on any stock exchange on a particular Valuation
Day, the value at which it was traded on the selected stock exchange, as the case may be, on the earliest
previous day may be used provided such date is not more than thirty days prior to Valuation Day.

In respect of each Class or series of a Class, a separate account (a “Class Account”) will be established in the
books of the Fund. An amount equal to the proceeds of issue of each Share will be credited to the relevant Class
Account. Any increase or decrease in the Net Asset Value of the portfolio of assets of the Fund (disregarding
for these purposes, any increases in the Net Asset Value of the portfolio due to new subscriptions or decreases
due to redemptions or any designated Class Adjustments (defined below) will be allocated to the relevant
separate Class Accounts based on the previous relative Net Asset Values of each such separate Class Account.
There will then be allocated to each Class Account the “designated Class Adjustments”. Designated Class
Adjustments are costs, pre-paid expenses, losses, dividends, profits, gains and income which the Board of the
Fund or the Investment Manager determine relate to a single separate Class (for example those items relating
to the foreign exchange transactions in respect of each Class). Further, the Board of the Fund or the Investment
Manager may attribute the Net Asset Value, or part of it, of the Fund to any Class of Shares and allocate assets and liabilities of the Fund in such manner as they may in their absolute discretion consider necessary or appropriate to allow for any currency exposure as between Indian Rupees and US Dollars to be hedged by the Fund and for such allocations to be equitably reflected in the calculation of the Net Asset Value per Share of any one or more Classes or series of Shares.

(A) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its fair value as determined by the Board of the Fund or the Investment Manager having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Board of the Fund or the Investment Manager in their sole discretion deem relevant in considering a positive or negative adjustment to the valuation;

(B) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Board of the Fund or the Investment Manager may determine at their discretion which markets shall prevail and provided also that the Board of the Fund or the Investment Manager, at their absolute discretion, may permit some other method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice;

(C) investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty;

(E) any value (whether of an investment or cash) other than US Dollars will be converted into US Dollars, as the case may be, at the rate (whether official or otherwise) which the Board of the Fund or the Investment Manager in their absolute discretion deem applicable as at close of business on the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

The Board of the Fund or the Investment Manager may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice.

The Board of the Fund or the Investment Manager have delegated to the Administrator the determination of Net Asset Value per Share of each Class or series of the Fund.

The Net Asset Value per Share of each Class or series on any Valuation Day will be calculated by dividing the Net Asset Value of the relevant Class Account by the number of Shares of the relevant Class or series in issue as at the close of business on that Valuation Day.
XIII. Fees And Expenses

Initial Fee
The Fund reserves the right to charge an initial fee of 2% of the subscription amount up to USD 499,999, a fee of 1.5% of the subscription amount up to USD 999,999 and a fee of 1.0% of the subscription amount above USD 1,000,000 payable by Eligible Investors when subscribing for Class A Shares, which may be charged by the Fund at the time of subscriptions. Any such fee may be paid to the Investment Manager or to intermediaries.

Management Fee
The Investment Manager will receive a Management Fee from the Fund of 2 percent per annum of the Net Asset Value of the Class A Shares (before deduction of that month’s Management Fee and before deduction of any accrued Performance Profit Allocation) as at the last Valuation Day in each month, payable in arrears.

Performance Profit Allocation
The holder of Class B Shares will be entitled to a Performance Profit Allocation based on the performance of the Class A Shares of the Fund. The Performance Profit Allocation will be allocated to the Class B Shares of the Fund.

The Performance Profit Allocation will be calculated on a share-by-share basis so that each Class A Share is charged a Performance Profit Allocation, which equates fairly with that series Share’s performance. This method of calculation aims to ensure that (i) any Performance Profit Allocation is charged only on those series of Class A Shares which have appreciated in value, (ii) all the holders of same series of Class A Shares have the same amount of capital per Class A Share at risk in the Fund, and (iii) all the Class A Shares of a particular series shall have the same Net Asset Value per Share of the said series.

The period for calculating the Performance Profit Allocation (“Performance Period”) shall be the period beginning January 1 and ending on December 31 of each calendar year. For the first year, the Performance Period shall be the period beginning the date after the closure of the Initial Offer Period and ending on December 31, 2008. If a Class A Share is redeemed anytime during the Performance Period, the Performance Profit Allocation for that share shall be deemed to end on the date of such redemption.

It is estimated that at the end of each Performance Period, the Performance Profit Allocation shall be an amount equal to 20% of the positive difference between the Net Asset Value per Share (before accrual or deduction of the current fiscal year’s performance fee and Management Fee) of a particular series of Class A Shares held by a holder of such Shares as of the end of such fiscal year (or on the redemption date, in the case of a Share redeemed prior to the close of the fiscal year) and the then Reference Price (as defined below) per share of such series of Class A Shares. The Performance Profit Allocation will be subject to the “High Water Mark” mechanism described below.

Reference Price means, with respect to any Share, the Net Asset Value of such Share at the beginning of the first business day immediately following the date as of which the last Performance Profit Allocation with respect to such Share was determined (net of the Management Fee) or if no Performance Profit Allocation has yet been determined with respect to such Share, the issue price of such Share.

High Water Mark attributable to each series is the highest Net Asset Value of such series as of any preceding fiscal year-end, after reduction for the Performance Profit Allocation then paid. If the Net Asset Value of a series has never exceeded the aggregate Investments made in such series as of any fiscal year-end, the High
Water Mark of such series will equal such aggregate Investments. As of each fiscal year-end that a Performance Profit Allocation is paid (hereinafter referred to as “Crystallization”), the High Water Mark will be reset to the Net Asset Value of such series after reduction for such Performance Profit Allocation.

The Fund shall allocate such Performance Profit Allocation to the holders of Class B Shares and the Fund may distribute such Performance Profit Allocation to the holders of Class B Shares by way of redemption proceeds on the redemption of Class B Shares or by way of dividend on the Class B Shares.

Upon Crystallization as stated above, all Shares in all series which shall have borne a Performance Profit Allocation in respect of the relevant year will normally be consolidated into a single series, being the oldest series of Shares in issue to have borne a Performance Profit Allocation in respect of the relevant year. Thereupon the Reference Price shall be deemed to be reset to the Net Asset Value that relates to the Performance Period for which the Performance Profit Allocation has accrued.

Secondary transfer of Shares during a “Performance Period” will be treated as if there was a redemption of such Shares by the transferrer. Investors are therefore expected to factor the incidence of “Performance Profit Allocations” while negotiating the price for secondary transfer and seek clarifications, if any, from the Investment Manager or the Administrator on the computation and payment of Performance Profit Allocations.

The Fund shall allocate such Performance Profit Allocation to the Class B Shares held by the Investment Manager and/or its nominees and The Fund may distribute such Performance Profit Allocation to the holders of Class B Shares by way of redemption proceeds on the redemption of Class B Shares or by way of dividend on the Class B Shares. The Performance Profit Allocation is payable in arrears annually at the end of each Performance Period. The Performance Profit Allocation would be paid within 30 days of the end of each Performance Period.

**Investment Advisor’s Fee**

The Investment Manager is responsible for the payment of the fees of the Investment Advisor as provided under the Advisory Agreement.

**Administrator and Secretary of the Fund**

The Administrator and Secretary will receive from the Fund a fee of approximately USD 45,000 per annum. The Administrator and Secretary will also be entitled to fees for preparing and filing annual tax returns in Mauritius.

**Custodian of the Fund**

The Custodian will receive from the Fund a fee in accordance with the Custodian Agreement that will be entered between the Fund and the Custodian and the Fee Schedule as agreed between the Fund and the Custodian from time to time.

**Other Fees and Expenses**

The Fund shall pay or reimburse the Investment Manager for all costs and expenses incurred by or on behalf of the Fund or for its benefit, including, but not limited to, (i) the Management Fee; (ii) all costs and expenses associated with negotiating and entering into contracts and arrangements in the ordinary course of the Fund’s business; (iii) research-related costs related to (A) research-related data feeds, software and databases, including the costs of computer terminals and other equipment used primarily for research, investment monitoring, execution and pricing and (B) research and investment reports, studies and analyses prepared by third parties and conference and meeting costs, relating to specific companies, industries, markets, strategies or general
economic or political matters; (iv) the cost of computer services; (v) all expenses related to the Investment of
the Fund’s capital (including, without limitation, custodial costs, brokerage and finders’ fees, commissions,
markups and markdowns, spreads, transfer fees, capital, costs associated with belonging to any investment
network and other taxes, duties and costs and interest expense); (vi) all costs of communication with the
Shareholders (including, without limitation, the costs associated with preparing reports to the Shareholders);
(vii) the costs and expenses of any meetings of the Shareholders; (viii) insurance expense, indemnifications,
costs of litigation and other extraordinary expenses; (ix) all legal, tax preparation, accounting, bookkeeping,
auditing and appraisal fees and expenses (including the fees and expenses of counsel for the Fund or for the
Investment Manager incurred for the benefit of the Fund); (x) operational costs including, but not limited to, the
costs of buying and selling underlying securities, governmental and regulatory charges, legal and auditing fees,
insurance premiums, interest charges, reporting and publication expenses, postage, telephone and facsimile
expenses; (xi) the Fund may, from time to time, pay certain fees (including but not limited to trail fees) to
various sub-distributors, intermediaries, dealers, placement agents and/or professional investors relating to
placing the Fund on sales platforms designed to bring about a wider distribution of the Shares; (xii) The Fund
will bear the operational costs which are directly attributable to it.

All expenses are estimated and accrued accordingly in the calculation of the Net Asset Value of the Fund.

Any preliminary establishment expenses of the Fund shall be recognized in the financial period in which
they are incurred. The Fund will reimburse the Investment Manager for the Fund’s preliminary establishment
expenses, up to the lesser amount of a) 2% of the aggregate subscriptions received by the Fund in the Offer
Period, or b) USD 2 million.
XIV. Reports and Financial Statements

The financial year of the Fund will end on December 31 in each year. A semi-annual report and unaudited financial statements for the Fund in respect of each half of the financial year prepared in accordance with generally accepted accounting principles will be sent to Shareholders as soon as practicable and in any event within 6 (six) months of the end of the Fund’s financial year, whichever is the earlier. The first audited financial statements will cover the period from the Fund’s incorporation until December 31, 2008. The Fund has not traded prior to the date of this Private Placement Memorandum and no audited financial statements have been prepared in respect of the Fund to date.

The Fund will prepare and circulate to Shareholders within 90 days of the end of the relevant period a half-yearly report which will include unaudited accounts for the Fund. The first half-yearly report will cover the period ending December 31, 2008.

Audited annual financial statements and half-yearly reports of the Fund incorporating unaudited accounts will be posted to each Shareholder at its registered address free of charge and will be made available for inspection at the registered office of the Administrator and the Fund.

XV. Conflicts of Interest

The Board of the Fund or the Investment Manager, the Investment Manager, the Investment Advisor, the Administrator and Secretary, and the Custodian may from time to time act as manager, investment manager, custodian, registrar, broker, investment advisor, distributor, administrator or dealer in relation to, or be otherwise involved in, other funds established by parties other than the Fund, as the case may be, which have similar objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund, as the case may be, and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable law, any of the foregoing may deal, as principal or agent, with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm’s length basis. The Investment Manager and/or the Investment Advisor or any of its affiliates or any person connected with the Investment Manager and/or the Investment Advisor may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Investment Manager nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.
XVI. Risk Factors

The nature of the Fund’s investments involves certain risks and the Fund utilizes investment techniques (such as leverage, short selling and the use of derivatives), which may carry additional risks. An investment in the Fund therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for the Shares in the Fund:

**Business Risk**
There can be no assurance that the Fund will achieve its investment objective. There is no operating history by which to evaluate its likely future performance.

**Concentration of Investments**
Although it will be the policy of the Fund to diversify its investment portfolio, the Fund may at certain times hold relatively few investments. The Fund 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.

**Limited Diversification**
The Fund’s investment portfolio may become concentrated in one industry, sector, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by the Fund. It could also become concentrated to a limited number or types of financial instruments, which could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

**Investments not identified**
As of the date of this Private Placement Memorandum, the Investment Manager has not selected the investments that the Fund will make. Prospective investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Fund and, accordingly, will be dependent upon the judgment and ability of the Investment Manager in investing and managing the assets of the Fund. No assurance can be given that the Fund will be successful in obtaining suitable investments.

**Competition for Investments**
The Fund expects to encounter competition from other funds having similar investment objectives. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Fund and adversely affecting the terms upon which investments can be made. There can be no assurance that the Fund will be able to identify or consummate investments satisfying its investment criteria. To the extent that the Fund encounters competition for investments, returns to the Fund may decrease, consequently reducing the returns to the Shareholders in the Fund.

**Liquidity and Market Characteristics**
In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Fund’s ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

**Borrowing**
The Fund may use borrowing and leverage for the purpose of making investments. The use of borrowing creates
special risks and may significantly increase the Fund’s investment risk. Borrowing creates an opportunity for
greater yield and total return but, at the same time, will increase the Fund’s exposure to capital risk and interest
costs. Any investment income and gains earned on investments made through the use of borrowings that are in
excess of the interest costs associated therewith may cause the Net Asset Value of the Shares to increase more
rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such
income and gains, the Net Asset Value of the Shares may decrease more rapidly than would otherwise be the
case.

**Counterparty Risk**
The Fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions,
whether due to insolvency, bankruptcy or other causes.

**Net Asset Value Considerations**
The Net Asset Value per Share in respect of each Class is expected to fluctuate over time with the performance
of the Fund’s investments. A Shareholder may not fully recover his initial investment when he chooses to
redeem his Shares or upon Compulsory Redemption if the Net Asset Value per Share at the time of such
redemption is less than the Subscription Price paid by such Shareholder.

**General Economic and Market Conditions**
General economic and market conditions may affect the activities of the Fund. Interest rates, availability
of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls,
political circumstances and other conditions may affect the level and volatility of the price of securities and
the liquidity of the Fund’s investments. Volatility or illiquidity could impair the Fund’s profitability or result
in losses. The Fund may maintain substantial trading positions that can be adversely affected by the level of
volatility in the financial markets.

**Currency Exposure Risk**
The Shares are denominated in US Dollars and will be issued and redeemed in those currencies. Some or all of
the assets of the Fund may be invested in securities and other investments denominated in currencies other than
US Dollars. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations
in currency rates. The Investment Manager may seek to hedge the foreign currency exposure of each of the
Share Classes. However, the Fund will necessarily be subject to foreign exchange risks. Prospective investors
whose assets and liabilities are predominantly in currencies other than US Dollars should take into account the
potential risk of loss arising from fluctuations in value between the US Dollars and such other currencies.

**Derivatives**
The Fund may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to,
futures, forwards, swaps, options and contracts for differences, as part of its investment policy. Currently, the
maturity of exchange-traded derivatives in India is only 90 days. The life of the derivative contracts is short
which makes it difficult to hedge the risk beyond such maturity dates. These instruments can be highly volatile
and expose the Shareholders to a high risk of loss. In addition, daily limits on price fluctuations and speculative
position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.
Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which
to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a
position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk,
such as break clauses, whereby a counter party can terminate a transaction on the basis of a certain reduction
in Net Asset Value, incorrect collateral calls or delays in collateral recovery.
The Mayur Hedge Fund

The Fund may also sell covered and uncovered options on securities. To the extent that such options are uncovered, the Fund could incur an unlimited loss.

**Short selling**
Short selling involves trading on margin and accordingly can involve greater risk than investments based on a leveraged long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase.

**Futures**
The Fund may utilise both exchange-traded futures and options and over-the-counter derivatives as part of its investment policy. These instruments are highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish an exchange-traded futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Transactions in over-the-counter derivatives may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

**Management Risk**
The investment performance of the Fund is substantially dependent on the services of one or more key individuals of the Investment Manager. In the event of the death, incapacity, departure, insolvency or withdrawal of such individuals, the performance of Fund may be adversely affected. The Investment Manager will rely to a certain extent on the Investment Advisor as described under “Investment Advisor”.

**Performance Profit Allocation**
In addition to receiving an Management Fee, the Investment Manager may also receive a Performance Profit Allocation based on the appreciation in the Net Asset Value per Share and accordingly the Performance Profit Allocation will increase with regard to unrealized appreciation, as well as realized gains. Accordingly, a Performance Profit Allocation may be paid on unrealized gains which may subsequently never be realized. The Performance Profit Allocation may create an incentive for the Investment Manager to make investments for the Fund which are riskier than would be the case in the absence of a fee based on the performance of the Fund.

**Effect of Substantial Redemptions**
In the event that there are substantial redemptions from the Fund it may be more difficult for the Fund to generate the same level of profits operating on a smaller capital base. In the event that there are substantial redemptions on any Dealing Day, the Investment Manager may find it difficult to adjust its investment strategies to the reduced amounts of assets under management. Under such circumstances, in order to provide sufficient funds to pay redemptions, the Fund may be required to liquidate positions at an inappropriate time or on unfavorable terms.

**Price Fluctuations**
It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

**Transaction Costs**
The Fund’s investment approach may involve a high level of trading and turnover of the Fund’s investments which may generate substantial transaction costs which will be borne by the Fund.
Amortization of Organizational Costs
The financial statements of the Fund will be prepared in accordance with generally accepted accounting principles. Such principles may not permit the amortization of organizational costs. Notwithstanding this, the Fund may, at the discretion of the Board of the Fund or the Investment Manager, amortize their organizational costs over a period of time and, if it does, the financial statements may be qualified in this regard.

Loss of FII Registration
The Fund will invest in India as a sub-account to the Sponsor, which is registered as an FII. The investment by the Fund is dependent on the continued registration of the Sponsor as an FII and the Fund as its sub-account. In the event the registration of the Sponsor as an FII or the Fund as a sub-account is terminated or is not renewed, the Fund could potentially be forced to redeem its investments, and such forced redemption could adversely affect the returns to the Shareholders, unless the approval of SEBI has been obtained to transfer the sub-account to another FII.

Risks of Investing in India
The Fund will seek to gain exposure to the securities of Indian issuers. Investing in Indian securities may represent a greater degree of risk due to factors such as possible currency exchange rate fluctuations, possible exchange controls, less publicly-available information, more volatile markets, less stringent securities regulations, less favorable tax provisions (including possible withholding taxes), war, or expropriation, some of which are discussed in more detail below.

Accounting, financial and other reporting standards in India are not equivalent to those in more developed countries. Differences may arise in areas such as valuation of properties and other assets, accounting for depreciation, deferred taxation, inventory obsolescence, contingent liabilities and foreign exchange transactions. Accordingly, less information may be available to investors. SEBI, the principal regulator of the Indian securities market, received statutory authority in 1992 to oversee and supervise the Indian securities markets. Accordingly the securities laws and regulations in India are continuously evolving, and the ability of SEBI to promulgate and enforce rules regulating market practices is uncertain.

India’s political, social and economic stability is commensurate with its developing status. Certain developments beyond the control of the Fund and the Investment Manager, such as the possibility of political changes, government regulation, social instability, diplomatic disputes, or other similar developments, could adversely affect the Fund’s investments.

India is a country comprised of diverse religious and ethnic groups. Whilst it has a well-developed and stable political system, ethnic issues and border disputes have, however, given rise to ongoing tension in the relations between India and Pakistan, particularly over the region of Kashmir. In addition, cross-border terrorism could weaken regional stability in South Asia, thereby hurting Investor sentiment. India derives a meaningful portion of its GDP from agriculture. As a result, severe monsoons or drought conditions could hurt India’s agricultural production and dampen momentum in some sectors of the Indian economy, which could adversely affect the Fund’s performance.

Risks of Indian Companies
The investment performance of the Fund may depend on the performance of the Indian companies. There can be no assurance that the Indian Companies will achieve profitable operations. The performance of the Indian Companies and the value of the Fund’s interests in the Indian Companies may be adversely affected by numerous factors, including, for example, (i) business, economic, and political conditions throughout India and the world; (ii) the supply of and demand for the goods and services produced, provided, or sold by Indian
Companies; (iii) changes and advances in technology that may, among other things, render goods and services sold by the Indian Companies obsolete; and (iv) actual and potential competition from other companies. Certain Indian 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.

Stock Market Volatility
Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole.

Companies with Smaller Market Capitalizations
The Fund may become exposed to companies with smaller market capitalizations, including companies generally considered to be small cap issuers and medium sized companies, may involve greater risks and volatility than investments in larger companies. Companies with smaller market capitalizations may be at an earlier stage of development, may be subject to greater business risks, may have limited product lines, limited financial resources and less depth in management than more established companies. In addition, these companies may have difficulty withstanding competition from larger more established companies in their industries. The securities of companies with smaller market capitalizations may be thinly traded (and therefore have to be sold at a discount from current market prices or sold in small lots over an extended period of time), may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than investing in securities of larger capitalization companies. In addition, transaction costs in smaller capitalization stocks may be higher than those of larger capitalization companies.

Reliance on India/ Mauritius Double Tax Avoidance Treaty
Investors should note that taxation of the income of the Fund arising from its investments in India is expected to be minimized under the provisions of the India/ Mauritius Double Tax Avoidance Treaty (the “Treaty”). No assurance can be given that the terms of the Treaty will not be subject to re-negotiation in the future and any change could have a material adverse effect on the returns of the Fund. There can be no assurance that the Treaty will continue and will be in full force and effect during the life of the Fund. Further, it is possible that Indian tax authorities may seek to take the position that the Fund is not entitled to the benefit of the Treaty.

Limitations on Investments
Under the existing FII regulations, if the Fund registers as a broad-based sub-account, it will only be allowed to invest up to 10 percent (to be read as 5 percent if it is registered as a foreign corporate sub-account) of the paid-up capital of an Indian company. Further, unless the Fund is registered as a debt fund, the maximum investment that the Fund can make in debt securities is limited to 30 percent of the aggregate of all its investments.

Multinational Litigation
Because of the multinational composition of the board of directors of the Fund, it may be difficult to join all appropriate parties to an action involving the Fund, and judgments may be difficult or impossible to enforce against all appropriate parties.

Investment and Repatriation Restrictions
Foreign investment in securities of Indian companies is restricted or controlled to varying degrees. These restrictions may at times limit or preclude foreign investment and increase the costs and expenses of the Fund. If the Fund registers as a broad-based sub-account of a FII registered with SEBI, investments by the Fund in Indian
companies will generally require the approval of the Reserve Bank of India or other governmental entities. In addition, such approval will generally be required to convert the proceeds from the sale of an investment from Indian Rupees to foreign currency and to repatriate such amounts. While in some instances such approvals are routinely granted, in others approval may be more difficult to obtain and may be granted only subject to certain conditions, if at all. The Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interest and dividends paid on securities held by the Fund and income on such securities or gains from the disposition of such securities may be subject to withholding taxes.

While Indian regulation of foreign investment has liberalized in recent years, there can be no assurance that more restrictive regulations will not be adopted in the future. The supporting regulatory framework, such as applicable tax codes and foreign exchange regulations, have not yet been specifically amended or clarified with regard to their application to foreign investors and investments in India held by foreigners. Therefore, these regulations and the underlying legislation may be amended, clarified, interpreted by judicial or administrative ruling or superseded in the future and such alterations may impact adversely the operation and performance of the Fund. Further, there can be no assurance that the Fund will be able to obtain all the approvals necessary to implement its investment program fully.

No Investment Advisor Registration
The Investment Manager is not registered with any regulatory body as an investment advisor. However, it will be subject to inspection by regulatory bodies.

No Separate Counsel
The Fund and the Investment Manager are represented by Nishith Desai Associates. No separate counsel has been retained by the Fund to represent it or any Shareholders.

Possible Regulatory Changes
The SEC and other regulators periodically review the private investment fund (“hedge fund”) industry and its relationship to the securities markets and investors. As a result of such a review, the SEC and such regulators could propose additional regulations that could affect the Fund and its operations.

Activities of Investment Manager
The Investment Manager will be required to exercise its best judgment in the management and operation of the Fund and to use its best efforts to carry out the purposes of the Fund. However, the Investment Manager will be required to devote to the Fund only such time as it deems necessary to conduct the business in an appropriate manner, and will not be required to spend its full time on the affairs of the Fund. The Investment Manager may manage other portfolios to which it would also devote time, which may use different investment strategies than those it applies to the Fund’s portfolio. The Investment Manager will not be obligated to make available to the Fund investment opportunities identified by such other strategies, and will not be liable or accountable to the Fund or the Shareholders for the profits of such other portfolios. Investment opportunities appropriate for more than one portfolio will be shared or otherwise allocated among portfolios.

Investors in the Fund should be aware that if the Investment Manager comes into possession of material inside information of an issuer in connection with one of the accounts it manages, it will be unable to trade securities issued by such issuer for all accounts under management until the information is made public.

Aggregation of Trades
The Investment Manager manages other portfolios and expects that the Fund and other portfolios it manages will, from time to time, purchase or sell the same securities. The Investment Manager may aggregate orders for
the purchase or sale of securities on behalf of the Fund with orders on behalf of other portfolios the Investment Manager manages. If less than the total of the aggregated orders is executed, purchased securities or proceeds will generally be allocated pro rata among the participating portfolios in proportion to their planned participation in the aggregated orders.

**New Investors**

The Fund may accept subscriptions from time to time from new investors. Investments of such subscription proceeds will dilute an existing Investor’s interest in current positions established by the Fund.

**Non Transferability of Shares; Limited Redemption Rights**

The governing documents of the Fund contain significant restrictions on the transferability of the Shares. Shares are not ordinarily transferable except with the prior written consent of the Fund. Any purported transfer or assignment without such prior written consent shall be null and void. The grant or denial of such consent will be in the Fund’s sole discretion. Shares held by Non-U.S. Persons may only be transferred in accordance with Regulation S of the Securities Act or in reliance on an exemption from registration under the 1933 Act. Shareholders will have the right to liquidate all or any part of their Shares by redeeming Shares only on a quarterly basis and after providing the required notice to the Fund subject to the prescribed Lock-Up Period.

**Tax Considerations**

Where the Fund invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund will not be able to recover such withheld tax and so any such change would have an adverse effect on the Net Asset Value of the Shares. Where the Fund sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the Fund.

**Exposure to Permanent Establishment**

While the Fund believes that the activities of the Fund, Investment Manager and the Indian Advisor described in this Private Placement Memorandum should not create a permanent establishment of the Fund or the Investment Manager in India, there may, however, be a risk that the Indian tax authorities claim that the these activities could result in a ‘permanent establishment’ of the Fund and/or the Investment Manager in India. If for any reason the activities are held to be a permanent establishment of the Fund and/or the Investment Manager in India, then the profits of the Fund or the Investment Manager to the extent attributable to the permanent establishment could be subject to tax in India. Further, the benefits available to the Fund under the India/ Mauritius Double Tax Avoidance Treaty, in regards to the capital gains tax exemption, may also not be available.
XVII. Taxation

The following is based on the Fund’s understanding of and advice received on certain aspects of the law and practice currently in force in Mauritius and India. There can be no guarantee that the tax position or proposed tax position at the date of this Private Placement Memorandum or at the time of an investment will endure indefinitely.

INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISORS ON THE POSSIBLE TAX AND OTHER CONSEQUENCES OF THEIR SUBSCRIBING FOR, PURCHASING, HOLDING, SELLING OR REDEMING THE SHARES UNDER THE LAWS OF THEIR COUNTRY OF INCORPORATION, ESTABLISHMENT, CITIZENSHIP, RESIDENCE OR DOMICILE.

The taxation of income and capital gains of the Fund and of the holders of Shares is subject to the fiscal law and practice of India and Mauritius and the jurisdictions in which holders of Shares are resident or otherwise subject to tax. The following summary of certain relevant tax provisions is subject to change, and does not constitute legal or tax advice. The Fund and its advisors accept no responsibility for any loss suffered by a holder of Shares as a result of current, or changes in, taxation law and practice.

Additionally, in view of the number of different jurisdictions where local laws may apply to holders of Shares, this Private Placement Memorandum does not discuss the local tax consequences to all potential investors arising from the acquisition, holding or disposition of Shares.

Prospective investors should consult their own professional advisors on the relevant taxation considerations applicable to the acquisition, holding and disposal of Shares and the receipt of distributions under the laws of the countries in which they are liable to taxation.

Mauritius

The Fund holds a Category 1 Global Business Licence for the purpose of the Financial Services Act and is liable to tax in Mauritius at the rate of 15% on its net income. However, the Fund will be entitled to a deemed tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritian tax on its foreign source income up to the maximum Mauritius tax liability.

The Fund is not subject to capital gains tax in Mauritius. No tax on capital gains will be payable in Mauritius on disposals (including redemptions) by the Fund of shares of any special purpose vehicles established in Mauritius or securities held directly. There is no withholding tax payable in Mauritius in respect of payments of dividends to Investors or in respect of redemption. However, the recipient may be subject to taxation in the jurisdiction in which he is resident or domiciled for tax purposes.

The Fund shall apply for and obtain a tax residence certificate from the Mauritius Revenue Authority upon providing certain undertakings. Such certificate, subject to renewal on an annual basis, shall be determinative of the tax resident status of the Fund in Mauritius provided that the undertakings are adhered to and it is continuously and clearly demonstrated that the Fund is centrally managed and controlled in Mauritius. On the basis of the foregoing, the Fund should be entitled to certain relief from Indian tax, subject to the continuance of the current terms of the Tax Treaty between India and Mauritius.

Investors should note that taxation of the income of the Fund arising from their investments in India is minimized under the provisions of Treaty. No assurance can be given that the terms of the Treaty will not be subject to re-negotiation in the future and any change could have a material adverse effect on the returns of the
Fund. There can be no assurance that the Treaty will continue and will be in full force and effect during the life of the Fund.

India
Please note that the tax implications in this section are based on the current provisions of the Indian tax laws, and the regulations 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 could have different tax implications.

General
No holder of Shares will be subject to taxation in India unless such Investor is a resident of India or being a non-resident, has an Indian source income or income received (whether accrued or otherwise) in India.

The taxation of the Fund in India is governed by the provisions of the Indian Income Tax Act, 1961 (the “ITA”), read with the provisions of the Treaty. As per Section 90(2) of the ITA, the provisions of the ITA would apply to the extent they are more beneficial than the provisions of the Treaty.

In order to claim the beneficial provisions of the Treaty, the Fund must be a tax resident of Mauritius. In light of Circular No. 789 dated April 13, 2000, issued by the Central Board of Direct Taxes, the Fund would be eligible for the benefits under the Treaty if it is incorporated in Mauritius and has been issued a Tax Residency Certificate by the Mauritius Income Tax Authorities. Thus, the Fund will seek a Mauritius tax residency certificate. Recently, the Supreme Court of India has upheld the validity of Circular 789 and accordingly, the Fund should be eligible for the benefits under the Treaty.

The Fund is expected to have income in the form of gains on sale of capital assets, income from dividends and income from interest. The tax consequences for the Fund on account of the application of the Treaty, read with the provisions of the ITA, and provided the Fund does not have a permanent establishment in India would be as follows:

(i) Capital gains resulting from the sale of Indian securities {including Foreign Currency Convertible Bonds (“FCCBs”) or Global Depositary Receipts (“GDRs”) or American Depositary Receipts (“ADRs”) issued by Indian companies will not be subject to tax in India;

(ii) Dividends on shares received from an Indian company on which dividend distribution tax has been paid is exempt from tax in the hands of the shareholders. However, the Indian company distributing dividends is subject to a distribution tax at the rate of 15%;

(iii) Interest income from loans made or debt securities held in India will be taxed at the rate of 20%. However, if such interest arises out of FCCBs held by the Company then such interest shall be taxed at the rate of 10%.

In the event that the benefits of the Treaty are not available to the Fund, or the Fund is held to have a permanent establishment in India, taxation of interest and dividend income of the Fund would be the same as described above. The taxation of capital gains would be as under:

(i) Capital gains from the sale of listed Indian securities held for twelve months or less will be taxed as short-term capital gains at the rate of 15%, provided the Securities Transaction Tax (“STT”) (as discussed below) has been paid;
(ii) Capital gains from the sale of listed Indian securities held for more than twelve months will be exempt from tax in India provided the STT has been paid. However, a Minimum Alternate Tax ("MAT") may be levied at the rate of 10% on such capital gains in the hands of the Fund;

(iii) Capital gains from the sale of listed Indian securities not executed on the stock exchange or unlisted securities held for twelve months or less will be taxed at the rate of 30% and those held for more than twelve months shall be taxed at the rate of 10%;

(iv) Capital gains arising from the transfer of FCCBs, GDRs or ADRs outside India between non-resident investors, will not be subject to tax in India;

(v) Capital gains realized on sale of shares acquired on redemption of GDRs or ADRs would be taxed at the rate of 10% for short-term gains. Gains from the disposal of shares acquired on redemption of GDRs or ADRs are treated as long-term if such shares are held for more than 12 months prior to disposal. Gains from the disposal of the shares acquired on redemption of GDRs or ADRs are treated as short-term, if such shares are held for 12 months or less prior to disposal.

Minimum Alternative Tax
In the event the benefits of the Treaty are not available to the Fund and the Fund is held to have a permanent establishment ("PE") in India, then the Fund may be subject to MAT. As per the ITA, if the tax payable by any Fund (including a foreign Fund) is less than 10% of its book profits, it will be required to pay MAT which will be deemed to be 10% of such book profits. Long-term capital gains on the sale of listed securities are included in the definition of “book profits” for the purposes of calculating MAT.

Securities Transaction Tax
The exemption for long term capital gains and the reduction of the rate on short term capital gains are applicable only if the sale or transfer of the equity shares takes place on a recognized stock exchange in India and the STT, is collected by the respective stock exchanges at the applicable rates on the transaction value.

The Fund will also be liable to pay STT in respect of dealings in Indian securities purchased or sold on the Indian stock exchanges. The applicable rates of STT are as under:

- 0.125% on purchase of equity shares in a company or units of equity oriented funds in a recognized stock exchange in India
- 0.125% on sale of equity shares in a company or units of equity oriented funds in a recognized stock exchange in India
- 0.025% on sale of equity shares in a company or units of equity oriented funds in a recognized stock exchange in India where the contract for sale is settled otherwise then by the actual delivery or transfer of share or unit
- 0.017% on sale of derivatives in a recognized stock exchange in India
- 0.25% on sale of units of an equity oriented fund to the Mutual Fund
XVIII. Legal and Regulatory Considerations

Please note that the following section is based on the current provisions of the laws in various jurisdictions, and the regulations 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 could have different implications.

Mauritius
Exchange Controls
There are currently no exchange control regulations in force in Mauritius.

Regulatory
As per the Companies Act 2001, an investment company is a company whose business consists of investing its funds mainly in securities with the aim of spreading investment risk, and giving its members the benefit of the results of the management of its funds. The Company qualifies as an investment company.

The Fund is authorised to operate as a Collective Investment Scheme under the Securities Act 2007 and carry on its business under a Category 1 Global Business Licence issued by the FSC and must conduct its business in accordance with the provisions of Financial Services Act, 2007, the Act and the conditions of its licence.

A Category 1 Global Business License is subject an annual fee payable to the Financial Services Commission. In case the annual license fee is paid after the due date relevant penalty will be chargeable by FSC.

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

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

Each applicant for shares acknowledges that the Registrar shall be held harmless against loss arising as a result of a failure to process an application for shares or redemption request if such information and documentation as requested by the Registrar has not been provided by the applicant.

India
Indian regulatory section relating to FII.
Investment by FIIs is regulated under SEBI (Foreign Institutional Investors) Regulations, 1995 (“FII Regulations”) and Foreign Exchange Management (Transfer or issue of security by a person resident outside
India Regulations, 2000. Under the FII Regulations, FIIs are permitted to invest only in the following:

- securities in the primary and secondary markets including shares, debentures and warrants of companies unlisted, listed or to be listed on a recognized stock exchange in India
- units of schemes floated by domestic mutual funds including Unit Trust of India, whether listed on a recognized stock exchange in India or not
- dated Government securities
- derivatives traded on a recognized stock exchange
- commercial paper
- security receipts of asset reconstruction companies

FIIs are also permitted to invest on behalf of their sub-accounts. In such cases, the sub-account would be required to register as a sub-account of the FII. The Fund is registered as a broad-based sub-account. Under the FII Regulations, a broad-based sub-account is required to have at least 20 investors none of them holding more than 49% of the shares of the Fund.

Further, FIIs are allowed to engage in delivery based trading and short selling including execution of trades involving derivatives on a recognized stock exchange. FIIs are allowed to tender their shares in case of an open offer following the takeover bid by an acquirer. FIIs are also permitted to take forward cover on their equity and debt exposure to mitigate against currency fluctuations.

Non-resident Indians (“NRIs”) should consult the Investment Manager prior to making an Investment in the Fund.

Further, FIIs which have issued derivative instruments based on underlying Indian securities such as participatory notes and any other equivalent instrument are required to make a monthly disclosure to the SEBI as regards the details of the instrument as well as the ultimate investor in such instruments.

A. Ownership Restrictions
The ownership restrictions applicable to FIIs are as follows:

The aggregate FII holding in any Indian company cannot exceed twenty-four percent (24%) of the entire paid-up equity capital of that company which limit can be further extended to the applicable foreign investment limit in a specific sector if the shareholders of a company pass a special resolution to that effect.

No single FII or its sub-accounts (provided such sub-account is broad based) can hold more than ten percent (10%) of the total paid-up equity capital of an Indian company. Further, in case of foreign corporations or individuals, each sub-account cannot invest more than five percent (5%) of the total paid-up equity capital of an Indian company.

Unless a FII is registered as a debt fund, the total investment in equity and equity-related instruments should not be less than seventy percent (70%) of the aggregate of all its investments. A FII registered as a debt fund can invest its entire capital in debt securities. Investments by FII’s in debt oriented mutual fund schemes shall be reckoned as investments in corporate debt.

B. Participatory Notes and Derivative Instruments
As per SEBI disclosure norms governing issuance of offshore derivative instruments (including participatory notes or such other derivative instruments whose value is directly linked to underlying Indian securities) by any
FII, an FII is required to disclose to SEBI on a monthly basis in a prescribed format details of such instruments which include the names and the locations of persons to whom the offshore derivative instruments are issued; the nature and type of investors; the quantity and value of the offshore derivative instruments; and the underlying Indian securities. Information for each month has to be submitted within seven days following the end of the calendar month. In light of the above, if any FII or its clients issue any offshore derivative instrument, the details of such investors will have to be disclosed by the FII and accordingly will be required to file such disclosure with SEBI. FIIIs are allowed to issue participatory notes and offshore derivative instruments to those entities that are regulated by an appropriate regulatory authority in the countries of their incorporation or establishment. Further, FIIIs and their sub-accounts are not allowed to issue/ renew offshore derivative instruments with underlying derivatives with immediate effect from October 25, 2007. SEBI has also prohibited the issuance of participatory notes by sub-accounts of FIIIs. FIIIs and their sub-accounts are required to wind up their current positions of offshore derivative instruments with underlying derivatives within a period of 18 months from October 25, 2007. FII currently issuing offshore derivative instruments with the notional value of the offshore derivative instruments outstanding (excluding derivatives) as a percentage of their Asset under Custody (“AUC”) of less than 40% shall be allowed to issue offshore derivatives instruments to the extent of 5% of their AUC in India in any given period of twelve months, provided that, the value of such offshore derivative instruments issued subsequently shall not exceed 40% of the AUC. FIIs with notional value of offshore derivative instruments outstanding (excluding derivatives) as a percentage of their AUC exceeding 40% shall only be allowed to issue offshore derivative instruments against cancellation/ redemption/ closing out of existing offshore derivative instruments of at least the equivalent amount. SEBI has also clarified that the date decided for calculation of the AUC in India shall be September 30, 2007. FIIs are also not permitted to issue, subscribe for or purchase any offshore derivative instruments, directly or indirectly, to or from, Indian residents or NRIs. FIIs that do not have any outstanding offshore derivatives are not required to make the aforesaid filing.

**SEBI Regulations on Initial Public Offerings**

In the event the portfolio companies in which the Fund has invested, make an initial public offering (“IPO”) or if the Fund exits from its investment through an IPO, SEBI’s Disclosure and Investor Protection Guidelines, 2000 (the “DIP Guidelines”) could have a significant impact on the ability of Company as an investor in such company or on its exit strategy.

**SEBI Takeover Regulations**

The provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (“Takeover Code”) may apply to the Fund. Under the provisions of the Takeover Code, any acquirer who acquires more than 5%, 10%, 14%, 54% or 74% of the shares or voting rights of an Indian listed company is required to notify the company and the stock exchanges on which the shares of such company are listed about its holding. Furthermore, the acquirer is required to inform the company and the stock exchange about any change in its holding beyond 2% of the paid-up capital of such company.

**Exchange Controls**

The Fund has been authorised by the RBI to open a foreign currency denominated account and a special non-resident rupee account in India. This authorization is valid for a period of three years after which it can be renewed.

Income, net of withholding tax, if any, may be credited to the special non-resident rupee account. Transfers from the special non-resident rupee account to the foreign currency denominated account are permitted, subject to payment of taxes wherever applicable and obtaining of appropriate tax clearance certification. Transfers of sums between the foreign currency denominated account and the special non-resident rupee account must be made at the market rates of exchange. Currency held in the foreign currency denominated account may be freely remitted outside India.
Anti-Money Laundering

The Prevention of Money Laundering Act, 2005 (the “PMLA”), which came into force on July 1, 2005, embodies India’s legislative commitment to the elimination and prevention of money laundering. The main objects of PMLA are (i) the prevention and control of activities concerning money laundering and (ii) the confiscation of property derived or involved in money laundering.

Under the PMLA, a person is guilty of an offence of “money laundering” if that person “directly or indirectly attempts or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property”. The term “proceeds of crime” has been defined under the PMLA to mean property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to an offence listed in the schedule to the PMLA.

Pursuant to the coming into force of the PMLA and the Rules enacted thereunder, a FII is required to maintain a record of all transactions having value of more than INR 1 million. A FII is also required to appoint a principal officer who is obligated to report suspicious transactions and cash transactions above INR 1 million to the Director of the Financial Intelligence Unit set up by the Ministry of Finance. Further, in terms of the relevant Rules, FIIs are required to formulate and put in place an anti-money laundering policy based on the Guidelines issued by SEBI in this regard. Accordingly, the Company may furnish such information to SEBI or RBI as may be necessary for it to fulfill its obligations under the PMLA and its rules, including provision of any information as may be sought by the Financial Intelligence Unit. By subscribing to the Fund, the investors consent to the disclosure by the Company and/or the Administrator and/or the Investment Manager of any information about them, to the Financial Intelligence Unit and regulators in India including SEBI and RBI, upon request, in connection with money laundering and similar matters under PMLA.
XIX. General and Statutory Information

The information in this section includes a summary of some of the provisions of the Subscription Agreement of the Fund and the Constitution of the Fund and Material Documents described below and is provided subject to the general provisions of each of such documents.

1. The Fund
The Fund was incorporated as a public company with limited liability in Mauritius on 20 June 2008 under the Mauritius Companies Act, 2001. The Fund is registered as a collective investment scheme in Mauritius under the Securities Act 2005 and holds a Category 1 Global Business Licence for the purposes of the Financial Services Development Act, 2001. It is regulated by the FSC in Mauritius.

2. Share Capital of the Fund
The stated capital of the Fund shall comprise all amounts received by the Fund or due and payable to the Fund in respect of the Shares issued by the Fund. The shares of the Fund shall consist of Class A Shares having USD 100 par value, Class B Shares having USD 0.01 par value and Management shares of USD 1, each having the rights and being subject to the restrictions set out in the Constitution, and such further classes of shares as the Board may determine with such preferred or deferred qualified or other special rights or restrictions whether in regard to voting, dividend, return of capital or otherwise.

3. Rights of the Shares
Each Class A Share shall, subject to this Memorandum and applicable Law, have attached to it the following rights and obligations as set out in the Constitution including without limitation:

(i) no right to receive notice of and to attend Shareholder Meetings generally except for class meetings of the Class A Shares or of the applicable Class of Class A Shares, as provided under the Act but no right to vote on any matters to be considered by the Shareholders generally; provided that each Class A Share shall have the right to vote on any matter to be considered by the holders of the Class A Shares or any Class of Class A Shares as required by the Act or as set forth in the Constitution or Private Placement Memorandum;
(ii) right to receive Distributions in accordance with this Memorandum and the Constitution;
(iii) on a winding up, the right to share in the assets of the Fund available for distribution in accordance with the Constitution;
(iv) rights to proceeds on a redemption set out under the Constitution.

4. Change in Share Capital
Subject to the provisions of the law, the Fund may by Special Resolution from time to time reduce its stated capital in any way, and in particular, without prejudice to the generality of the foregoing power, may

(i) extinguish or reduce the liability on any of its Management Shares or Class A Shares or Class B Shares in respect of share capital not paid up; or
(ii) with or without extinguishing or reducing liability on any of its Management Shares or Class A Shares or Class B Shares:
   (a) cancel any paid-up capital which is in excess of the requirements of the Fund, and may, if and so far as is necessary, alter its Constitution by reducing the amount of its share capital and of its Management Shares or Class A Shares or Class B Shares accordingly
   (b) pay off any paid-up capital which is in excess of the requirements of the Fund, and may, if and so far as is necessary, alter its Constitution by reducing the amount of its share capital and of its Management Shares or Class A Shares or Class B Shares accordingly.
The Mayur Hedge Fund

The Fund may by Ordinary Resolution from time to time reduce and/or consolidate and/or divide its stated capital by:

(i) consolidating and dividing all or any of its stated capital into shares of larger amount than its existing shares;
(ii) sub-dividing its Management Shares or Class A Shares or Class B Shares, or any of them, into shares of smaller amount than that fixed by its Constitution but so that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
(iii) cancelling any Management Shares or Class A Shares or Class B Shares which, at the date of the passing of the Special Resolution in that behalf have not been taken, or granted to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

5. Transfer of Shares
Subject to the restrictions set out in this section, under “Compulsory Redemption” in paragraph 8 below and under “Subscriptions” on page 40, Shares are transferable by written instrument of transfer signed by (or in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferrer and containing the name and address of the transferrer and the transferee subject to the approval of the Board. The instrument of transfer shall be in such form as the Board of the Fund or the Investment Manager approve.

In the case of the death of any one of joint Shareholders, the survivor(s) will be the only person or persons recognized by the Fund as having any title to the interest of the deceased joint Shareholder in the Shares registered in the names of such joint Shareholders.

Shareholders wishing to transfer Shares must sign the transfer in the exact name or names in which the Shares are registered, indicate any special capacity in which they are signing and supply all other required details. The completed form of transfer, duly stamped if applicable, together with such other evidence as the Board of the Fund or the Investment Manager may reasonably require to show the right of the transferrer to make the transfer, must be sent to the Administrator. The transfer shall take effect upon the registration of the transferee in the register of Shareholders. If the transferee is not already a Shareholder, he will be required to complete an Application Form.

No transfer may be made which would result in either the transferrer or the transferee remaining or being registered (as the case may be) as the holder of less than the Minimum Holding of the relevant Class at the time of such intended transfer.

The Board of the Fund or the Investment Manager may suspend the registration of transfers for not more than a total of 30 (thirty) days in any year.

For the purposes of the calculation of the Performance Profit Allocation a transfer of Shares will be treated as if there was a redemption of such Shares by the transferrer and a subscription (at the most recent Subscription Price) for such Shares by the transferee on the date of the transfer.

6. Temporary suspension of Net Asset Value calculations and of issues and redemptions of Shares
The Board of the Fund or the Investment Manager may declare a temporary suspension of the determination on any Valuation Day of the Net Asset Value of the Fund (and hence the Net Asset Value per series of Class A Share) during:
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(A) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Fund’s investments, or when trading thereon is restricted or suspended;

(B) any period when any emergency exists as a result of which disposal by the Fund of investments which constitute a substantial portion of its assets is not practically feasible;

(C) any period when for any reason the prices of a material portion of the investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Fund, as the case may be;

(D) any period when remittance of monies which will, or may be, involved in the realization of, or in the payment for, investments of the Fund cannot, in the opinion of the Board of the Fund or the Investment Manager, be carried out at normal rates of exchange;

(E) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from the Fund’s account.

No Shares will be issued, redeemed or exchanged on any Dealing Day when the determination of the Net Asset Value is suspended. In such a case, a Shareholder may withdraw his Share application, redemption request or exchange request, provided that a withdrawal notice is actually received by the Administrator before the suspension is terminated. Unless withdrawn, Share applications, redemption requests and exchange requests will be acted upon on the first Dealing Day after the suspension is lifted at the Subscription Price or Redemption Price (as the case may be) prevailing on that Dealing Day.

Notice of the suspension and its termination will be given to all persons who have applied for or requested redemption of Shares. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

7. Publication of Prices
The Board of the Fund or the Investment Manager may apply to newspapers or periodicals for publication of the Net Asset Value per Share at their discretion. The most recent Net Asset Value per Share will be available from the Administrator on request and will be notified without delay.

8. Compulsory Redemption
Holders of Shares are required to notify the Administrator immediately if at any time they cease to be Eligible Investors or become US Persons or hold Shares for the account or benefit of US Persons or are otherwise Ineligible Applicants.

When the Board of the Fund or the Investment Manager become aware that a Shareholder (A) has ceased to be an Eligible Investor or has become an Ineligible Applicant; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders including, but not limited to, situations in which (i) 25 percent or more of the Shares of any Class are owned by Benefit Plans, (ii) more than 60 percent of the Shares are owned in aggregate by Non-Resident Indians, Persons of Indian Origin and Overseas Corporate Bodies, or (iii) a shareholding will result in the Fund being in direct or indirect violation of the SEBI (FII) Regulations 1995 (as and when may be applicable) or the securities laws of India; or (C) has failed to provide any information or declaration required by the Board of the Fund or the Investment Manager within ten days of being requested to do so, the Board of the Fund or the Investment Manager may either (i) direct such Shareholder to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares or (in the circumstances referred to in (B) above) part thereof.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and
who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless each of the Board of the Fund or the Investment Manager, the Fund, the Administrator, the Investment Manager, the Investment Advisor and the Shareholders (each an “Indemnified Party”) from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

Shares will also be redeemed by the Fund to give effect to Performance Profit Allocation Redemptions as described under Section titled “Fees and Expenses”.

The Subscription Agreement permits the Board of the Fund or the Investment Manager to redeem Shares where during a period of six years no cheque in respect of any dividend on the Shares has been cashed and no acknowledgement has been received in respect of any confirmation of ownership of the Share sent to the Shareholder and require the redemption proceeds to be held in a separate interest-bearing account. The Subscription Agreement also provides that any unclaimed dividends may be forfeited after six years and, on forfeiture, form part of the assets of the Fund.

The Board may compulsorily redeem Shares under certain circumstances including situations where Shares held by certain Persons could create regulatory or tax concerns for the Fund and other Shareholders.

9. Directors’ Interests
The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Fund and the Shares are set out below:

(A) There are no existing or proposed service agreements between the Fund and any of the Directors (save and except for the case of the resident directors who are the employees of the Administrator of the Fund).

(B) No shareholding qualification for Directors is required under Mauritius law in respect of the Fund. The Directors or companies of which they are officers or employees, including the Investment Manager, may, however, subscribe for Shares in the Fund. Their applications will rank pari passu with all other applications.

(C) Save as disclosed herein, no Director has any interest, direct or indirect, in the promotion of or in any assets which are proposed to be acquired, disposed of by or leased to the Fund and no Director has a material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has any Director had such an interest since the Fund was incorporated. As at the date of this Private Placement Memorandum, save as described herein, none of the Directors, nor any connected person, has an interest (direct or indirect) in the Shares of the Fund. However, the Directors and any of their connected persons may in future invest (directly or indirectly) in the Shares of the Fund.

10. Directors’ Remuneration
The Constitution of the Fund provide that the remuneration of the Directors in respect of services rendered or to be rendered to the Fund shall be determined by a resolution of the Directors. The Directors are currently each entitled to a fee of USD 1,500 per annum. Mrs. Al-Ghunaim and Mr. Al-Sumait have waived their entitlement to receive a fee. The total fees payable to the Directors for the financial year ending 31 December 2008 will be approximately USD 2,250. The Directors may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or in connection with the business of the Fund.
11. Transactions with Directors

(A) No agreement or transaction between the Fund and one or more of its Directors or any person in which any Director has a financial interest or to whom any Director is related, including as a director of that other person, is void or voidable for that reason only or by reason only that the Director is present at the meeting of Directors or at the meeting of the committee of Directors that approves the agreement or transaction, or that the vote or consent of that Director is counted for that purpose, provided that the material facts of the interest of each relevant Director in the agreement or transaction, and his interest in or relationship to any other party to the agreement or transaction, are disclosed in good faith to or known by the other Directors.

(B) A Director who has an interest in any particular business to be considered at a meeting of the Directors or Shareholders may be counted for the purpose of determining whether the meeting is duly constituted.

12. Retirement of Directors

Subject to the Act, Directors shall deem to have retired on their attaining 70 years old and the Constitution of the Fund do not provide for retirement of Directors by rotation.

13. Borrowing

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

The Directors are authorised under the Constitution of the Fund to exercise all powers of the Fund, as the case may be, to borrow money. The Fund will utilise borrowings as part of, and consistent with, its investment approach.

14. Meetings

The annual general meetings of the Fund will usually be held in Mauritius. Notices convening each annual general meeting will be sent to Shareholders at least 21 (twenty one) days before such meeting.

The Directors may also convene special general meetings of the Fund at such time and in such manner and place as the Directors consider necessary or desirable, and they shall convene such a meeting upon the written request of Shareholders holding 10 percent or more of the issued Shares. At least thirty days’ notice specifying the place, day and time of the meeting and the general nature of the business to be transacted shall be given. No business shall be transacted at any meeting of Shareholders unless a quorum is present. A quorum shall (if the Fund has more than one Shareholder) consist of at least two Shareholders present in person or by proxy holding not less than 10 percent of the issued and outstanding Shares of the Fund entitled to vote at such meeting. If within 30 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the request of the Shareholders, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week. If at such adjourned meeting a quorum is not present within thirty minutes from the time appointed for the meeting, the Shareholders present shall be a quorum.

All Shares carry voting rights as specified in paragraph 4 above. The votes of any joint Shareholders must be unanimous if more than one wishes to vote. Otherwise, the vote of the person first named in the register of Shareholders shall be accepted as the vote of the joint Shareholders, to the exclusion of the votes of the other joint holders. Votes may be cast in person or by proxy.
15. Indemnity
Subject to whatever is stated in the Act, the Directors and other officers of the Fund are entitled to be indemnified by the Fund against all expenses (including legal fees), losses or liabilities which they sustain or incur in or about the execution of their duties, provided that such Director or other officer acted honestly and in good faith with a view to the best interests of the Fund and had no reasonable cause to believe that his conduct was unlawful. The determination of the Directors in this respect is, in the absence of fraud, conclusive unless a question of law is involved.

The Directors and other officers of the Investment Manager are entitled to be indemnified by the Fund on the same basis.

16. Material Documents
The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and/or the Fund, as the case may be, prior to the date of this Private Placement Memorandum and are, or may be, material:

(A) An Investment Management Agreement between (1) the Fund and (2) the Investment Manager whereby the Fund has appointed the Investment Manager, subject to the control of and review by the Directors, to manage the investments of the Fund. The Investment Management Agreement will continue in force until terminated by any party on 90 (ninety) days’ notice in writing to the other parties. It may be terminated forthwith by any party on immediate written notice if another party commits any material breach of its obligations and fails to remedy the breach within 30 days of receipt of written notice requiring the same. The Investment Manager will not be liable for any loss suffered by the Fund in connection with the performance or non-performance by it of its obligations and duties under the Investment Management Agreement in the absence of fraud, wilful default or gross negligence on the part of the Investment Manager. Each Fund has agreed to indemnify the Investment Manager against all liabilities incurred by it in the performance of its obligations and duties under the Investment Management Agreement other than liabilities arising out of the fraud, wilful default or gross negligence on the part of the Investment Manager in the performance or non-performance of its obligations and duties.

(B) An Investment Advisory Agreement between (1) the Investment Manager and (2) the Investment Advisor whereby the Investment Manager has appointed the Investment Advisor, to providing investment Advisory services in connection with investments of the Fund in the Indian securities. The Investment Advisory Agreement will continue in force until terminated by any party on 30 (thirty) days’ notice in writing to the other parties. The Investment Advisor will not be liable for any loss suffered by the Fund in connection with the performance or non-performance by it of its obligations and duties under the Investment Advisory Agreement in the absence of fraud, wilful default or gross negligence on the part of the Investment Advisory. The Investment Manager has agreed to indemnify the Investment Advisor against all liabilities incurred by it in the performance of its obligations and duties under the Investment Advisory Agreement other than liabilities arising out of the fraud, wilful default or gross negligence on the part of the Investment Advisor in the performance or non-performance of its obligations and duties.

(C) An Administration Agreement (1) the Fund and (2) the Mauritian Administrator and Secretary whereby the Fund was appointed to provide registration and secretarial services, administer the Fund’s taxation affairs in Mauritius, maintain the necessary books and records for the Fund, generally act as registrar and secretary. Either party may terminate the Mauritius Administration Agreement by giving not less than 90 (ninety) days’ notice to the other party or at any time if either party: (i) goes into liquidation or is unable to pay its debts or commits any act of bankruptcy under the law of Mauritius or if a receiver is
appointed; (ii) commits a material breach of its obligations and fails within 30 (thirty) days of receipt of notice from the other party to make good such breach; or (iii) the Mauritian Administrator and Secretary ceases to be permitted to act under Mauritian law. The Mauritian Administrator and Secretary may also terminate the Mauritian Administration Agreement at any time if the Fund fails to pay fees and expenses of the Mauritian Administrator and Secretary. The Mauritian Administration Agreement provides that in the absence of negligence, fraud, bad faith or wilful default, the Mauritian Administrator and Secretary will not be liable to the Fund for any loss suffered by the Fund in connection with the Mauritian Administration Agreement and the Fund agrees to indemnify the Mauritian Administrator and Secretary against all proceedings, claims, reasonable costs and expenses which may be brought against or suffered by the Mauritian Administrator and Secretary other than due to negligence, fraud or wilful default on the part of the Mauritian Administrator and Secretary.

(D) A Custody Agreement between (1) the Fund and (2) the Custodian.


17. Winding up
The Fund may voluntarily commence to wind up and dissolve by a Special Resolution of the Shareholders.

18. Documents available for inspection
For a period of not less than 14 (fourteen) days from the date of this Private Placement Memorandum or for the duration of the Offer Period, if longer, copies of the following documents may be inspected free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Administrator, at the registered office Fund:

(A) The Constitution of the Fund
(B) the agreements referred to under “Material Documents” above
(C) the Companies Act, 2001 of Mauritius

19. Miscellaneous
(A) The Fund was incorporated on 20 June, 2008 and the Investment Manager was incorporated on 20 June, 2008. Since the date of incorporation, Fund has not commenced trading nor paid or declared a dividend, nor drawn up any accounts.
(B) Save as disclosed herein, no commissions are payable and no discounts, brokerages or other special terms have been granted by the Fund in connection with the issue of the Shares.
(C) Save as disclosed herein, no amount or benefit has been paid or given, or is intended to be paid or given to any promoter.
(D) No share or loan capital of the Fund is under option or has been agreed conditionally or unconditionally to be put under option or has been issued or is proposed to be issued for a consideration other than cash.
(E) Fund is or has been since its incorporation, engaged in any litigation or arbitration and the Directors are not aware of any litigation or arbitration or claims pending or threatened against the Fund.
(G) The Fund has no subsidiaries and no employees, and the Investment Manager has no subsidiaries and has no employees.