

THIS SUPPLEMENT OF CLASS A OF NJ GLOBAL OPPORTUNITIES FUND, A PUBLIC LIMITED COMPANY INCORPORATED UNDER THE LAWS OF THE REPUBLIC OF MAURITIUS, AND ITS SHARES EXCLUSIVELY FOR THE PERSONS TO WHOM IT IS ADDRESSED. IT IS CONFIDENTIAL AND SHALL NOT BE COPIED, DISCLOSED, REPRODUCED OR DISTRIBUTED BY ANY OTHER PERSONS EXCEPT THOSE AUTHORISED BY THE BOARD OF DIRECTORS.

NJ GLOBAL OPPORTUNITIES FUND

A PUBLIC COMPANY WITH LIMITED LIABILITY INCORPORATED AS AN OPEN ENDED MULTI CLASS PUBLIC FUND UNDER THE LAWS OF THE REPUBLIC OF MAURITIUS

SUPPLEMENT TO THE PROSPECTUS

**RELATING TO A PUBLIC OFFERING OF NON-VOTING REDEEMABLE
PARTICIPATING SHARES OF US\$ 1 OF CLASS A EACH AT AN OFFER PRICE OF
US\$ 10 PER SHARE**

21 September 2017

SUPPLEMENT NO:

SUPPLIED TO:

IMPORTANT NOTICE

THE FUND IS OFFERING FOR SUBSCRIPTION NON-VOTING REDEEMABLE PARTICIPATING SHARES OF PAR VALUE US\$ 1. SUCH PARTICIPATING SHARES WHEN ISSUED WILL BE EITHER FULLY PAID OR PAID IN INSTALMENTS. FRACTIONAL SHARES ARE PERMITTED AND ALL SHARE COMPUTATIONS WILL BE TO THREE DECIMAL PLACES. PARTICIPATING SHARES WILL BE ISSUED IN DIFFERENT CLASSES OF SHARES AND WILL REPRESENT SEGREGATED PORTFOLIO OF ASSETS. THE FUND HAS ESTABLISHED AND PLACED ON OFFER THROUGH ITS PROSPECTUS, CLASS A SHARES HAVING SUCH RIGHTS AND QUALIFICATIONS AS DETAILED IN THE CONSTITUTION AND THE PROSPECTUS.

THE CLASS A SHARES MAY IN TURN BE DIVIDED INTO MULTIPLE SERIES BY CERTAIN SHAREHOLDERS AS A RESULT OF THE PURCHASE OF CLASS A SHARES BY SUCH SHAREHOLDERS AT DIFFERENT TIMES DURING THE YEAR.

THIS SUPPLEMENT (INCLUDING ANY AMENDMENTS THERETO FROM TIME TO TIME) HAS BEEN PREPARED FOR RETAIL AND INSTITUTIONAL INVESTORS IN ACCORDANCE WITH THE LAWS OF MAURITIUS. THIS SUPPLEMENT CONTAINS ONLY THE PARTICULARS OF PARTICIPATING SHARE CLASS A (THE "**CLASS A**") OF NJ GLOBAL OPPORTUNITES FUND AND MUST BE READ IN THE CONJUNCTION WITH THE PROSPECTUS. THE INVESTORS MAY SUBSCRIBE CLASS A OF NJ GLOBAL OPPORTUNITES FUND ("**FUND**"), BY PURCHASING ITS NON-VOTING REDEEMABLE PARTICIPATING SHARES OF PAR VALUE US\$ 1 EACH (THE "**PARTICIPATING SHARES**"). CLASS A SHARE CLASS SHALL BE MANAGED BY NJ GLOBAL ASSET MANAGEMENT LIMITED (THE "**CIS MANAGER**"), A COMPANY INCORPORATED AND EXISTING UNDER THE LAWS OF THE REPUBLIC OF MAURITIUS.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY STATEMENT OR ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION CONCERNING THE CLASS OTHER THAN AS SET FORTH IN THIS SUPPLEMENT, AND ANY STATEMENT OR ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT SET FORTH HEREIN MUST NOT BE RELIED UPON UNLESS IT IS SPECIFICALLY AUTHORIZED BY THE FUND OR CIS MANAGER AND INCORPORATED INTO THE PROSPECTUS AND THIS SUPPLEMENT BY MEANS OF A WRITTEN SUPPLEMENT THERETO. IF ISSUED, GIVEN OR MADE, SUCH STATEMENT OR ADVERTISEMENT OR INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE FUND, ITS DIRECTORS, ITS CIS MANAGER OR ANY OTHER PERSON.

THIS SUPPLEMENT IS INTENDED FOR THE EXCLUSIVE USE OF THE PERSON TO WHOM IT HAS BEEN FURNISHED BY THE FUND OR CIS MANAGER OR ITS AUTHORIZED AGENT SOLELY FOR HIS OR HER CONSIDERATION TO THE CLASS A. THE RECIPIENT, BY ACCEPTING DELIVERY OF THIS SUPPLEMENT, AGREES NOT TO REPRODUCE OR REDISTRIBUTE THE SAME (IN WHOLE OR IN PART), NOR TO OTHERWISE DIVULGE ITS CONTENTS TO ANY PERSON OTHER THAN A LEGAL, BUSINESS, INVESTMENT OR TAX ADVISOR WHOSE ADVICE IS REQUIRED TO BE SOUGHT IN RESPECT OF THE RECIPIENT'S POSSIBLE ACQUISITION OF THE CLASS A IN THE FUND.

THE DESCRIPTION OF THE CONSTITUTION OF THE FUND AND OF THE OTHER AGREEMENTS MENTIONED THEREIN DOES NOT PURPORT TO BE A COMPLETE STATEMENT THEREOF AND IS QUALIFIED BY AND SUBJECT TO THE DETAILED PROVISIONS OF SUCH DOCUMENTS. PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THE PROSPECTUS AND THIS SUPPLEMENT AS LEGAL, TAXATION OR FINANCIAL ADVICE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT THEIR OWN PROFESSIONAL ADVISORS CONCERNING THE ACQUISITION, HOLDING OR DISPOSAL OF THE CLASS A IN THE FUND. POTENTIAL INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS WITHIN THEIR OWN COUNTRIES FOR THE PURPOSE OF INVESTING IN THE CLASS A AND TO ANY TAXATION OR EXCHANGE CONTROL LAWS AFFECTING THEM PERSONALLY, INCLUDING RESTRICTIONS REGARDING THE OFFER AND SALE OF CLASS A AND CIRCULATION OF THE PROSPECTUS AND THIS SUPPLEMENT.

IT SHOULD BE BORNE IN MIND THAT THERE IS NO GUARANTEE THAT THE OBJECTIVES OF THE CLASS A WILL BE ACHIEVED AND THAT THERE IS NO ASSURANCE THAT THE CLASS A WILL BE PROFITABLE. THE VALUE OF THE CLASS A MAY FALL AS WELL AS RISE. THE PURCHASE OF CLASS A IN THE FUND IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE SPECIAL RISK INHERENT IN INVESTING IN THE PARTICIPATING SHARE CLASS A FOR ANY PROSPECTIVE INVESTOR TO EXAMINE AND EVALUATE WITH GREAT CARE THE CIRCUMSTANCES RELEVANT TO HIS/HER DECISION TO ACQUIRE THE

PARTICIPATING SHARES. IN CERTAIN CIRCUMSTANCES, THE RIGHT OF A HOLDER OF THE CLASS A TO REDEEM HIS SHARES MAY BE SUSPENDED AS MOREFULLY SET OUT IN THE PROSPECTUS.

THE PROSPECTUS AND THIS SUPPLEMENT CONSTITUTES AN OFFERING TO THE PUBLIC TO SUBSCRIBE FOR OR PURCHASE OF SHARES IN THE FUND. HOWEVER, THIS SUPPLEMENT DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSE OF AN OFFER OR SOLICITATION (I) IN ANY JURISDICTIONS WHERE SUCH OFFER OR SOLICITATION IS NOT AUTHORISED, OR; (II) TO ANY PERSON WITHIN ANY PARTICULAR JURISDICTION, WHERE SUCH JURISDICTION DOES NOT PERMIT SUCH AN OFFER OR SOLICITATION TO BE MADE TO SUCH PERSON. THE DISTRIBUTION OF THIS SUPPLEMENT AND THE OFFERING OF CLASS A IN CERTAIN JURISDICTION IS RESTRICTED. PERSONS INTO WHOSE POSSESSION THE PROSPECTUS AND THIS SUPPLEMENT COME ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO (A) THE LEGAL REQUIREMENTS/ RESTRICTIONS WITHIN THEIR OWN JURISDICTIONS PERTAINING TO THE SUBSCRIPTION, HOLDING, DISPOSAL OR SALE OF THE CLASS A, (B) ANY FOREIGN EXCHANGE RESTRICTIONS WHICH MAY AFFECT SUCH PROSPECTIVE INVESTORS, AND; (C) THE INCOME AND OTHER TAX CONSEQUENCES WHICH MAY APPLY IN THEIR OWN JURISDICTIONS RELEVANT TO THE PURCHASE, HOLDING, SALE OR DISPOSAL OF CLASS A.

NO SHARES IN THE CLASS A WILL BE OFFERED TO/SUBSCRIBED BY INDIAN RESIDENTS WHICH WILL BE FINANCED BY FUNDS DERIVED FROM SOURCES WITHIN INDIA UNLESS APPROPRIATE WRITTEN APPROVAL FROM THE RELEVANT INDIAN AUTHORITIES HAVE BEEN OBTAINED FOR SUCH INVESTMENT. THE FUND WILL NOT ACCEPT FUNDS DERIVED FROM SOURCES WITHIN INDIA FROM INDIAN RESIDENTS FOR INVESTMENT PURPOSES IN THE CLASS A, UNLESS APPROPRIATE WRITTEN APPROVAL FROM THE RELEVANT INDIAN AUTHORITIES HAS BEEN OBTAINED FOR SUCH INVESTMENT.

THE FUND HAS OBTAINED A CATEGORY 1 GLOBAL BUSINESS LICENCE BY THE FINANCIAL SERVICES COMMISSION OF MAURITIUS ("**FSC**") AND IS AUTHORISED UNDER SECTION 97 OF THE MAURITIUS SECURITIES ACT 2005 ("**SECURITIES ACT**") TO OPERATE AS A COLLECTIVE INVESTMENT SCHEME. THE FUND HAS FURTHER BEEN CATEGORISED AS A "GLOBAL SCHEME" AS DEFINED UNDER THE SECURITIES (COLLECTIVE INVESTMENT SCHEMES AND CLOSED-END FUNDS) REGULATIONS 2008 ("**CIS REGULATIONS**"). IT MUST BE DISTINCTLY UNDERSTOOD THAT, IN GIVING THIS LICENCE, THE FSC DOES NOT VOUCH FOR THE FINANCIAL SOUNDNESS OF THE FUND OR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION EXPRESSED WITH REGARD TO THE FUND IN THIS PROSPECTUS.

THIS FUND IS BEING OFFERED TO THE PUBLIC AND CONSTITUTES OFFER TO THE PUBLIC IN MAURITIUS. THE FUND IS REGISTERED AS A REPORTING ISSUER PURSUANT TO PART VI OF THE SECURITIES ACT AS IT HAS MADE AN OFFER OF SECURITIES BY WAY OF A PROSPECTUS. THE PROSPECTUS AND THIS SUPPLEMENT CONSTITUTES AN OFFERING TO THE PUBLIC TO SUBSCRIBE FOR OR PURCHASE OF CLASS A SHARES IN THE FUND. AS A REPORTING ISSUER, THE FUND SHALL COMPLY WITH THE PROVISIONS IN PART VI OF THE SECURITIES ACT AND SECURITIES (DISCLOSURE OBLIGATIONS OF REPORTING ISSUERS) RULES 2007 (HEREINAFTER REFERRED TO AS "SECURITIES RULES"), AS APPLICABLE.

IN THE EVENT OF THE FUND'S FAILURE, THE INVESTORS IN THE FUND WILL NOT HAVE ANY SORT OF PROTECTION BY ANY STATUTORY COMPENSATION ARRANGEMENTS IN MAURITIUS.

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT INVESTMENT IN THE CLASS A CARRIES A SIGNIFICANT DEGREE OF RISK. THE FUND IS ONLY SUITABLE FOR INVESTMENT BY INVESTORS WHO ARE AWARE OF AND UNDERSTAND THE RISKS INVOLVED AND ARE ABLE TO WITHSTAND THE LOSS OF THEIR INVESTED CAPITAL. PROSPECTIVE INVESTORS ARE REFERRED TO THE SECTION OF THE PROSPECTUS ENTITLED "**RISK FACTORS**" FOR A SUMMARY OF CERTAIN OF THE RISKS INVOLVED IN THE SUPPLEMENT FOR RISKS RELATED TO CLASS A.

DEFINITIONS

All statements contained in the Prospectus and this Supplement that are not statements of historical facts constitute “forward-looking statements.” Some of these statements can be identified by (but shall not be limited to) forward-looking terms, such as “anticipate,” “believe,” “can,” “could,” “should,” “estimate,” “expect,” “intend,” “may,” “plan,” “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Fund’s expected financial condition and results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include, but are not limited to, statements as to the Fund’s business strategy, planned projects and other matters discussed in this Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Prospectus and thus Supplement involve known and unknown risks, uncertainties and other factors that may cause the Class A’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Words and expressions not otherwise defined in this Supplement have, unless the context otherwise requires, the following meanings

“Business Day”	means any day (except Saturday, Sunday and any other public holiday) on which banks & related Securities Exchange in Mauritius and India (and/or such other or additional places as the Directors may, in their discretion, determine) are open for normal business and foreign exchange business & all reference to times shall be to Mauritian time.
“Class A”	means a Class A of Participating Shares in the Fund.
“ Custodian”	means the entity which may be appointed by the Board and acting as custodian (or joint custodian) of Class A shares, from time to time pursuant to the Constitution.
“FPI”	means a Foreign Portfolio Investor registered with Designated Depository Participant in India .
“FPI Regulations”	Means SEBI (Foreign Portfolio Investors) Regulations 2014 of India, as supplemented by any Press Releases, press notes, circulars and guidelines issued by SEBI from time to time in relation to FPIs, as may be amended from time to time.
Investment Advisor	Means the entity which may be appointed by the CIS Manager and acting as Investment Advisor of Class A shares, from time to time decided by the board of CIS Manager.
“Prospectus”	means this Prospectus (as may be amended or supplemented from time to time) of the NJ Global Opportunities Fund.
“Supplement”	means this supplement dated 08 July 2016 annexed to the Prospectus.

“SEBI”	Means Securities & Exchange Board of India.
“DDP”	Means a Designated Depository Participant as defined in the FPI Regulations, as may be amended from time to time.
“Subscription Agreement”	An agreement entered into between the Fund and the Subscriber in relation to the subscription of Investor of Class A Shares.
“US Person”	means a US person as defined for the purposes of United States federal securities, commodities and tax laws, including Regulation S under the US Securities Act of 1933, as amended, as the context requires.
“US\$”	means the lawful currency of the United States of America.
“TER”	Means total expense ratio of the Shares can be expressed as a percentage of Net Asset Value. The defined TER Cap includes all and any fees paid / payable by the fund with respect to shares (including investment management, promotion/ distribution and marketing fees, the custodian, Administration agent, transfer agent, as well as all other costs expenses borne by the fund). TER of the shares excluding any Service Charge and account transaction costs.
“Valuation Day”	means every Business Day or such other day(s) as the Directors may determine in their absolute discretion, as being a day on which NAV of Shares may be calculated for Subscription or redemption. Valuation day shall be defined as “T” also.

INVESTMENT OBJECTIVE & STRATEGY

The primary objective of Class A Shares of the Fund is to achieve long term capital appreciation and provide long term growth opportunities by investments in a diversified portfolio including but not limited to equity, debt, units of mutual funds, ETFs and derivative securities based in India.

The Directors believe that companies established or operating in India currently provide some attractive investment opportunities. Class A Shares will therefore seek to invest principally in a diversified portfolio of predominately equity, equity based and fixed income securities issued by companies established or operating in India. It is anticipated that such investments will principally be made through the units of Mutual funds in India (having the same meaning as in the Prospectus).

Decisions related to the selection of the mutual fund schemes / shares & the proportion of investment in the units of such Mutual Funds schemes / quantity of shares in India will be taken by the CIS Manager based on advise and/or recommendation given by the Investment Advisor, and investment decision shall be taken in the interest of Fund and shareholder of the Fund. However any advise and/or recommendation of the Investment Advisor is not binding the board of CIS Manager and board of CIS Manager may take best investment decision in the interest of Fund and shareholder of the Fund.

The Board of CIS shall conduct research in order to identify various investment opportunities in Mutual Fund industry & listed companies in India. The units of Mutual funds-wide analysis will focus, amongst others, on the historical and current financial condition of the portfolio of the units of Mutual Fund, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, brand equity, market share, competitive edge, research, profile of fund manager of particular units of Mutual Fund, technological know-how and transparency in corporate governance.

Any material change to the above investment strategy and policy will require the prior consent of the Class A Shareholders and will also be subject to the prior approval of the FSC.

Investors will be provided with the offering document for the underlying portfolio with this Supplement. Investors should review this offering document for more details of the investment program of the underlying portfolio.

Investment practices

As per regulation 66 of the CIS Regulations, a collective investment scheme shall not -

- (a) borrow money or provide for the creation of any encumbrance on its assets except in the two following situations -
 - (i) the transaction is a temporary measure to accommodate requests for the redemption of securities of the collective investment scheme while the collective investment scheme effects an orderly liquidation of its assets, and, after giving effect to the transaction, the outstanding amount of all borrowings of the collective investment scheme does not exceed 5% of the net assets of the collective investment scheme taken at market value at the time of the borrowing;
 - (ii) the encumbrance secures a claim for the fees and expenses of the custodian or a sub-custodian for services rendered in that capacity;
- (b) subscribe securities offered by a company under formation;

- (c) engage in the business of underwriting or marketing securities of any other issuer;
- (d) subject to these Regulations lend money, securities or other assets,
- (e) guarantee securities or obligations of another person;
- (f) purchase or sell securities other than through market facilities where these securities are normally bought and sold unless the transaction price approximates the prevailing market price or is negotiated on an arm's length basis;
- (g) purchase a security from, or sell a security to, one of the following persons-
 - (i) the CIS manager or the custodian;
 - (ii) an officer of the CIS manager or the custodian;
 - (iii) an affiliate of a person referred to in subparagraphs (g)(i) and (ii), unless the purchase from or sale to the affiliate is carried out at arm's length.

The risks will be general in nature and will be mentioned in relevant offer document of each foreign collective investment schemes.

INVESTMENT RESTRICTIONS

The investment rules and restrictions that the Class A shall follow appear in the Prospectus under the above sub-part, named "INVESTMENT OBJECTIVE & STRATEGY".

The nature of the risks, including minimum exposure to stock market, sensitivity to rate of interest risk, exposure to currency, concentration risk, derivative risk, foreign investment risk, in illiquid securities risk appear under the below sub-part, named "RISK FACTORS".

The Directors will have the power from time to time to change the investment objectives and policies of Class A and the holders of Participating Shares will be informed of the change.

Additional of Investment restriction in the Prospectus, the Fund shall be registered as FPI registered with DDP which is regulated by SEBI, therefore (save in respect of the units of mutual fund) shall:

1) Invest only in the following:

- Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India;
- Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not;
- Units of schemes floated by a collective investment scheme;
- Derivatives traded on a recognized stock exchange;
- Treasury bills and dated government securities;
- Commercial papers issued by an Indian company;
- Rupee denominated credit enhanced bonds;
- Security receipts issued by asset reconstruction companies;
- Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time;
- Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines;
- Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India;
- Rupee denominated bonds or units issued by infrastructure debt funds;
- Indian depository receipts; and
- Such other instruments specified by the SEBI from time to time.

2) Further, In respect of investments in the secondary market by FPI, the following additional conditions shall apply:

- A foreign portfolio investor (FPI) shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
- any transactions in derivatives on a recognized stock exchange;
- short selling transactions in accordance with the framework specified by the SEBI;
- any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- No transaction on the stock exchange shall be carried forward subject to exceptions provided by SEBI and RBI;
- The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the SEBI;
- sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
- sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;
- divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
- any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
- any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

Under the FPI Regulations, Non Residents of India (“NRIs”) are not permitted to register as a FPIs

Prospective investors in the Fund should note that, further to the above, the FPI Regulations also impose the following general ownership restrictions on Foreign Portfolio Investors which the Fund (save in respect of the Scheme) shall comply with:

1.The aggregate investment limits for the FPIs shall be below 10% (per cent) or 24% (per cent) respectively of the total paid-up equity capital or 10% (per cent) or 24% (per cent) respectively of the paid-up value of each series of convertible debentures issued by an Indian company. Further, where there is composite sectoral cap under FDI policy, these limits for FPI investment shall also be within

such overall FDI sectoral caps;

2.No single FPI can hold more than 10 per cent of the paid-up share capital of an Indian company.

3) FPIs are permitted to invest in only the following debt securities:

- Dated Government Securities ;
- Commercial papers issued by an Indian company ;
- Rupee denominated credit enhanced bonds ;
- Security receipts issued by asset reconstruction companies ;
- Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time ;
- Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines;
- Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; and
- Rupee denominated bonds or units issued by infrastructure debt funds.

Sr. No.	Type of Debt Instrument	Cap (USD Bn)	
1	Government Debt	20	Available on demand. Eligible investors may invest only in dated securities of residual maturity of one year and above, and existing investment in Treasury Bills will be allowed to taper off on maturity/sale (Ref. SEBI circular Ref. No. CIR/IMD/FIIC/8/2014 dated April 07, 2014)
2	Government Debt	10	Available on demand for FPIs registered with SEBI as Sovereign Wealth Funds, Multilateral Agencies, Endowment funds, Insurance Funds, Pension Funds and Foreign Central Banks. Eligible investors may invest only in dated securities of residual maturity of one year and above (Ref. SEBI circular CIR/IMD/FIIC/3/2014 dated January 29, 2014)
3	Corporate Debt	51	Available on demand. Eligible investors may invest in Commercial Papers only up to US\$ 2 billion within the limit of US\$ 51 billion (Ref. SEBI circular CIR/IMD/FIIC/4/2014 Dated February 14, 2014)
	Total	81	

Thus, as regards investments into the units of a debt oriented Mutual Fund, the same would be classified as debt investment. Investments into the units of any other Mutual Fund shall be classified as equity related investment.

Where any investment restriction is breached, the investment manager of the units of Mutual Fund will

ensure that immediate corrective action is taken, except where the breach is due to appreciations or depreciations, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment.

None of these restrictions will require the realisation of any assets of the Fund where any such restriction is breached as a result of any event outside the control of the Fund occurring after the relevant investment was made or upon any exercise of conversion rights attached to any investments held by the Fund (other than where consideration is given by the Fund in respect of such exercise), but no further such investments may be acquired for the account of the Fund until the relevant restriction is again complied with and regard shall be had to such limits when contemplating changes to the Fund's investments.

Restrictions Related to Investment in Indian Mutual Fund and Units of Mutual Fund

The Mutual Fund and the units of Mutual Fund are subject to certain investment restrictions, in particular the units of Mutual Fund shall endeavor to:

1. not generally invest more than 20 per cent. of the units of Mutual Fund Net Asset Value in debt instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency, provided that this limit shall not be applicable to investments in money market instruments;
2. not invest more than 10 per cent. of the units of Mutual Fund Net Asset Value in unrated debt instruments issued by a single issuer and the total of such instruments shall not exceed 25 per cent. of the Net Asset Value of the units of Mutual Fund;
3. not advance term loans for any purpose;
4. not invest more than 5 per cent. of the units of Mutual Fund Net Asset Value in unlisted equity shares or equity related instruments;
5. the units of Mutual Fund will not invest in any other scheme of the Mutual Fund;
6. The units of Mutual Fund will not invest more than 10 per cent. of its corpus in the equity shares or equity related instruments of any individual portfolio company.

The Mutual Fund and the units of Mutual Fund may be subjected to such other restrictions and/or policies as required under applicable law or as may be stipulated by the investment advisor.

Prospective investors should note that the above is only a summary of investment restrictions applicable to the units of Mutual Fund and more complete information is available in the scheme information document for the units of Mutual Fund.

These investment restrictions apply to any investment at the time that investment is made. The units of Mutual Fund will not enter into any transaction, which exposes it to unlimited liabilities or results in the encumbering of its assets in any way so as to expose them to unlimited liability. These investment restrictions, shall in the ordinary course, apply as at the date of the most recent transaction or commitment to invest. Changes do not have to be effected merely because of appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the units of Mutual Fund if any such restrictions would thereby be breached. If these investment restrictions are exceeded for reasons beyond its control, the investment advisor shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the unitholders. The trustee of the Mutual Fund in consultation with the investment advisor may alter these above stated limitations from time to time.

Borrowing policy

The units of Mutual Fund may borrow up to 20 per cent. of the units of Mutual Fund Net Asset Value for a period of up to six months, or as may be permitted by applicable rules and regulations, to meet temporary liquidity needs (e.g. for the purpose of repurchase, redemption, or payment of income or dividend). The Fund will not borrow, except as stated in this Prospectus.

Prospective investors are advised to refer to the units of Mutual Fund's scheme information document for more information in this respect.

ELIGIBLE INVESTORS

Each Investor must represent and warrant to the Fund that, it satisfies the requirements of the Prospectus and this Supplement, may subscribe for or hold Participating Shares in the Fund. The Directors may compulsorily redeem all Participating Shares held by a Shareholder who is not or who ceases to be an Eligible Investor.

For the purposes of determining eligibility of an Investor the following criteria shall be adopted:

A person to whom the issue or transfer or for whom holding of Participating Shares shall not (i) constitute a breach of relevant laws of any jurisdiction; or (ii) be contrary to any government or other competent authority's regulations; or (iii) give rise to circumstances (whether taken alone or conjunctively with other persons or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result any liability to taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage on the Fund or any of the Participating Shareholders.

CURRENCY

Offering currency of Class A Shares shall be United States Dollar (US\$). However Board of the fund reserve right to introduce further more currencies of present Class.

SUBSCRIPTION PROCEDURE

Prospective investors into the Fund must complete and execute a Subscription Agreement, which must be delivered to the Administrator, along with all due diligence documents as will be required in accordance with the Subscription Agreement and relevant Fund documents.

Application for Subscriptions for a Class A of the Fund will only be accepted on a cleared funds basis in the functional currency of the Fund. Any application made in a currency other than the functional currency of the Fund will be converted into that currency at prevailing exchange rates. This foreign exchange transaction will be at the cost and risk of the applicant concerned.

All bank charges incurred in respect of a telegraphic transfer for Subscription shall be borne by the applicant.

For subscriptions, subscribers must send their completed Subscription Agreement by facsimile or scanned copy by email as mentioned in the Subscription Agreement in order to be received by the Administrator by 2.00 pm (Mauritius time) on the Valuation Day and cleared funds (money) are received in full in the Fund bank account no later than 10.00 am (Mauritius time) on next business day of that Valuation day, failing either of which, the subscription will be held over to the following Valuation Day and Participating Shares will then be calculated at the NAV on that Valuation Day.

The original Subscription Agreement along with all due diligence documents should be received by the administrator within at least 30 business days from the date of issuance of the participating shares which has been allotted to the investor based on the scan/fax copy of such documents, failing to which the participating shares shall be compulsorily redeemed at the prevailing NAV of class A shares & that redemption amount

shall deduct 2% penalty on prevailing NAV of the issued Participating shares , applicable exit load & other charges, as defined in the Supplement. The table below summarizes the cut-off time for Subscription Agreement:

Fax/scan/email for subscription	Original documents - Application form and Due Diligence	Cleared funds for application
T 2.00 PM	T+30	T + 1 10 AM

In relation to subscriptions other than the first subscription, Participating Shares are to be issued based on the NAV at the relevant Valuation Day subject to compliance of above cut off time. Net Asset Value per share class will be calculated on the relevant Valuation Day.

ISSUE PRICE DURING INITIAL OFFER PERIOD

US\$ 10 shall be issue price during Initial Public Offer per Participating Share and Following the Initial Offer Period, each Participating Share is subscribed at a price equal to the prevailing Net Asset Value on each Valuation day.

REDEMPTION INFORMATION

All redemption will be made in accordance with the Companies Act of the Mauritius and the Constitution of the Company. Only fully paid up participating shares may be redeemed. Participating Shares may be redeemed on any Valuation day, subject to the provisions relating to SUSPENSION OF REDEMEPTION referred in the Prospectus. Request for redemption should be made to the Administrator through facsimile or scanned copy by email set out in the Subscription agreement so as to be received by no later than one business day prior to the relevant Valuation Day.

The redemption price on each Valuation day will be equal to Net Asset Value per participating shares of the class or particular series of Class A share less any charges or exit load, if applicable.

The net redemption proceeds normally will be remitted within 30 Business Days after the Redemption Day, without interest or days as decided by the Board of the Fund. Redemption of Participating Shares will generally be settled in U.S. Dollars. Redemption are remitted by wire transfer only to the original account in the name of the Shareholder from which the subscription proceeds derived or, upon approval of the Board of Directors, to another account in the name of the Shareholder. The Fund may retain up to 10% of the redemption payment pending completion of the Fund's annual audit for the relevant year to confirm the accuracy of the amount. If the disposition of portfolio securities is not practical or would cause undue hardship to the remaining Shareholders, the Fund may distribute portfolio securities in kind having a Net Asset Value equal to the redemption price, although the Fund expects to do this only in extraordinary circumstances. Any such distribution of securities in kind will be made among Shareholders on a pro rata basis.

All bank charges incurred in respect of a telegraphic transfer for redemption shall be borne by the shareholders, however the Directors of the Fund have discretion to waive such charges.

A redemption request, once made, will be irrevocable and may not be withdrawn without the consent of the Board. The Board may defer redemption requests on any Valuation Day if in the opinion of the Board the Fund would no longer be a broad based fund. Such deferment shall continue until such time as the broad based fund criteria is satisfied.

The Directors may limit aggregate redemption on each Valuation Day to a maximum of 10 % of the Net Asset Value of Class A shares or relevant series of Class A of Participating Shares.

The table below summarizes the cut-off time for Redemption Request:

Fax/scan/email for Redemption	Original documents
T 10 AM	T+30

MINIMUM SUBSCRIPTION

First Investment US\$ 2000

MINIMUM SUBSCRIPTION FOR SYSTEMATIC INVESTMENT PLAN (SIP)

US\$ 200

MINIMUM SUBSEQUENT SUBSCRIPTION FOR SIP

US\$ 100

TARGET SUBSCRIPTION AMOUNT

The initial target subscription amount for the Fund is US \$ 10 million.

FEES AND CHARGES

Organizational Expenses

All costs and expenses associated with the organization of the Share Class A of the Fund, including government incorporation charges and professional fees and expenses in connection with the preparation of the Share class A Fund's definitive offering documents and the preparation of the basic corporate and contract documents of the Fund, will be paid by CIS Manager, subject to the investment management agreement between the fund and CIS Manager.

Operating and Administrative Expenses

All costs and expenses associated with Class A share towards its operating and administrative expenses, , all fees payable to the administrator, third parties and towards other expenses incurred in its operations, including the cost of all brokerage payable on the purchase, sale of investment or borrowings and fees in respect thereof, taxes, expenses for legal, auditing and consulting services, promotional expenses, registration fees, renewal fees and other expenses due to supervisory authorities in various jurisdictions, the costs of publishing the Net Asset Value, the costs of printing and distributing the annual and any periodic reports and statements, costs incurred in respect of meetings of the Board, holders of Management Shares or Participating Shares, Directors' fees and reasonable disbursements, costs and expenses in any modification of the Constitution (as may be necessary from time to time), periodic regulatory & licensing expenses of the Fund and related Share Class in Mauritius and cost of winding up the Fund pertaining to Net Asset value of Class A share is payable to in respect of Shares, will be borne by CIS Manager, subject to the investment management agreement between the Fund and CIS Manager.

The CIS Manager may charge on prevailing NAV of class A share as Operating and Administrative Fees to the fund which excludes Management Fees, calculated as a percentage of the Net Asset Value of the Class A Participating Shares, in accordance with the investment management agreement between the Fund and CIS Manager. The said fee charged will be within the defined limit of TER.

The Fund shall pay the Custodian Fees and other expenses related to custodian services and the Fund may deduct net Custodian Fees and expenses related to custodian services from the Operating and Administrative Fees to be paid to the CIS Manager.

Management Fees of the CIS Manager

Pursuant to the Management Agreement, the CIS Manager will be entitled to receive a management fee at the rate upto 1.5%, calculated as a percentage of the Net Asset Value of the Class A Participating Shares, subject to term sheet of the relevant series of the Class A shares.

The CIS Manager may waive all or part of the Management Fee for the Fund or for certain investors and may pay all or part of the Management Fee to third parties, including other investors in the Fund.

The CIS Manager is responsible for the fees of its delegates.

Initial Sales Charge/ Placement Fees

The CIS Manager may appoint affiliated and unaffiliated sales agents or distributor to solicit subscriptions for Class A Shares. Such sales agents or distributor may to the extent legally permissible charge applicants for Class A Shares an initial Sales charge of upto 3% of the amount subscribed for Class A Shares, whose subscription they have solicited. The sales agents or distributors and investors will bear the bank charges for brokerage payouts (upfront or trail) and redemption proceeds respectively. The same may waived at the discretion of the Board. In the event that any such initial sales charges or placement fee is paid to the Fund, the Administrator will deduct such initial sales charge from subscription amount received by it, net of applicable charges, and pay the same to the CIS Manager for distribution to the relevant sales agents or distributor.

Exit Load

The Fund may charge exit load of 1% for period of One (1) year on the particular series of investor investing in Share Class "A".

Fees of the Administrator

The Fund is responsible for the fees of the Administrator. The Administrator is paid an administration fee in accordance with the Administration Agreement.

Total Expense Ratio (TER)

TER of the Shares can be expressed as a percentage of Net Asset Value. The defined TER Cap includes all and any fees paid / payable by the fund with respect to shares (including investment management, promotion/ distribution and marketing fees, the custodian, Administration agent, transfer agent, as well as all other costs expenses borne by the fund). TER of the shares class "A" shall not exceed 2.5% per annum excluding fees and expenses of underlying funds, any Service Charge and account transaction costs.

Management and Expense Ratio

The quarterly and annual reports will indicate the management and expense ratio which is the percentage that the management expenses represent of the fund's average net assets.

RIGHTS OF SHARES

Subject to the provisions of the Act and the Constitution, the Shareholders of Class A shall have following rights:

- the proceeds from the issue of the Class A Shares to such Shareholders, shall be applied in the books of the Fund to the Class Portfolio established for that Class of Shares,;

- holders of Class A Shares shall not be entitled to receive notice of, nor to attend or vote at, annual meetings of the Fund;
- where an asset attributable to any Class Portfolio gives rise to an income, profits or liability, such income, profits or liability shall be applied in the books of the Fund to the same Class Portfolio as the asset from which it derived;
- the Directors shall have discretion to determine the basis upon which any liability, expense (including the formation expenses of the Fund, of the structure for investing in investments and of the issue of the Participating Shares), cost, charge or reserve shall be allocated between Class Portfolios (including conditions as to subsequent re-allocation thereof if circumstances so permit) and shall have power at any time and from time to time to vary such basis.
- the costs of issue of any Class of Shares shall be borne out of the Class Portfolio maintained in respect of that Class of Shares.
- any interest acquired in the Company in form of Participating Shares by the Shareholder shall be restricted and defined as per the issuance advise, as mentioned in the Subscription Agreement
- shall, in the event of a winding-up or dissolution of the Fund, whether voluntary or involuntary or for a re-organisation or otherwise or upon distribution of capital, be entitled to a return of the capital paid up on their Participating Shares pari passu to the holders of the Management Shares and, after payment of the capital paid up on the Management Shares to the holders thereof, to all surplus assets of the Fund attributable to the Participating Shares; and
- save to the extent provided in the Constitution and this Prospectus, shall, subject to the provisions of the Constitution, be subject upon notice from the Fund to compulsory redemption of their Participating Shares, in each case based upon the Net Asset Value thereof.

RISK FACTORS

Regulatory Risk. The Fund may seek to apply to the DDP which is registered with SEBI, as FPI under the SEBI (Foreign Portfolio Investors) Regulations, 2014 (“FPI Regulations”). Pursuant to the FPI Regulations and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, (Second Amendment) 2014 (“FEMA Regulations”), a registered FPI may buy and sell equity shares, debentures and warrants of Indian companies through registered stock brokers of stock exchanges subject to certain individual and collective statutory limits, which are monitored by the Reserve Bank of India (“RBI”). If the total holdings of the Indian FPIs reach such statutory limits, the RBI would require the Indian FPI and the relevant Indian company to seek prior approval from the RBI for any purchase, which approval may not be forthcoming. In addition, any change to the FEMA Regulations and the FPI Regulations may limit or adversely impact the ability of the Fund to invest in India. For more information, see “Indian Regulatory Matters”. A quota is required to invest in Indian bonds and, for all Indian bonds other than corporate bonds in the infrastructure sector, the quota is auctioned during specific periods.

The investments by the Fund are dependent upon the continued registration of such entity as an FPI. If the registration of such entity as an FPI is terminated or is not renewed, the Fund could 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 FPI to another FPI.

Indian Market Risk. Investments in India can be considered speculative, and therefore may offer higher potential for losses. Political and economic structures in India generally lack the social, political and economic stability of more developed nations. Share prices of Indian companies tend to be volatile, can be subject to currency exchange fluctuations and can lack liquidity. The stock markets in India are undergoing a period of growth and change, which may result in trading or price volatility and difficulties in the settlement and recording of transactions, and in interpreting and applying the relevant laws and regulations. The risk of loss may be increased because Indian issuers are not subject to the extensive accounting, auditing and financial reporting standards and practices which are applicable in the United States. There is also a lower level of regulation and monitoring of the Indian securities market and its participants than in other more developed markets. Because the Fund concentrates in a single region of the world, the Fund's performance may be more volatile than that of a fund that invests globally. If Indian securities fall out of favour, it may cause the Fund to underperform funds that do not concentrate in a single region of the world.

Derivatives. The Fund may invest in offshore derivative instruments, issued by an FPI, which are interests in Indian securities issued by Indian based brokerages. In such investments, the underlying securities are held in the name of, and are under the control of, the issuing brokerage firms. In the event of sudden market volatility, the brokerage firm may not be able to divest such underlying securities in time, which may result in loss to the Fund. Failure or bankruptcy of such brokerage firms may cause loss of such securities and adversely affect the Fund.

Risks Arising from Investments by the underlying portfolios in Overseas Instruments. To the extent that the assets of the underlying portfolios are invested in securities denominated in foreign currencies, the non US Dollar currency equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India or other country, if applicable, may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investments.

LEGAL, TAX AND REGULATORY CONSIDERATIONS

Anti-Money Laundering Legislations in India

The Prevention of Money Laundering Act, 2002 ("PMLA") and the rules framed thereunder, which came into force on 1 July, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. The Legislation deals with the prevention and control of activities concerning money laundering and confiscation of property derived or involved in money laundering. The PMLA and rules framed thereunder require inter-alia certain entities such as banks, financial institutions and intermediaries dealing in securities (including FPIs) to maintain a record of certain kinds of transactions ("Transactions"), such as cash transactions exceeding certain thresholds, suspicious transactions (whether or not made in cash and including credits or debits into or from non-monetary accounts such as security accounts).

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, an intermediary is required to maintain a record of all transactions having value of more than INR 1 million.

The relevant institution is required to appoint a principal officer who shall report the Transactions to the Director of the Financial Intelligence Unit set up by the Ministry of Finance, Government of India ("Principal Officer"). Further, these institutions are required to formulate and implement an anti- money laundering policy, as well as verify and maintain the records of identity of their clients in the manner prescribed in the rules under the PMLA.

For the purpose of complying with the obligations under the PMLA, the Principal Officer may require an applicant for Shares to provide certain information and documents for, inter alia, verifying the identity of the applicant, the source of funds and obtain certain confirmations from the applicant, as may be required pursuant to requirements under Indian laws.

Securities and Exchange Board of India (SEBI) has issued necessary directives vide circulars from time to time, covering issues related to Know Your Client (KYC) norms, Anti Money Laundering (AML), Client Due Diligence (CDD) and Combating Financing of Terrorism (CFT). The Directives lay down the minimum requirements and it is emphasised that the intermediary may, according to their requirements, specify additional disclosures to be made by clients to address concerns of money laundering and suspicious transactions undertaken by clients. Directives to all intermediaries under Section 12 of the SEBI Act are also issued in the context of compliance with standards set by the Financial Action Task Force (FATF) on AML and CFT. SEBI vide its circular dated January 18, 1996 and Master Circular dated February 12, 2010 has mandated a proper policy framework as per the guidelines on anti money laundering measures and also to adopt a KYC policy. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by the clients.

Taxation in India

The Fund is a tax resident of Mauritius and have a valid tax residence certificate issued by the Mauritius Revenue authorities. The Fund intends to conduct its affairs in a manner that ensures that this status is preserved. The Fund does not intend to establish an office in India or have any other presence in India that could be regarded as a permanent establishment of the Fund in India. On this basis, the Fund expects to qualify for taxation in the manner prescribed under the Agreement for Avoidance of Double Taxation between India and Mauritius (the "Mauritius treaty").

Under the Indian domestic tax law, dividend income to be earned by the Fund from Indian companies, on which the Indian companies pay a Dividend Distribution Tax, will be exempt from tax in India in the hands of the Fund. Interest income to be earned by the Fund from portfolio investments in Indian securities will be taxable in India in the hands of the Fund at the rate of 21.115%.

The Fund may seek to register with SEBI as a Foreign Portfolio Investment. Accordingly, it will primarily earn income from the following sources: (1) dividend income; (2) interest income; and (3) capital gains realized on transfer of investments.

Under the Mauritius treaty and as amendment from time to time, India gets taxation rights on capital gains arising from alienation of shares acquired on or after 1st April, 2017 in a company resident in India with effect from financial year 2017-18, while simultaneously protection to investments in shares acquired before 1st April, 2017 has also been provided. Further, in respect of such capital gains arising during the transition period from 1st April, 2017 to 31st March, 2019, the tax rate will be limited to 50% of the domestic tax rate of India, subject to the fulfillment of the conditions in the Limitation of Benefits Article. Taxation in India at full domestic tax rate will take place from financial year 2019-20 onwards.

The above treaty covers only capital gains arising from Shares. Thus Capital gains from alienation of following securities continues to be exempt under the India –Mauritius Tax Treaty

- Government Bonds (Treasury Bonds)
- Bonds issued by Indian companies
- Debentures (Convertible and Non-convertible) issued by Indian companies
- Derivatives (Futures and Options)
- Units of Indian Mutual Funds
- Shares of non-Indian companies
- Interest in LLPs

Ordinarily, gains arising on sale of shares of a non-resident company, by one non-resident to another non-resident, ought not to be subject to Indian income-tax implications. However, in light of the recent tax litigation prevailing in India, if the Shareholders sell shares in the Fund, the Indian tax authorities may seek to tax the gains made by the Shareholders on the basis that such sale indirectly results into transfer of a capital asset situated in India. In this regard, the facts in the recent case of *Vodafone International Holdings BV vs. UOI and Another* (221 CTR 617) merit consideration and the same has been discussed below.

Vodafone Essar case

Hutchison Telecommunication International Limited (“HTIL”), a non-resident seller based in Cayman Islands sold its stake in the foreign investment company CGP Investments (Holdings) Ltd (“CGP”), registered in Cayman Islands, which in turn held shares in Hutchison Essar Limited (“India Company” or “HEL”) through an intermediary company in Mauritius. The shares of CGP were transferred by HTIL to Vodafone International Holdings B.V (“Vodafone”), a company registered in the Netherlands.

In this case, the tax department issued a show cause notice to Vodafone to explain why tax was not withheld on payments made to HTIL in relation to the above transaction.

Vodafone filed a writ petition in the Bombay High Court *inter alia* challenging the jurisdiction of the tax authorities in the matter.

The Bombay High Court held that the tax authorities had made out a strong (prima facie) case that the transaction was one of transfer of a capital asset situated in India. Vodafone challenged the order of the Bombay High Court before the Supreme Court. In its ruling, the Supreme Court directed the Tax Authorities to determine the jurisdictional challenge raised by Vodafone. It also permitted Vodafone to challenge the decision of the tax authorities on the preliminary issue of jurisdiction before the High Court.

The tax authorities held that they had jurisdiction to proceed against Vodafone for their failure to withhold tax from payments made under Section 201 of the ITA. This Order of the tax authorities was challenged by Vodafone before the Bombay High Court. After considering the arguments of both the sides, Bombay High Court has *inter alia* held that the tax authorities had jurisdiction in the matter.

Dividend income and interest income will be subject to tax in the hands of the Fund as provided under the provisions of the Indian Income-tax Act, 1961, as the provisions of the Indian domestic tax law are more beneficial to the Fund than the provisions of the Mauritius treaty. As a Foreign Institutional Investor-sub-account registered with SEBI, income earned by the Fund from investments in Indian securities will be taxable in India at the rate of 21.115%. Dividends earned by the Fund from Indian companies, on which the Indian company has paid a Dividend Distribution Tax at the rate of 16.995%, will be exempt from tax in the hands of the Fund.

There can be no assurance that the taxability of the Fund will occur in the manner set out above. While the Fund will seek to be governed by the provisions of the Mauritius treaty, there can be no assurance that the Mauritius treaty or Indian tax law will not be amended, or that the Indian Revenue authorities will not assess the Fund in a manner that is at variance with the foregoing discussion.

Indian Regulatory Matters

Foreign investment in Indian securities is regulated by SEBI and RBI. The Fund may seek to apply to DDP for registration as an FPI .

FPIs are permitted to invest in Indian securities in the primary and secondary markets, including shares, debentures and warrants of companies, whether listed or unlisted or to be listed, and units of domestic mutual funds, whether listed on a recognized stock exchange or not. Subject to guidelines that have not yet been issued, RBI has permitted FPI s to sell securities short. Accordingly, the Fund may sell securities short in compliance with the terms of such guidelines as may be in force and effect from time to time.

Prospective investors in the Fund should note that, further to the above, the FPI Regulations also impose the following general ownership restrictions on Foreign Portfolio Investors which the Fund (save in respect of the Scheme) shall comply with:

- The aggregate investment limits for the FPIs shall be below 10% (per cent) or 24% (per cent) respectively of the total paid-up equity capital or 10% (per cent) or 24% (per cent) respectively of the paid-up value of each series of convertible debentures issued by an Indian company. Further, where there is composite sectoral cap under FDI policy, these limits for FPI investment shall also be within such overall FDI sectoral caps;
- No single FPI can hold more than 10 per cent of the paid-up share capital of an Indian company.

Certain additional investments may be permitted with the approval of the Foreign Investment Promotion Board. The Fund may also seek to invest, either directly or indirectly through one or more other vehicles, under other investment regimes approved by SEBI.

In order for the Fund to invest in Offshore Derivative Instruments (including warrants, notes and swaps) in respect of underlying Indian securities ("ODI"), it is required to represent and warrant that it is not an Overseas Corporate Body and that it will not issue or transfer any ODI to any person who has previous ties to or a joint venture in India through investment in shares or debentures, technical collaboration, etc., unless such person has prior permission to so invest from the Government of India, or it believes, or has reasonable grounds to believe, may be a Person Resident in India, a Non-Resident Indian, a Person of Indian Origin, an Overseas Corporate Body or any entity or person who is not a Regulated Entity, as each of such terms is defined below. In order to avoid becoming an Overseas Corporate Body and to make the proper representations, the Fund may limit investments in the Fund by individuals or entities that qualify as a Non-Resident Indian, a Person of Indian Origin or an Overseas Corporate Body to less than 60%.

"Non-Resident Indian" means a person resident outside of India who is a citizen of India or a Person of Indian Origin.

"Overseas Corporate Body" means a company, partnership firm, society or other corporate body beneficially directly or indirectly owned 60% or more, directly or indirectly, by Non-Resident Indians including an overseas trust in which not less than 60% of the beneficial interest is held by Non-Resident Indians directly or indirectly but irrevocably.

"Person of Indian Origin" means a citizen of any country other than Bangladesh, Pakistan or Sri Lanka who meets any of the following tests: (i) at any time held an Indian passport; (ii) either of his or her parents or

grandparents is or has been a citizen of India by virtue of the Constitution of India or the Citizenship Act 1955 (57 of 1955); or (iii) is a spouse of an Indian citizen or person referred to in sub clauses (i) or (ii).

“Person Resident in India” means (i) a person residing in India for more than 182 days during the course of the preceding financial year but does not include: (A) a person who has gone out of India or who stays outside India: (1) to take up employment outside India, (2) to carry on a business or vocation outside India, or (3) for any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period; (B) a person who has come to or stays in India, other than: (1) to take up employment in India, (2) to carry on a business or vocation in India, or (3) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period; (ii) any person or body corporate registered or incorporated in India, (iii) an office, branch or agency in India owned or controlled by a person resident outside India, or (iv) an office, branch or agency outside India owned or controlled by a person resident in India.

“Regulated Entity” means (a) an entity incorporated as a limited company in a jurisdiction that requires the filing of constitutional documents with a registrar of companies or regulatory body in that jurisdiction, (b) an entity that is regulated, authorized or supervised by a regulatory body or (c) an individual or entity whose investment advisory function is managed by an entity satisfying the criteria in (a) or (b).

This Supplement is signed by two authorised members of the board of directors of the Fund

Director

Director