



(A public company, limited by shares, incorporated under the laws of Mauritius with registration number 60433 C1/GBL)

Investment Manager
SBI Funds Management (International) Private Limited
Registered Office: C/o Cim Fund Services Ltd, 33, Edith Cavell Street, Port Louis, Mauritius

IMPORTANT NOTICE

This Prospectus is confidential and for Private Circulation only. This is not an offer for subscription of shares in the SBI Resurgent India Opportunities Fund ("The Fund"). The material in this document is for information purposes only and this is not a document in public domain. Investment in the Participating shares of the Fund involves a certain degree of risk, which may not be suitable for you. Please consult your financial, tax and legal advisers before considering subscription in the Participating Shares of this Fund. This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

This Prospectus is dated the **13 June 2016**

The Fund has been incorporated in Mauritius on 17 January 2006 as a public company limited by shares and is authorized by the Mauritius Financial Services Commission (“**FSC**”) to operate as a collective investment scheme. The Fund is organised as an open-ended multi-class fund. The Fund invests all or substantially all of its assets in the SBI Resurgent India Opportunities Scheme (“**Scheme**”), a dedicated scheme of the SBI Mutual Fund (“**SBI MF**”), which is an Indian mutual fund, authorised by the Securities and Exchange Board of India (“**SEBI**”). The share capital structure of the Fund consists of a class of 100 non redeemable Management Shares (“**MS**”) of US\$ 1 each, a class of Redeemable Participating Shares of US\$ 1 each (“**US Dollar Fund**”), a class of Redeemable Participating Shares of Euro 1 each (“**Euro Fund**”), and a Class of Redeemable Shares of US\$ 0.01 each (Collectively “**Performance Shares**”).

The Euro Fund is segregated into 2 sub-funds namely Retail Plan and Institutional Plan. The US Dollar Fund is segregated into 4 sub-funds namely Retail Plan, Institutional Plan, Retail 2 Plan and Institutional 2 Plan. The Retail Plan & Retail 2 Plan is available only for retail investors whereas the institutional investors can invest in any plan.

The Fund has applied with the FSC to be registered as a reporting issuer in Mauritius and shall therefore comply with the requirements of the Securities Act 2005, The Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 and the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 issued by the FSC of Mauritius, in respect of the obligations of a reporting issuer.

Investments in the US Dollar Fund are being offered to prospective investors wishing to invest in the Fund in US Dollars and investments in the Euro Fund are being offered to prospective investors wishing to invest in the Fund in Euros. The Performance Shares will be issued from time to time exclusively to SBI Funds Management (International) Private Limited (“**Investment Manager**”) to reflect the performance profit allocations. While the Investment Manager does not currently intend to charge a performance fee, it may charge a performance fee at a later date after informing the shareholders in writing, at least 21 calendar days in advance.

The Sponsor of the Fund is SBI Funds Management Private Limited (“**Scheme Asset Manager**”), a company incorporated in India. The Scheme Asset Manager has been appointed as Investment Manager of SBI MF. SBI MF is established as a trust under a Restated and Amended Trust Deed dated December 29, 2004 (“**Trust Deed**”) under the provisions of the Indian Trusts Act 1882, bearing Securities & Exchange Board of India (“**SEBI**”) registration No. MF/009/93/3. SBI Mutual Fund Trustee Company Private Limited (“**Trustee**”) is the trustee of SBI MF.

The Fund is managed by the Investment Manager (with registration number 60432 C1/GBL), a private company incorporated under the laws of Mauritius with limited liability, which is a wholly-owned subsidiary of the Scheme Asset Manager.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

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

SEBI has in its letter dated November 16, 2005, granted its in-principle approval to the Scheme Asset Manager to sponsor the Fund and to manage the Scheme. However, it should be noted that neither the Fund nor the Scheme will be regulated by SEBI under the SEBI (Mutual Funds) Regulations, 1996.

The Fund, the Investment Manager and the offer or invitation of the shares is regulated by the Financial Services Commission of Mauritius established under the Financial Services Act, 2007 and governed by the Companies Act 2001, The Securities Act 2005 and The Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

The shares will not be issued under this Prospectus more than six months after the date this Prospectus is granted effective registration with the FSC.

The contact details of the Financial Services Commission of Mauritius are as follows:

The Chief Executive
Financial Services Commission
FSC House
54 Cybercity
Ebene
Mauritius
Tel: (230) 403 7000

It must be understood that neither SEBI nor any other regulatory authority in India nor the Financial Services Commission or any authority in Mauritius vouch for the financial soundness of the Fund or the accuracy of any of the statements made or opinions expressed with regard to the Fund or the Scheme in this Prospectus. The FSC takes no responsibility for the contents of this Prospectus and shall not be liable to any action in damages suffered as a result of this Prospectus registered by the FSC. This Prospectus may not be distributed directly or indirectly in India or to Indian residents and Shares are not being offered and may not be sold directly or indirectly in India or to or for the account of any resident of India.

Belgium

The offering of shares has not been and will not be notified to the Belgian Banking, Finance and Insurance Commission (Commission Bancaire, Financière et des Assurances/ Commissie Voor Het Bank, Financie-en Assurantiewezen) nor has this Prospectus been, nor will it be, approved by the Belgian Banking, Finance and Insurance Commission. The shares may be offered in Belgium only to a maximum of 99 investors or to investors investing a minimum of €250,000 or exclusively to professional or institutional investors, in reliance on Article 5 of the Law of July 20, 2004. This Prospectus may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of shares. Accordingly, this Prospectus may not be used for any other purpose nor passed on to any other investor in Belgium.

Any offer to sell or sale of shares must be made, if applicable, in compliance with the provisions of the law of the 6 April 2010 on Trade Practices and Consumer Protection.

Canada (British Columbia and Ontario)

This Prospectus pertains to the offering of the shares described in this prospectus only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and only by persons permitted to sell such shares. This Prospectus is not, and under no circumstances is to be construed as an advertisement or a public offering of the shares described in this Prospectus in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the shares described in this Prospectus, and any representation to the contrary is an offence.

France

The shares may not be offered directly or indirectly in the Republic of France and neither this Prospectus, which has not been submitted to the Autorité des marchés financiers, nor any offering material or information contained therein relating to the Fund, may be supplied in connection with any offer of the Shares in the Republic of France.

Germany

This Prospectus does not constitute a sales prospectus pursuant to the German Investment Act (Investmentgesetz), the German Securities Prospectus Act (Wertpapierprospektgesetz) or the German Securities Selling Prospectus Act (Wertpapier-Verkaufsprospektgesetz). A sales prospectus pursuant to the German Investment Act, the German Securities Prospectus Act or the German Securities Selling Prospectus Act has neither been prepared nor has there been made a filing of a sales prospectus with the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). Any public distribution of the shares is prohibited; the distribution of the shares must comply with the applicable laws and regulations.

Japan

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.



Qatar

The shares are only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such shares. The Prospectus does not constitute an offer to the public and is for the use only of the named addressee and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee’s consideration thereof). The Fund and the Prospectus have not been and will not be registered with the Qatar Central Bank or under any laws of the State of Qatar. No transaction will be concluded in your jurisdiction and any inquiries regarding the shares should be made to [details of a contact outside Qatar].

United Kingdom

This Prospectus is not available for general distribution in, from or into the United Kingdom because the Fund is an unregulated collective investment scheme whose promotion is restricted by the Financial Services and Markets Act 2000 (the "Act"). This Prospectus is being issued in the United Kingdom by the Investment Manager to, and/or is directed only at, persons to or at whom it may lawfully be issued or directed under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 including persons who are authorised under the Act, certain persons having professional experience in matters relating to investments, high net worth companies, partnerships, associations or trusts and persons who qualify as certified sophisticated investors. The shares are only available to such persons in the United Kingdom and no other persons in the United Kingdom should act or rely on this Prospectus. Persons distributing this Prospectus in, from or into the United Kingdom must satisfy themselves that it is lawful to do so.

In order to qualify as a certified sophisticated investor a person must (a) have a certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with a particular type of investment and (b) have signed, within the last twelve (12) months, a statement in a prescribed form declaring, amongst other things, that he qualifies as a sophisticated investor in relation to such investments.



This Prospectus is exempt from the general restriction in Section 21 of the Act on the communication of invitations or inducements to engage in investment activity on the grounds that it is being issued to and/or directed at only the types of person referred to above.

The content of this Prospectus has not been approved by an authorised person and such approval is, save where this Prospectus is directed at or issued to the types of person referred to above, required by Section 21 of the Act.

Acquiring shares may expose an investor to a significant risk of losing all of the amount invested. The Fund is a limited liability company and any person who acquires shares will not thereby be exposed to any significant risk of incurring additional liability. Any person who is in any doubt about investing in the Fund should consult an authorised person specialising in advising on such investments.

United States of America

The shares have not been and will not be registered under the US Securities Act of 1933, as amended ("1933 Act"), or the securities laws of any state, and may not be offered, sold or otherwise transferred directly or indirectly in the US or to or for the account or benefit of any US Person as defined in Regulation S under the 1933 Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state securities laws.

The shares offered herein have not been approved or disapproved by the US Securities and Exchange Commission ("SEC"), any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

The Fund has not been and will not be registered under the US Investment Company Act of 1940, as amended ("1940 Act"). If the Fund offers the shares in the United States it will seek to qualify for an exemption from the registration requirements of the 1940 Act. The Directors may at any time in their sole discretion decline to register any transfer of shares or compulsorily redeem shares, as the Directors consider necessary for purposes of compliance with United States laws.

The Directors do not intend to permit shares acquired by investors subject to Title I of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and by other benefit plan investors, as defined in Section 3 (42) of ERISA and applicable regulations, to equal or exceed 25% of the value of any class of the shares of the Fund. Accordingly each prospective investor will be required to represent and warrant as to whether he is a "benefit plan investor" for purposes of ERISA.

Any investor who invests in the Shares of the Fund shall do the same after obtaining his/her own legal and tax advice. The investor shall be an eligible investor in Shares of the Fund as per the applicable laws to which he/she is subjected to and any registration requirements with applicable regulators under applicable law. Shares may be issued to residents of the following countries subject to the local regulations and registrations of these countries:

- (1) SAARC countries –
 - a) Nepal;
 - b) Sri Lanka; and
 - c) Bangladesh.

- (2) Middle East & African countries –
 - a) Bahrain ;
 - b) United Arab Emirates;
 - c) Oman ;
 - d) Kuwait;
 - e) South Africa;
 - f) Mauritius;
 - g) Nigeria; and
 - h) Kenya.

- 3) Asian/South East Asian countries –
 - a) Singapore;
 - b) Hong Kong;
 - c) Indonesia;
 - d) Malaysia; and
 - e) Thailand.

Investment in the Fund will involve certain risks and special considerations. Investors should be able and willing to withstand the loss of their entire or substantial investment. The investments of the Fund are subject to normal market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur. The price of Shares and the income from shares can go down as well as up and investors may not realise the value of their initial investment. The attention of prospective investors is drawn to the section headed “Risk Factors and Special Considerations” below.

The Fund holds a Category 1 Global Business Licence for the purpose of the Financial Services Act 2007 and is regulated by the Financial Services Commission, Mauritius (“FSC”). It must be understood that in giving this authorisation, the FSC does not vouch for the accuracy of any of the statements made or opinions expressed with regard to the Fund.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Fund and an investment therein.

Statements made in this Prospectus are based, as they relate thereto, upon the law and practice currently in force in Kingdom of Bahrain, Belgium, Canada (British Columbia and Ontario), France, Germany, Hong Kong, India, Japan, Mauritius, Oman Qatar, Singapore, United Arab Emirates (excluding DIFC) , United Kingdom and United States of America, and are subject to changes therein.

TABLE OF CONTENTS



DEFINITIONS -----	11
PART I - SUMMARY OF PRINCIPAL TERMS -----	17
PART II - INVESTMENT OBJECTIVE AND POLICIES -----	21
PART III - RISK FACTORS AND SPECIAL CONSIDERATIONS -----	26
PART IV - CONFLICTS OF INTEREST -----	30
PART V SUBSCRIPTIONS AND REDEMPTIONS -----	32
PART VI MANAGEMENT AND ADMINISTRATION-----	33
PART VII FEES AND EXPENSES -----	38
PART VIII TAXATION AND EXCHANGE CONTROL -----	40
APPENDIX I - PROCEDURES FOR ISSUES AND REDEMPTIONS -----	44
APPENDIX II CONSTITUTION & MANAGEMENT OF SBI MUTUAL FUND -----	52
APPENDIX III SUMMARY OF PRINCIPAL TERMS OF THE SCHEME AND OF THE UNIT PURCHASE AGREEMENT -----	54
APPENDIX IV GENERAL INFORMATION-----	56
APPENDIX V – COMPUTATION OF NET ASSET VALUE -----	62
APPENDIX VI – DIRECTORY OF PARTIES -----	69

DEFINITIONS

The following definitions apply throughout this Prospectus.

Accounting Date	means 31 March in each year.
Administrator	means any person, firm or corporation appointed or for the time being acting as Administrator of the Fund.
Administration Agreement	means any agreement for the time being subsisting, between inter alia, the Fund and the Administrator and relating to the appointment and duties of the Administrator.
Application Form	means the standard application in a prescribed form, as amended from time to time, to be filled in and duly executed by any applicant at the time of subscribing to the Shares of the Fund.
Auditors	means the Auditors for the time being of the Fund.
Banker	means Barclays Bank Plc. having its address at 3rd Floor, Barclays House, 68-68A Cybercity, Ebene, Mauritius.
Board	means the Board of Directors for the time being of the Fund.
BSE	means BSE Limited.
Business Day	Any day (except Saturday and Sunday and such other day the Directors may determine from time to time) on which the BSE Limited (BSE), the National Stock Exchange of India Limited (NSE), the banks in Mauritius, and the RBI/banks in Mumbai are open for normal business (other than during a suspension of normal dealing/clearing). The directors reserves the right to declare any day as a business day
Cim Fund Services Ltd	Cim Fund Services Ltd is currently appointed as the Administrator of the fund, having its office at 33, Edith Cavell Street, Port Louis, Mauritius..
Constitution	means the constitution of the Fund as amended from time to time.
Continuous Offer	means the offer of shares in the US Dollar Fund (inclusive of the USD Retail 2 Plan and Institutional 2 Plan issued on 13 June 2016 and the Euro Fund on Valuation Days twice a week, or on such days as the Directors may determine at a price based on Net Asset Value per Share, as described at Part V and Appendix I of this Prospectus.
Custodian	means the Indian Custodian
Dealing day	means any Business Day preceding a Valuation Day or such day as the Directors may determine in their absolute discretion.
Dealing Valuation Point	12.00 noon (Mauritius time) on the Valuation Day. Valuation day is defined as any Business Day. The Directors reserve the right to declare any time as a Dealing Valuation Point.
Dollar Fund	means the class of Redeemable Participating Shares denominated in US Dollars
Directors	means the members of the Board of Directors of the Fund, details of which are given at Part VI of this Prospectus, or as the case may be, the Directors assembled as a Board or as a committee of the Board and includes any person occupying the position of Director by whatever name called.

Distributor	means a distributor appointed by the Fund as per the distribution agreement to distribute shares of the Fund.
Duration Bucket	means the Government of India dated securities grouped according to various durations as described in Appendix V. Duration measures the sensitivity of bond prices to movements in yields.
Euro Fund	means the class of Redeemable Participating denominated in Euros .
Entry Fee	means an entry of 3% of the aggregate subscription amount charged by the Fund to the investor during the Initial Offer Period.
Fiscal and Sale/Purchase charges	All stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges, together with such other provisions as the Administrator or Sub-Administrator in its discretion considers should be made for the costs associated with the acquisition, purchase, sale or disposal of Investments or the creation, issue, sale, exchange or purchase of Participating Shares or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commission payable to agents on sales and the purchase of Participating Shares.
FSC	means the Financial Services Commission of Mauritius.
FSA	means the Mauritius Financial Services Act 2007.
Fund	means SBI Resurgent India Opportunities Fund, a public company, limited by shares incorporated in Mauritius. The Fund holds a Category 1 Global Business Licence (holding registration number 60433 C1/GBL) for the purpose of the FSA and is licensed by the FSC to operate as a collective investment scheme pursuant to section 97 of the Securities Act 2005 and is categorised as a Global Scheme under the Securities (Collective Investment Schemes and Closed end Funds) 2008 ("CIS Regulations").
Government of India or Government	means the central government of India.
India	means the Republic of India.
Indian Custodian	means the SBI-SG Global Securities Services Pvt. Ltd., which has been appointed as the custodian of the assets of the Scheme in India.
Initial Offer Period	means the initial placement of the Shares in the Fund that took place up to 31 st March 2006 so far as it relates to the Retail Plan and Institutional Plan of the US Dollar Fund and the Euro Fund.
Institutional Investors	means any Person, including a natural person, who subscribes to shares in the company for an aggregate of US\$ 1,000,000 or € 1,000,000 any greater amount and in multiples of US\$1,000 and € 1,000.
Institutional Plan	means the plan under the US Dollar Fund and the Euro Fund which caters to Institutional Investors.
USD Institutional 2 Plan	means the plan under the US Dollar Fund which caters to Institutional Investors.
Initial Issue Price	means the price per Share at which the Shares will be offered to the investors during the Initial Offer Period which shall be equal to the nominal value of the Shares of the relevant class plus the Entry Fee.

Investment Management Agreement	means the management agreement entered into between the Fund and the Investment Manager dated 20 th January 2006 as amended from time to time.
Investment Management Fee	means the fees payable by the Fund to the Investment Manager in accordance with the terms of the Investment Management Agreement and this Prospectus.
Investment Manager	means SBI Funds Management (International) Private Limited or any such person, firm or corporation appointed or for the time being acting as investment manager of the Fund.
Issue Price	means the price at which Participating Shares of the class concerned are issued on a any Valuation Day, calculated as described in Appendix I.
Management Shares or MS	means the management shares held by the Investment Manager each having a nominal value of a US\$ 1.00.
Member	means a person who is registered as the holder of shares of the Fund in the register of members for the time being kept by or on behalf of the Fund.
Net Asset Value or NAV	means the consolidated net asset value per Share in each of the US Dollar Fund and the Euro Fund respectively, as the context may require, calculated as described in Appendix V of this document. The Net Asset Value for each Plan under the US Dollar Fund and the Euro Fund shall be calculated separately on Valuation Days.
NSE	means the National Stock Exchange of India Limited.
Ordinary Resolution	means a resolution passed as an ordinary resolution by a simple majority of the Shareholders entitled to vote and voting in person or by proxy at a duly convened meeting of the Shareholders.
Performance Shares	means the class of Redeemable Shares issued to holders of MS as Ordinary shares each having a nominal value of US\$ 0.01 each
Personal Account Number	means a unique number issued by the Administrator to each investor in the Fund.
Plan	means any plan created under the US Dollar Fund or the Euro Fund which shall include and not be limited to the Retail Plan, the Retail 2 Plan, the Institutional Plan and the Institutional 2 Plan.
Portfolio	means the assets and liabilities of the Shares.
Prospectus	means this document as may be amended from time to time.
RBI	means the Reserve Bank of India.
Redeemable Participating Share or Participating Shares	means a redeemable participating share in any one of the classes of redeemable participating shares. These shares have no voting rights except in the case of variation of class rights.
Redemption Notice	means a redemption request sent to the Company or its authorised agent.
Redemption Price	means the price at which Shares are redeemed on a Valuation Day calculated as described in Appendix I.
Register	means the register of Shareholders.
Registrar	means any person, firm or corporation appointed by the Directors to perform any of the duties of the registrar of the Company.
Retail Investors	means any person who subscribes shares in the company to an aggregate of less than US\$ 1,000,000 or € 1,000,000 with a minimum

investment of US\$5,000 and €5,000 and in multiples of US\$1,000 and €1,000.

Retail Plan	means the Plan under the US Dollar Fund and the Euro Fund which caters to Retail Investors.
Sales Charge	means the sales charge to be charged by the Fund on the subscription to Shares after the Initial Offer Period which amount shall be up to a maximum of 5% of the Net Asset Value of the shares on the relevant Valuation Day.
SBI	means State Bank of India.
SBI MF	means the SBI Mutual Fund, authorised by SEBI under which the Scheme has been launched.
Scheme	means SBI Resurgent India Opportunities Scheme, an open-ended dedicated scheme of SBI MF forming a segregated class of assets maintained in respect of the Shares.
Scheme Asset Manager/AMC	means SBI Funds Management Private Limited, an Indian company that has been appointed by the Trustees to act as the asset manager to the Scheme.
Scheme Offer Document	means the standard offer document of the SBI Resurgent India Opportunities Scheme
SEBI	means The Securities and Exchange Board of India.
SEBI Mutual Fund Regulations	means the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time
Settlor	means State Bank of India.
Share Capital	means the aggregate of the paid up capital of the Fund comprising of Shares representing the Management Shares and all classes of Redeemable Participating Shares including but not limited to the US Dollar Fund, the Euro Fund, USD Retail 2 and the Performance Shares.
Shareholders	means the holders of Shares in the USD Retail 2, the US Dollar Fund and the Euro Fund, from time to time, and, where applicable, holders of MS and the Performance Shares from time to time.
Shares	means the shares of the Company in the US Dollar Fund, the Euro Fund, USD Retail 2 and, where applicable, MS and Performance Shares from time to time.
Special Resolution	means a special resolution of the Fund passed at a duly convened meeting by not less than three quarters of Shareholders entitled to vote and voting in person or by proxy.
Sponsor	means SBI Fund Management Private Limited.
Trust Deed	means the Restated and Amended Trust Deed dated December 29, 2004 constituting SBI MF.
Treaty	means the India/Mauritius double tax avoidance treaty signed by the Governments of Mauritius and India on 24 August 1982, so amended by the Protocol signed on 10 May 2016 by the Governments of Mauritius and India
Trustee	means SBI Mutual Fund Trustee Company Private Limited, an Indian company incorporated under the provisions of the Indian Companies Act, 1956, which has been appointed as the trustee to the SBI MF.

Unit Purchase Agreement	means the agreement dated 8 th February 2006 between the Fund, the Investment Manager, Scheme Asset Manager and the Trustee as amended from time to time.
US Dollar Fund	means the class of Redeemable Participating Shares of US\$1 each denominated in US dollars in the capital of the Fund, so segregated into Retail Plan, Retail 2 Plan, Institutional Plan and Institutional 2 Plan.
USD Retail 2 Plan	means the Plan under the US Dollar Fund which caters to Retail Investors and has an exit load.
Valuation Day	every Business Day shall be deemed to be the Valuation day. The Directors reserve the right to declare any day as valuation day.
Valuation Point	means 5.00 p.m. (Mauritius time) on the valuation day or any other time as the directors determine in their absolute discretion.

In this Prospectus, references to “Rupees” or “Rs.” are to the lawful currency of India and references to “US\$”, “US dollars” or “US cents” are to the lawful currency of the United States and references to “Euros” or “Euro Cents” or “€” are to the lawful currency of the European Union.

The following summary is taken from, and should be read in conjunction with the full text of this Prospectus.

The Fund Structure

The Fund has been organised as an open-ended multi-class collective investment vehicle under the laws of Mauritius wherein the investors shall be free to subscribe and exit at the prevailing Net Asset Values on Valuation Days. The Fund has been organised as a public company, limited by shares and been granted a licence by the FSC for registration as a Collective Investment Scheme holding a Category 1 Global Business Licence. Under this Prospectus, the Fund is currently offering interests in Shares of the US Dollar Fund and the Euro Fund to prospective investors, the proceeds of which will be invested in the Scheme, which is a dedicated scheme of SBI MF. The Scheme has been launched by SBI MF as an open-ended dedicated scheme for the Fund and is managed by the Scheme Asset Manager. The Investment Manager has been appointed as the Investment Manager to the Fund by the Directors of the Fund, and for this purpose has entered into an Investment Management Agreement with the Fund. For investments to be made by the Fund in the Scheme, the Fund and the Investment Manager has entered into a Unit Purchase Agreement with the Trustee of SBI MF and the Scheme Asset Manager under which the Fund shall be entitled to subscribe to the units of the Scheme at the prevailing net asset value of the Scheme.

The Directors may establish new classes in the future in accordance with the Fund's constitutive documents to invest in other plans within the Scheme.

Investment Objective

SBI Resurgent India Opportunities Fund would seek to provide investors with opportunities for long-term growth in capital through well-researched investments in a diversified basket of stocks of Indian Companies.

For further information see the "Summary of Principal Terms of the Scheme" at Appendix III to this Prospectus.

Risk Factors and Special Considerations

Investment in the Fund will involve certain risks and special considerations and should only be made by investors who understand the risks involved and are able and willing to withstand the risk of the loss of their entire or substantial amount invested. No assurance can be given that the Fund's investment objective will be achieved. Prospective investors are referred particularly to the risk factors and special considerations associated with investing in the Fund and the potential conflicts of interest relating to the Fund, which are set out in "Risk Factors and Special Considerations" at Part III of this document.

Distribution Policy

The Directors do not expect that the Fund will realise significant dividend or interest income from its investments in the Scheme and hence the Fund does not intend to make any dividend distribution except in certain exceptional circumstances as the Board may in its discretion decide otherwise. Investment in the Fund is therefore not suitable for investors seeking an income return on their investment.

Minimum Subscription

Subject to any applicable requirements under the local laws and the disclaimers stated in this Prospectus, the minimum initial amount of subscription for shares in the Fund are given below (or such lesser amounts as the Investment Manager may determine in its discretion):

Share Class	Plan	Minimum Investment amount
US Dollar Fund	Retail	US\$5,000 & in multiples of US\$1,000 thereafter
US Dollar Fund	Retail 2	US\$5,000 & in multiples of US\$1,000 thereafter
US Dollar Fund	Institutional	US\$1,000,000 & in multiples of US\$1,000 thereafter
US Dollar Fund	Institutional 2	US\$1,000,000 & in multiples of US\$1,000 thereafter
Euro Fund	Retail	Euro 5,000 & in multiples of Euro 1,000 thereafter
Euro Fund	Institutional	Euro1,000,000 & in multiples of Euro 1,000 thereafter

Issue of Shares

During the Initial Offer Period, shares will be offered to the investors at the Initial Issue Price.

After a period of six months from the closure of the Initial Offer Period, shares may be subscribed on any Valuation Day at an Issue Price per share based on the prevailing Net Asset Value of the Fund (US Dollar Fund (Retail, Retail 2, Institutional and Institutional 2 Plans) and the Euro Fund (Retail, Institutional Plans) per share plus the applicable Sales Charge.

Redemptions of Shares

After a period of six months from the date of closure of the Initial Offer Period i.e. from 29th September 2006, an investor shall be entitled to redeem the shares on any Valuation Day at a Redemption Price per share based on Net Asset Value of the Fund per share (i.e. US Dollar Fund (Retail, Retail 2, Institutional and Institutional 2 Plans) and the Euro Fund (Retail, and Institutional Plans)).

Further information relating to the issue and redemption of shares is set out in Appendix I “Procedures for Issues and Redemptions”.

Net Asset Value

The Net Asset Value per share in the US Dollar Fund and the Euro Fund will be calculated in US dollars and Euros respectively on Valuation Days. The Net Asset Value of the Scheme shall be disclosed to the Fund on Valuation Days. Net Asset Value per share shall be calculated separately for the Retail Plan, Retail 2 Plan, Institutional Plan & Institutional 2 Plan in the US Dollar Fund and for Retail Plan & Institutional Plan in the Euro Fund.

Banker, Indian Custodian and Administration

Barclays Bank Plc. has been appointed to act as Banker to the Fund. SBI-SG Global Securities Services Pvt. Ltd. has been appointed by the Scheme Asset Manager as the Indian Custodian of the Scheme’s assets in India. Cim Fund Services Ltd acts as Secretary, Registrar and Administrator to the Fund.

Fees and Expenses

The Fund will pay the Investment Management Fee to the Investment Manager at a rate not exceeding the rates mentioned below:

Share Class	Plan	Maximum Investment Management Fee
US Dollar Fund	Retail	1.50% per annum of the daily net assets
US Dollar Fund	Retail 2	1.50% per annum of the daily net assets
US Dollar Fund	Institutional	0.75% per annum of the daily net assets
US Dollar Fund	Institutional 2	0.75% per annum of the daily net assets
Euro Fund	Retail	1.50% per annum of the daily net assets
Euro Fund	Institutional	0.75% per annum of the daily net assets

Investment management fee shall be payable to the Investment Manager on a monthly basis, in arrears. Investment manager may charge different management fee in different plans, subject to limits mentioned in above table. The Investment Management Fee may be subject to changes from time to time. In addition to this, the Scheme shall pay to the Scheme Asset Manager a fee at the rate not exceeding 0.50% per annum of the daily average Net Asset Value of the Scheme. At the time of the Initial Offer Period, an Entry Fee shall be levied on the investors at the rate of 3% of the amount invested by investors, subject to a right of the Fund to reduce or waive such Entry Fees. After the Initial Offer Period, the Fund will levy a Sales Charge of up to 5% of the Issue Price per share on subscriptions.

In case of USD Retail 2 Plan an exit load will be charged. Exit load will be - For exit within 1 year from the date of allotment - 2% of the investment amount; For exit after 1 year from the date of allotment – Nil. This exit load fee will be paid to investment manager.

The Fund and the Scheme will be responsible for their respective operating expenses, including the fees of the Investment Manager, the Scheme Asset Manager, the Administrators and the Custodian and all transaction costs and reasonable out of pocket expenses. The aggregate expenses charged to the Fund and the Scheme are, however, not expected to exceed as per below table:

Share Class	Plan	Aggregate expense limit
US Dollar Fund	Retail	3% per annum of the daily net assets
US Dollar Fund	Retail 2	3% per annum of the daily net assets
US Dollar Fund	Institutional	2% per annum of the daily net assets
US Dollar Fund	Institutional 2	1.25% per annum of the daily net assets
Euro Fund	Retail	3% per annum of the daily net assets
Euro Fund	Institutional	2% per annum of the daily net assets

Further information is set out under “Fees and Expenses” at Part VII of this document.

Taxation

The Scheme in India will not be subject to any Indian tax on income, profits or capital gains derived by it from any source.

The Fund, as a resident of Mauritius, should not be subject to any taxation in India on any gain realised on disposal of units in the Scheme, or on income distributed by the Scheme.

The Fund holds a Category 1 Global Business Licence for the purpose of the FSA and is liable to income tax in Mauritius at the rate of 15%. However the Fund is entitled to a deemed tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax on its foreign source income. Presently there is no capital gains tax on securities in Mauritius.

Further information is set out under "Taxation and Exchange Control" at Part VIII of this document.

FATCA

In order to comply with tax information sharing laws (such as Foreign Account Tax Compliance Act ("FATCA")) and similar laws, the Investment Manager may seek personal, tax and beneficial ownership (direct or indirect) information or any other information, certifications and documentation from the investors (including in relation to the tax residency). Such information, certificates or documentation as may be requested by the Investment Manager from time to time shall be collected, collated or obtained by the Distributor and be provided to the Investment Manager within stipulated timelines. The Distributor shall provide such information/certification/documentation upon request from the Investment Manager. The Distributor shall promptly intimate the Investment Manager should there be any change in such information, certifications or documents, but not later than 15 calendar days from the date of knowledge of such change. In certain circumstances (including in case of any omission, delay or failure in providing the information, certifications or documentation requested by the Investment Manager), the Investment Manager shall be constrained to share information pertaining to the investor with relevant tax authorities (domestic or foreign). The Investment Manager may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto and/or as may be required by domestic or overseas regulators/tax authorities. The Investment Manager may also be constrained to withhold and pay out any sums on behalf of the investor. The investors are required to consult their respective tax advisors for any questions/clarifications in relation to FATCA requirements including about their tax residency and with respect to their own situation and investment in the Shares and other foregoing matters. The Distributor shall at all times appraise the prospective client / investor about the requirement under this clause and shall ensure that compliance as mentioned herein is maintained at all times.

PART II – INVESTMENT OBJECTIVES AND POLICIES

Investment Objectives and Policies

The Fund shall invest all or substantially all of its assets into the units of the Scheme. The investment objective of the Fund is similar to that of the Scheme, i.e., to provide investors with opportunities for long-term growth in capital through well-researched investments in a diversified basket of stocks of Indian Companies.

The investment objectives, policies and restrictions of the Scheme are more particularly described in the relevant part of Appendix III.

Investment Conditions/Restrictions

Investment conditions applicable to the Fund

In accordance with the SEBI in-principle approval, the Fund shall be required to inter alia comply with the following conditions:

- (i) The Fund to be sponsored by the Scheme Asset Manager;
- (ii) SBI MF to launch a scheme for investment in India and the units issued by the scheme shall be subscribed for by the Fund only;
- (iii) The Scheme Asset Manager to certify to the SEBI that it has obtained the necessary approvals for the Fund in the overseas jurisdictions. Any financial obligation arising out of the operations of the Fund shall be met separately, without affecting the interests of the unit holders in other domestic mutual fund schemes managed by the Scheme Asset Manager;
- (iv) The Trustee shall monitor the activities of the Fund and shall confirm to SEBI in their half-yearly reports that there is no conflict of interests between the management of the Fund by the Scheme Asset Manager and its management of the Scheme;
- (v) The conditions of the Fund being broad based shall be built into the tripartite agreement between the Investment Manager of the Fund, the Trustees of the domestic mutual fund and the Scheme Asset Manager
- (vi) The Investment Manager of the Fund shall ensure that the Fund complies with the Know Your Client (KYC) and anti-money laundering requirements for their overseas investors; and
- (vii) The Fund shall also comply with any other requirement as stipulated by SEBI from time to time.

Investment conditions applicable to the Scheme

The Scheme is a scheme floated by SBI MF, which is a mutual fund registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996. In accordance with the 'in-principle' approval obtained by the Scheme Asset Manager from SEBI, the following investment conditions/restrictions shall apply to the Scheme and the Fund:

- (i) The scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act, 1992. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Trustees and the Board of directors of the Scheme Asset Manager.

Provided that such limit shall not be applicable for investments in government securities, treasury bills and collateralized borrowing and lending obligations:

Provided further that investment within such limit can be made in mortgaged-backed securitized debt, which is rated not below investment grade by a credit rating agency registered with the SEBI.

- (ii) The Scheme shall not invest more than 10% of its Net Asset Value in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the Net Asset Value of the Scheme. All such investments shall be made with the prior approval of the Trustees and the Board of the Scheme Asset Manager.
- (iii) Investment in debentures, irrespective of any residual maturity period (above or below 1 year), shall attract the investment restrictions applicable to debt instruments as specified above.
- (iv) The mutual fund under all its schemes shall not own more than 10% of a company's paid-up capital carrying voting rights.
- (v) Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if:
 - (a) such transfers are made at the prevailing market price for quoted instruments on a spot basis; and
 - (b) the securities so transferred shall be in conformity with the investment objectives of the scheme to which such transfer has been made.
- (vi) The Scheme may invest in another scheme being managed by the Scheme Asset Manager or that of any other mutual fund without charging any fees, provided that the aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the SBI MF.
- (vii) The Scheme shall not invest in a 'Fund of Funds Scheme'. 'Fund of Funds Scheme' means a mutual fund scheme that invests primarily in other schemes of the same mutual fund or other mutual funds.
- (viii) The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchase, take delivery of relative securities and in all cases of sale, deliver the securities:

Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the SEBI:

Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the SEBI.

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
- (ix) Pending deployment of the funds of the Scheme in securities in line with the investment objectives of the Scheme, funds of the Scheme may be invested in short term deposits of scheduled commercial banks subject to such Guidelines as may be specified by SEBI.
- (x) The Scheme shall not make any investment in;
 - a) any unlisted security of an associate or group company of the sponsor of SBI MF; or
 - b) any security issued by way of private placement by an associate or group company of the sponsor of SBI MF; or
 - c) the listed securities of group companies of the sponsor of SBI MF which is in excess of 25% of the net assets.
- (xi) The Scheme shall not invest more than 10% of its Net Asset Value in equity shares or equity related instruments of any company.
- (xii) The Scheme shall not invest more than 5% of its Net Asset Value in unlisted equity shares or equity related instruments in case of open-ended schemes.
- (xiii) The Scheme shall provide that the securities be purchased or transferred in the name of the Mutual Fund for the relevant scheme, wherever investments are intended to be of a long term nature.

(xiv) The Fund shall ensure that total exposure of the Scheme, in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, TBills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 25% of the net assets of the scheme;

Provided that an additional exposure to financial services sector (over and above the limit of 25%) not exceeding 5% of the net assets of the scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs);

Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 25% of the net assets of the scheme.

The Fund shall ensure that total exposure of debt schemes of mutual funds in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustees.

For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

These investment limitations / parameters (as expressed / linked to the net asset / net asset value / capital) shall in the ordinary course apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciations or depreciations 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 Scheme, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, the Scheme Asset Manager shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Fund.

In addition, certain investment parameters (such as limits on exposure to sectors, industries, companies, etc.) may be adopted internally by the Scheme Asset Manager, and amended from time to time, to ensure appropriate diversification and security for the Fund. The Trustee or Scheme Asset Manager may alter the above limitations from time to time, so as to permit the Scheme to make its investments in the full spectrum of permitted investments to achieve its investment objective.

Notwithstanding the above conditions / restrictions, in case any investment conditions or restrictions are imposed by the SEBI or any other regulatory authority in India, the Scheme shall comply with such requirement and the above conditions / restrictions shall stand amended to that extent.

Borrowing

The Fund will not borrow money except for short-term or temporary purposes as may be necessary for settlement of transactions or to facilitate Redemptions. It is the Directors' intention to restrict the amount of money borrowed for all purposes so that it does not exceed 20% of the Net Asset Value of the Fund at the time of such borrowing.

PART III – RISKS FACTORS AND SPECIAL CONSIDERATIONS

For the purpose of this section, unless the context otherwise requires, reference to ‘Fund’ shall also include the reference to the Scheme in which the Fund will invest. The risk factors stated herein should be read together with the risk factors as stated in the Scheme Offer Document.

Investing in the Fund will involve risks and special considerations in addition to those risks normally associated with making investments in securities. The value of shares and the income from them may go down as well as up and there can be no assurance that on a redemption, or otherwise, investors will receive back the amount originally invested. There can be no assurance that the market price of the shares will fully reflect their underlying value. Although the Fund is open-ended, there are limits on the amount of net redemptions on any Valuation Day, which may restrict an investor’s ability to realise his investment. Accordingly, the Fund is only suitable for investment by investors who understand the risks involved and who are able and willing to withstand the loss of their entire investment. Prior to making an investment decision, prospective investors should carefully consider all the information contained in this Prospectus and, in particular, the following risks:

Investment Risks

The value of the shares and the income there from may fluctuate significantly. There can be no assurance that the Fund will achieve its investment objective or that a shareholder will recover the amount originally invested in the Fund. The income and return on capital of the Fund are dependent upon the income and return of capital on the securities it holds, less expenses incurred. Therefore, the return on the shares can be expected to fluctuate in response to changes in the income or return of capital on securities in which the Scheme invests.

Political, Economic and Other Factors

Investment in India involves risks relating to political, economic, social factors. The Fund, the Redemption Price and liquidity of the shares and the underlying investments of the Fund may be adversely affected by inflation, interest rates, taxation, commodity prices, other political, economic, social factors, as well as changes in the laws or regulations of India. Furthermore, the economy of India may differ favourably or unfavourably from the economies of other more developed countries, including in the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, availability of resources, self-sufficiency and balance of payments position.

In addition, because the Government of India exercises significant influence over many aspects of the Indian economy, Government action in the future could have a significant impact on the Indian economy, which, in turn could affect issuers of the securities in which the Scheme invests, market conditions and the prices and yields of securities in the Scheme’s portfolio. Since the mid-1980s, India has adopted more liberal and free-market economic policies. Despite such reforms, a large portion of industry and the financial system remains under state control. There can be no assurance that the Government will continue to pursue liberal and free-market economic policies or, if it does, that such policies will be successful.

Reliance on India/Mauritius Double Tax Avoidance Treaty

Investors should note that the Fund relies upon the provisions of the Treaty to minimise, so far as possible the taxation of the Fund. 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.

Indian Securities Markets

The Indian securities markets are fragmented, substantially smaller and at times have been more volatile than the major securities markets in more developed countries. Indian stock markets have in the past experienced substantial price volatility and illiquidity and no assurance can be given that such volatility will not occur in the future.

The value of the Scheme's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, changes in policies of the Government of India, taxation laws or policies and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets.

Financial Disclosure and Regulatory Matters

The assets and liabilities and profits and losses appearing in the financial statements of an Indian issuer may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with generally accepted international accounting principles in other countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently than under generally accepted international accounting standards, all of which may affect the valuation of the Fund's assets.

Illiquidity of Shares

The Shares have not been listed on any stock exchange and may not be listed in the future. Even if the Shares are listed at a future date, there can be no assurance that an active trading market will develop. Furthermore, there can be no assurance that the trading price of such shares on the stock exchange if any, will reflect their underlying Net Asset Value or that an investor will be able to sell or redeem his shares at the price and time that he desires. The shares have not been registered under the securities laws of any jurisdiction. The shares may not be transferred unless registered under applicable securities laws or unless appropriate exemptions from such laws are available. Shares may be redeemed in accordance with the provisions set out in Appendix I. The Directors have adopted limits on the amount that may be redeemed on any Valuation Day. Accordingly there is no assurance that an investor will be able to realise his investment in a timely manner.

Unlisted Securities

The Scheme has the power to invest in securities, which are not quoted on any stock exchange. In general, these unlisted securities are likely to be subject to less liquidity and greater risk than those, which are traded on a stock exchange. Such unlisted securities will usually lack a liquid secondary market and there can be no assurance that the Scheme will realise its entire investment, or any part of such investment, at a fair value.

Investment Spread, Diversification and Availability

While the liquidity of front line Indian stocks in the Indian stock markets has recently improved, opportunities for investment in smaller and newer stocks is still restricted owing to their comparatively lesser availability and liquidity in the stock markets. Therefore, in the context of investment in such companies, the portfolio diversification benefits may be limited as their prices may undergo substantial fluctuations.

Currency and Foreign Exchange Risks

Most of the income received by the Fund will be in Rupees, whereas distributions from the Fund will be made in US dollars and Euros. Therefore, distributions will be adversely affected by reductions in the value of the Rupee relative to the US dollar and Euro. The Fund's assets will be invested in securities that are primarily quoted or denominated in Rupees whereas the shares are denominated in US dollars and Euros. Accordingly, a change in the value of the Indian Rupee against the US dollar and Euros will result in a corresponding change in the Net Asset Value per share. Currently, the Fund does not intend to hedge against the consequent currency exposure, though the Fund may at a later date decide to enter into transactions to hedge the currency risk. The value of the Fund's assets and the liquidity of the shares may also be affected by developments relating to exchange control regulations. There can be no assurance that future restrictions on the ability to exchange Rupees into US dollars and Euros and to repatriate income and capital will not adversely affect the ability of the Fund to repatriate its income and capital.

The Scheme Asset Manager has not provided an indemnity to the Scheme and the Fund against any diminution in the assets of the Scheme. Therefore, the Fund would not be able to bring a claim in respect of an indemnity against the assets of the Scheme Asset Manager. Moreover, investors should be aware that there is no indemnity from the Scheme Asset Manager to the Investment Manager for any such diminution in the assets of the Scheme.

Other Market Risks

Financial markets are increasingly volatile. Wide swings in market prices that have been a feature of smaller and less developed markets are also becoming common in major financial markets. In many instances, market prices defy rational analysis or general expectation. At times, market sentiment may be influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons. Market volatility of a sufficient magnitude can sometimes weaken what is deemed to be a sound fundamental basis for investing in a particular market. Investment expectations may therefore also fail to be realized in such instances.

Inflation

Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economies and securities markets of India.

Risks in Relation to Mauritius

Mauritius has been a politically and economically stable country over the last several decades. However, as with any other developing country, there can be no assurance that it will continue to remain politically and economically stable and thus there may be political risks associated with investing in a Mauritian entity.

Redemptions

The Fund may in certain circumstances including a substantial redemption demand (a) suspend redemptions completely or, (b) make in specie redemption payments to certain qualifying Shareholders. Shareholders receiving redemption payments in specie may incur brokerage costs in converting such securities to cash. Such conversions will be subject to the market risks set forth above.

Management Risks

Shareholders will not be entitled to participate in the management of the Fund. The success of the Fund depends, in part, on the quality, skill, and expertise of the individuals employed by the Scheme Asset Manager. The loss of the key personnel of the Scheme Asset Manager could adversely affect the performance of the Fund.

PART IV – CONFLICTS OF INTEREST

The Scheme Asset Manager, the Investment Manager or an affiliate of the Investment Manager, the Administrator and their officers and major shareholders (collectively, the “**Interested Parties**”) are or may be involved in other financial, brokerage, investment or other professional activities which will on occasion cause conflicts of interest in connection with the Fund and the Scheme. Such entities and persons will so far as practicable have appropriate regard to their respective obligations under the agreements appointing them to act in the best interests of the Fund and, as the case may be, the Scheme when potential conflicts of interest arise in respect of similar obligations to other funds or clients. Should a conflict arise, the Directors will endeavour to ensure that it is resolved fairly.

Conflicts may arise in the event that other schemes managed by the Scheme Asset Manager invest in the same types of securities in which the Fund will invest. The Scheme Asset Manager currently manages, and may establish in the future, domestic schemes, which invest, or may invest, in companies in which the Scheme invests. Prospective investors should note that conflicts may arise between such schemes and the Fund. Having regard to its obligations to other schemes or plans, the Scheme Asset Manager will at all times have regard to its obligations to act in the best interest of the Scheme, including its obligation to give the Fund and the Scheme the benefit of its best judgment, efforts and facilities in rendering its services with a view to achieving the investment objective of the Fund within the investment policies and restrictions as set out in this Prospectus and within the investment policies and restrictions of the Scheme. The Scheme Asset Manager has appointed separate fund managers in respect of its offshore and domestic schemes.

The Scheme Asset Manager has evolved strict corporate governance guidelines designed to achieve and maintain discipline and transparency in all business processes and to avoid any potential or actual conflict of interests. These guidelines are applicable to any transaction entered into by the Scheme.

A number of examples of potential conflicts of interest are outlined below. However, the examples listed below are not intended to be exhaustive, and other types of conflicts of interest may arise during the term of the Fund.

Investments in Companies in which Interested Parties have Interests

The Scheme may participate in projects and companies in which Interested Parties have an existing investment or other interests, which may be on the same terms as the Scheme’s investment or on different terms. In such cases, there could be a potential conflict between the interests of the Scheme and those of the Interested Parties.

Allocation of Investments

The Interested Parties may be subject to conflicts of interest in allocating investment opportunities among the Fund and other funds managed by them. Investment opportunities identified by the Scheme Asset Manager may be suitable for the Scheme, one or more of their other funds or for direct investment by the Interested Parties. The Scheme Asset Manager, will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each fund, the remaining uninvested capital of each fund, the level of diversification of each fund, and the basis on which prior conflicts in allocating investment opportunities have been resolved. However, there can be no assurance that the Scheme will be allocated any particular investment opportunity that is identified by the Scheme Asset Manager. Furthermore, the Scheme Asset Manager, shall have the right, in its discretion, to allocate any investment opportunity to other funds or to its own portfolios.

Representation

The attorneys, accountants, and other professionals, who perform services for the Fund and the Scheme may, and in some cases do, also perform services for the Interested Parties and their affiliates. The Fund and the Scheme respectively shall, wherever appropriate, enter into confidentiality agreements prior to such services being rendered in the Fund's or Scheme's favour. The Fund and the Scheme however, do not guarantee against any such conflict of interests.

PART V – SUBSCRIPTIONS AND REDEMPTIONS

Shares of the Fund are available in registered form and share certificates will not be issued. The Administrator pursuant to the Administration Agreement shall carry out the Registrar functions.

The subscription form should be completed with the full name and address of each of the persons in whose name the shares are to be registered and, in the case of a joint application, should identify who is to be the first named Shareholder.

Application procedure for Shares

During Initial Offer Period

Applications for Shares made during the Initial Offer Period should be made by completing the subscription form and sending it, together with the identity verification documents and necessary payment as summarised below, to the Administrator, who will process all applications received by it to the Fund for acceptance or rejection. The subscription amount must be effected by payment in cleared funds to the Banker. An application for shares made during the Initial Offer Period and cleared funds in respect thereof, should be received not later than 3:00 pm (Mauritius Time) on the Initial Offer Period, although the Fund reserves the right to accept (and process at the price prevailing during the Initial Offer Period) applications received after closure of the Initial Offer Period. Subject to any exercise of this discretion, applications received after this time, or applications that are rejected, will not be eligible for investment and any sum already paid to the Fund in relation to those applications will be returned (without interest) to the applicant.

The Fund shall offer investors shares for subscription during the Initial Offer Period. However, in the event the aggregate subscription under each class of shares is less than US\$5,000,000 or Euros 5,000,000, the Directors may in their absolute discretion convert the subscription to any one class of shares, after giving 7 calendar days' notice.

The Directors may in their absolute discretion after the Initial Offer Period, depending on the subscriptions received in any other class of shares, offer an option to the investors who had initially subscribed for shares in a currency other than that allotted to them, to convert their holding in the Fund to the original currency. However, prior to such a conversion by the Directors they shall give such investors an opportunity to exit the Fund, by offering to redeem their shares at the Redemption Price.

During Continuous Offer

The Fund reopens for continuous offer of shares from 29th September 2006 onwards. During the continuous offer period, investors may subscribe to shares on Valuation Days at the Issue Price on the Valuation Days plus the applicable Sales Charge.

The procedure for applications for shares is set out in Appendix I.

Redemption of Shares

The Fund is open for redemption from 29th September 2006 onwards. Shares may be redeemed on an ongoing basis on Valuation Days at the Redemption Price on the Valuation Days, as described in Appendix I to this document.

The procedures for redemption of shares are set out in Appendix I.

PART VI – MANAGEMENT AND ADMINISTRATION

In view of the structure of the Fund, the Fund shall invest exclusively in the Scheme and the Scheme shall make investments in securities. The Fund has appointed the Investment Manager to take decisions on behalf of the Fund on investment and divestment in the units of the Scheme.

It is anticipated that the Fund will hold at least two full Board meetings a year in Mauritius to principally decide on the investment strategy and performance; the first such meeting will also approve semi-annual accounts and the second meeting will approve the annual accounts. The other Board meetings of a more routine nature will take place by telephone conference with at least two resident directors present in Mauritius and chaired from Mauritius.

The Board of the Fund will review any non-routine operational matters and will expect to be advised on any changes in the regulatory and tax environment affecting the Fund.

The Fund

The Board of the Fund comprises of Pierre Dinan, Dinesh Kumar Khara and Sahjahan Ally Nauthoo. The brief biographies of the directors are as follows:

Pierre Dinan

Mr. Pierre Dinan holds a degree in Economics from the London School of Economics and Political Science and is a Fellow of the Institute of Chartered Accountants of England and Wales. He has a vast experience in conducting economic and financial studies for Mauritian companies and the World Bank. He has been engaged in promoting and managing global business services since 1992 and has been a member of various committees set up by Government ministries in the matters of finance and international trade. He was a founder Chairman of the Mauritius Institute of Directors. He was the founder Chairman of the Mauritius Institute of Directors

Dinesh Kumar Khara

Mr. Dinesh Kumar Khara has been deputed by State Bank of India (SBI) as Managing Director & CEO of SBI Funds Management Pvt. Ltd. Mr. Khara joined State Bank of India as Probationary Officer in 1984 and has over 28 years of experience in all the facets of commercial banking. In this previous assignment, he was Chief General Manager of Bhopal Circle, State Bank of India.

Sahjahan Ally Nauthoo

Mr Nauthoo is a Fellow of the Association of Chartered Certified Accountants - UK and holds a Bachelor of Business Science (Hons) degree in the field of Accountancy with the University of Mauritius. He is also a Member of the Mauritius Institute of Professional Accountants and Mauritius Institute of Directors.

He has over 10 years of experience in the global business sector and 2 years of experience in the field of banking and finance. He has gained wide experience in the structuring, setting up and administration including secretarial, accounting, taxation and compliance of offshore funds and companies. He serves as director and authorized signatory for a large number of funds/companies administered by Cim Global Business. He is currently a Senior Manager and prior to joining Cim Global Business, he also worked for 5 years with International Financial Services Limited.

Investment Manager

The Investment Manager was incorporated on the 17th January 2006 holding registration number 60432 C1/GBL in Mauritius as a private limited company, with limited liability. It is wholly owned by the Scheme Asset Manager.

The Fund and the Investment Manager signed a Management Agreement on the 20th of January 2006, governed by the laws of Mauritius. In accordance with the Management Agreement, the Investment Manager shall, inter alia, identify, review, evaluate, make and execute investment and realization opportunities for the Fund. The Management Agreement shall be terminated by either party giving not less than 90 days' notice to the other party, or as otherwise provided for therein.

The Fund is also empowered to perform all duties and functions necessary in connection with the placing and advising the Fund on general matters affecting its structure and operations in accordance with the Management Agreement, the Constitution and under the ultimate supervision of the Board.

The board of the Investment Manager comprises of Shyam Swaroop Asthana and Hyder Aboobakar. The brief biographies of the directors of the Investment Manager are as follows:

Shyam Swaroop Asthana

Mr. Shyam Swaroop Asthana was appointed as director of the Company on 05 November 2014. Mr. Asthana has over 29 years' experience in the banking sector. Mr. Asthana joined the State Bank of India as a probationary Officer in October 1985.

Over the years, Mr. Asthana has worked in all verticals, namely General Banking, Agri Finance, SME and Corporate Finance, Forex, Stressed Assets Management & Corporate Debt Restructuring (CDR) Cell through which cases of restructuring of viable Corporate entities, having exposure of Rs 10 crore and above from two or more banks are routed. He is a Fellow of the Certified Associate of Indian Institution of Bankers (CAIIB) and is currently the Managing Director and CEO of SBI (Mauritius) Limited.

Hyder Aboobakar

Hyder joined the CEO's office of Cim Group in May 2015 as Manager- Investments. He is responsible for defining the strategic plans and implementing investment and M&A strategy of the group. He also guides the team managing the Investment advisory function in structuring investment solutions and products for the clients of Cim Global business.

A CFA charter holder, FRM holder and a graduate in Economics and Finance, Hyder brings over 11 years of experience in the Investment and Finance industry. Prior to joining the Cim Group, he was the Investment Manager at TVF Capital Management Ltd, with a corpus of over USD250m under management.

Earlier, he worked at Superfund Asset Management Ltd as trader and led the risk management team.

Administrator

The Fund's Administrator is Cim Fund Services Ltd, which provides administration and other services to companies in Mauritius, including offshore funds. Cim Fund Services Ltd is a leading management company for global businesses in Mauritius and provides professional services to international clients including international tax, legal and global business services. Cim Fund Services Ltd predominantly handles fund set up and administration, private trust and global business activities and is licensed and regulated by the FSC.

The administration of the Fund is being undertaken by the Administrator in Mauritius which, *inter alia*, provides registrar, corporate, secretarial and administrative services, report the Net Asset Value, manage corporate correspondence, attending to regulatory filings in Mauritius maintain the statutory books and records for the Fund, maintain lists of shareholders and attend to the general administration of each of the companies that have engaged the Administrator.

Under the separate Administration Agreement between the Fund and Administrator, the engagement may be terminated by the Fund upon giving 90 days' notice.

The office address of the Administrator is C/o Cim Fund Services Ltd, 33, Edith Cavell Street, Port Louis, Mauritius, Telephone number: (230) - 405 2000

Custody of the Assets

The Fund has appointed Barclays Bank Plc as its Banker, to keep under its custody the cash balances of Fund. As at 02 June 2016, the bank balance held with Barclays Bank Mauritius Limited was USD 5,036.21 and EUR 1,512.89.

The Fund has reaffirmed the appointment of SBI-SG Global Securities Services Pvt. Ltd., as the Indian Custodian to safeguard the assets of the Scheme.

PART VII – FEES AND EXPENSES

The following fees and expenses will be payable out of the assets of the Fund:

Investment Management Fees and Operating Expenses

The Fund will pay an Investment Management Fee to the Investment Manager at the maximum rate of 1.50% p.a. of the daily net assets under the Retail Plan & Retail 2 Plan of the US Dollar and Retail Plan of the Euro Funds and 0.75% p.a. of the daily net assets under the Institutional Plan of both the US Dollar and Euro Funds and 0.75% p.a. of the daily net assets under the Institutional 2 Plan of USD Dollar Fund and the same shall be payable to the Investment Manager on a monthly basis, in arrears. The Investment Management Fee may be subject to changes from time to time. In addition to this, the Scheme shall pay to the Scheme Asset Manager a fee at the rate not exceeding 0.50% per annum of the daily average Net Asset Value of the Scheme.

The Fund and the Scheme will be responsible for their respective operating expenses, including the fees of the Investment Manager, the Scheme Asset Manager, the Administrator and the Custodian, Directors Fees, all transaction costs and out of pocket expenses. The aggregate expense charged to the Fund and the Scheme, however, are not expected to exceed 3% in case of Retail Plan, Retail 2 Plan, 2% for Institutional Plan and 1.25% for Institutional 2 Plan.

Administration and Custody Fees

The Fund will pay the fees of the Administrator which will be at market rates agreed from time to time. Under the terms of the Administration Agreement, the fees paid to the Administrator shall be a minimum of US\$ 25,000 and a maximum of US\$75,000 per annum, which amount shall exclude the initial set up fee. Reasonable out-of-pocket expenses will also be reimbursed by the Fund to the Administrator. Such fees to the Administrator shall be payable quarterly in arrears.

The fees payable to the Indian Custodian shall be paid out of the Scheme at the rate of 0.05% per annum on the weekly average net asset value of the Scheme payable monthly in arrears. The Indian Custodian is also entitled to out-of-pocket expenses (including any statutory charges, charges paid to the depository participant, charges, stamp duty charges for registration and transfer deed cost) incurred in the proper performance of its duties.

The Entry Fee and Sales Charge

At the time of the Initial Offer Period, the Entry Fee shall be levied on the investors at the rate of 3% of the amount invested, subject to a right of the Fund to reduce or waive such Entry Fee. During the continuous offer, the Fund will levy a Sales Charge of up to 5% on the Issue Price per share.

Exit load

In case of USD Retail 2 Plan, at the time of the redemption, the exit load will be levied on the investors. Exit load will be - For exit within 1 year from the date of allotment - 2% of the investment amount; For exit after 1 year from the date of allotment – Nil; Investment manager reserves the right to change the exit load from time to time. Change in exit load will be applicable to prospective investments from the investors. Investment manager reserves the right to reduce or waive the exit load. Exit load fee will be paid to investment manager.

Other Fees and Expenses

Each Independent Director will be entitled to a fee of US\$ 4,000 per annum while the Director who is also an officer of Cim Fund Services Ltd will be entitled to a fee of US\$2,000 per annum. Directors who are officers or employees of SBI are entitled to directors' fees, but have currently waived their entitlement to such fees. Therefore, the total fees to be paid to the Directors in the next year are expected to be US\$6,000. The fees payable to the Directors are subject to change from time to time. The Fund shall also bear all the reasonable travelling, hotel and out-of-pocket expenses of the Directors incurred in attending board meetings and discharging their responsibilities to the Fund as directors.

The Fund and the Scheme will bear all respective stamp duties, taxes, commissions and other dealing costs, foreign exchange costs, bank charges, registration fees relating to investments, insurance and security costs, fees and expenses of the Auditors and the registrars and legal, regulatory and certain other expenses incurred in the administration of the Fund (including the reinvestment of dividends) and in the acquisition, holding and disposal of investments. The Fund shall bear all organizational expenses including but not limited to incorporation costs for the Fund, legal costs, regulatory fees, etc. in connection with the setting-up of the Fund and the Scheme subject to a maximum of US\$200,000. Any organizational costs in excess of the same shall be borne by the Investment Manager. Any organizational expenses incurred by the Fund would be amortized over a period of one year. The Fund will also be responsible for the costs of preparing, printing, distributing and modifying all valuations, statements, accounts, reports, investor servicing and any constitutive document of the fund. The expense of publishing the Net Asset Value will also be borne by the Fund.

In accordance with Indian market practice, brokerage costs will be charged to the capital account of the Fund.

Any expenses in relation to transfer of funds for subscription or redemption shall be borne by the investor.

PART VIII – TAXATION AND EXCHANGE CONTROL

Taxation General

Prospective investors are urged to consult their own professional advisers on the relevant taxation considerations applicable to the purchase, holding, disposal and redemption of shares in the US Dollar Fund and the Euro Fund and the receipt of distributions (whether or not on redemption) with respect to such shares under the laws of the jurisdictions in which they are liable to taxation.

The affairs of the Fund will be conducted in such a manner as to mitigate, so far as is reasonably practicable, taxation suffered by the Fund. Set out below is a summary of the anticipated tax treatment in Mauritius, India and the United Kingdom which, as regards Shareholders, applies only to persons holding Shares in the US Dollar Fund and the Euro Fund as an investment. It does not constitute legal or tax advice and is based on the taxation law and practice in force at the date of this Prospectus.

Prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change. The following tax summary is not an opinion or a guarantee to any investor of the tax results of investing in the Fund.

Mauritius

The Fund holds a Category 1 Global Business Licence issued by the FSC under the FSA and is liable to income tax in Mauritius at the rate of 15%. However, the Fund will be entitled to claim foreign tax credit under the Income Tax (Foreign Tax Credit) Regulation 1996. Presently, there is no capital gains tax on securities in Mauritius.

No tax on capital gains will be payable in Mauritius on disposals (including redemptions) by the Fund of units in the Scheme or conversion by the Fund of units in the Scheme in relation to investments made before 01 April 2017. Capital gains on disposals (including redemptions) made by the Fund of shares in the Scheme shall be taxable at source (i.e in India). There is a transitional period of 2 years (i.e from 01 April 2017 to 31 March 2019) where there will be a sharing such tax (50% in Mauritius and 50% in India). There is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemption or conversion of shares.

The Fund shall obtain a Tax Residence Certificate (“TRC”) from the Director General of the Mauritius Revenue Authority in respect of the Fund. Accordingly, the Fund will qualify as a resident of Mauritius for the purposes of the Treaty. On this basis, the Fund should be entitled to certain relief from Indian tax, subject to the continuance of the current terms of the Treaty. Please refer to the risk factor headed “Reliance on India/Mauritius Double Tax Avoidance Treaty” in Part III of this document.

India

The Scheme

The Scheme will be liable to pay tax on any income, profits or gains derived by the Scheme at source. As a result, except as described below, income and capital gains realised by the Scheme on its investment portfolio will be subject to taxation in India as from 01 April 2017 on the terms of the protocol signed by the Mauritian and the Indian Governments on 10 May 2016.

The Fund

The Fund will not be subject to tax in India on any income distribution made by the Scheme to it.

On the assumption that the Fund will be a resident of Mauritius for the purposes of the Treaty (as to which see under “Mauritius” above) and will have no permanent establishment in India, the Fund will not be subject to any taxation in India on any gain realised on the disposal, repurchase or redemption of units in the Scheme

Capital gains on disposals (including redemptions) made by the Fund of shares in the Scheme shall be taxable at source (i.e in India). There is a transitional period of 2 years (i.e from 01 April 2017 to 31 March 2019) where there will be a sharing such tax (50% in Mauritius and 50% in India).The Fund and the Investment Manager propose to conduct their activities in a manner so that the Fund does not have a permanent establishment in India.

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 capital gains under the provisions (section 115AB) of the Income Tax Act, 1961 (“ITA”) would be as follows:

- Long term capital gains earned by the Fund would not be taxable in India provided securities transaction tax has been paid on the same;
- Any short-term capital gains from the sale or redemption of units of the Scheme will be taxed at the rate of 15% (plus applicable surcharge & Cess) provided securities transaction tax has been paid on the same.

Securities Transaction Tax

The Scheme and the Fund will also be liable to pay a Securities Transaction Tax (“STT”) in respect of dealings in securities by the Scheme and in respect of dealing in units of the Scheme by the Fund. The applicable rates of STT are as under:

- 0.1% on purchase of equity shares in a company on a recognised stock exchange in India.
- 0.1% on sale of equity shares in a company on a recognised stock exchange in India.
- 0.001% on Sale of a unit of an equity oriented fund on a recognised stock exchange in India and the contract for the sale of such unit is settled by the actual delivery or transfer of such unit.
- 0.025% on sale of equity shares in a company or units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled otherwise then by the actual delivery or transfer of share or unit.
- 0.017% on sale of an option in securities.
- 0.125% on sale of an option in securities, where option is exercised
- 0.01% on sale of a futures in securities
- 0.001% on sale of units of an equity oriented fund to SBI MF.

Shareholders

Shareholders who are not resident in India for tax purposes will not be subject to Indian taxation on gains realised on disposals or redemptions of shares provided that the proceeds are paid outside India. Shareholders will also not be subject to Indian wealth tax on such proceeds.

United Kingdom

The following general summary of the anticipated tax treatment in the United Kingdom applies only to United Kingdom resident and domiciled Shareholders holding an absolute beneficial interest in shares.

The Fund

As stated above, the affairs of the Fund will be conducted in such a manner as to minimise, so far as is reasonably practicable, taxation suffered by the Fund. This will include conducting the affairs of the Fund so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Fund does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated therein), the Fund will not be subject to United Kingdom income tax or corporation tax other than United Kingdom income tax on United Kingdom source income.

Shareholders

The Fund consists of different classes of Shares. The United Kingdom offshore funds rules therefore apply in relation to each separate class of shares as if each such class of shares formed a separate offshore fund for United Kingdom tax purposes.

Gains on disposals

As stated above, each class of shares comprises an offshore fund for the purposes of United Kingdom taxation. Certification as a “distributing fund” will not be sought in respect of any class of shares and accordingly any gain arising on a disposal of shares (for example, by way of transfer or redemption will normally constitute income for all purposes of United Kingdom taxation. Losses on disposals of shares will be eligible for capital gains loss relief. Holders of shares which are within the charge to corporation tax should note that such losses will not benefit from the indexation of costs.

Distributions

According to their personal circumstances Shareholders resident in the United Kingdom for tax purposes will be liable to income tax or corporation tax in respect of dividend or other income distributions of the Fund, if any. Relief where appropriate may be obtained under the provisions of the United Kingdom/Mauritius double tax treaty.

Loan Relationships

Under the rules for the taxation of corporate and government debt contained in the Finance Act 1996, if any class of shares in which an investor subject to those rules has invested has more than 60% by market value of its investments in debt securities, money placed at interest (other than cash awaiting investment), building society shares or holdings in unit trusts or other offshore funds with, broadly, more than 60% of their investments similarly invested, investors within the charge to corporation tax in the United Kingdom will be subject to tax as income on all profits and gains arising from and fluctuations in the value (calculated at the end of each accounting period of the investor and at the date of disposal of the interest) of the shares, in accordance with fair value accounting. These rules will apply to such investors if the 60% limit is exceeded at any time during the investor’s accounting period, even if it was not holding shares of that class at that time.

Special rules apply to insurance companies and investment trusts, authorised unit trusts and open ended investment companies in the United Kingdom.

Anti-avoidance

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Sections 739 to 745 of the Income and Corporation Taxes Act 1988 (the “**Taxes Act**”). These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of undistributed income and profits of the Fund on an annual basis.

The Taxes Act also contains provisions which subject certain United Kingdom resident companies to corporation tax on profits of companies not so resident in which they have an interest. The provisions affect United Kingdom resident companies which are deemed to be interested in at least 25% of the profits of a non-resident company which is controlled by residents of the United Kingdom and which does not distribute substantially all of its income and is resident in a low tax jurisdiction. As the Fund will not ordinarily make any distributions this legislation may be relevant. The legislation is not directed towards the taxation of capital gains.

It is anticipated that the shareholdings in the Fund will be such as to ensure that the Fund would not be a close company if resident in the United Kingdom. If, however, the Fund were to be such that it would be close if resident in the United Kingdom, gains accruing to it may be apportioned to certain United Kingdom resident shareholders who may thereby become chargeable to capital gains tax or corporation tax on chargeable gains on the gains apportioned to them.

Exchange Control

Mauritius

All exchange control restrictions applicable in Mauritius were suspended with effect from 29 July 1994.

India

Foreign investment in Indian securities is regulated by the Foreign Exchange Management Act 1999 ("**FEMA**"), which replaced the Foreign Exchange Regulation Act 1973. As per Section 6(3)(b) of FEMA, the RBI has been given the authority to prohibit, restrict or regulate the transfer or issue of any Indian security by a person outside India. Accordingly, RBI has prescribed the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 pursuant to which no person resident outside India and no company that is not incorporated in India can purchase the shares of any company carrying on any trading, commercial or industrial activity in India without the permission of the RBI.

FEMA provides the statutory framework that governs India's system of controls on foreign exchange dealings. Through it the Government of India exercises its policy with respect to foreign private investment in India and all dealings by residents of India with non-residents and with foreign currency. Without permission (general or special) from the RBI, residents of India cannot undertake any transaction with persons outside India, sell, buy, lend or borrow foreign currency, issue or transfer securities to non-residents or acquire or dispose of any foreign security.

The Scheme Asset Manager has obtained a letter from the SEBI which grants the Fund the permission to enter into the Unit Purchase Agreement and approves the issue of units to the Fund and the redemption of units under the Scheme. Subject to such approval from the SEBI, the RBI has granted general permission to Scheme Asset Manager to remit income distributions and the proceeds of redemptions of units in the Scheme to the Fund, subject to deductions at the appropriate rates of withholding tax. Under the current exchange control regulations all remittances into and out of India, whether of an income or capital nature, have to be made through an approved foreign exchange dealer.

APPENDIX I – PROCEDURES FOR ISSUES AND REDEMPTIONS

Shares are available for subscription every day during the Initial Offer Period at the Initial Issue Price and during the Continuous Offer on Valuation Days at the Issue Price plus the applicable Sales Charge as described in paragraph 1 below. Shares may be redeemed on any Valuation Day at the Redemption Price as described in paragraph 2 below.

1. Subscription during the Initial Offer Period and the Continuous Offer

Shares are available for subscription during the Initial Offer Period at the Initial Issue Price. After six months from the close of the Initial Offer Period i.e. from 29th September 2006, subject to the provisions of Paragraph 6 below, shares may be subscribed under the Continuous Offer. The subscription to the shares during the Initial Offer Period and during the Continuous Offer shall be subject to the following:

- Applications may be made through any distribution agent which may be appointed by the Fund in accordance with the procedures specified by such distribution agent and applicants should discuss those with the relevant distribution agent. Alternatively, applications may be sent directly to the Fund in accordance with the provisions set out below.
- In case of Continuous Offer, shares may be subscribed on any Valuation Day at the Issue Price plus a Sales Charge of up to 5%. The Issue Price is calculated as described in paragraph 3 below.
- Subject to any applicable requirements under the local laws and the disclaimers stated in this Prospectus, the minimum initial amount of subscription for shares in the Fund are given below (or such lesser amounts as the Investment Manager may determine in its discretion):

Share Class	Plan	Minimum Investment amount
US Dollar Fund	Retail	US\$5,000 & in multiples of US\$1,000 thereafter
US Dollar Fund	Retail 2	US\$5,000 & in multiples of US\$1,000 thereafter
US Dollar Fund	Institutional	US\$1,000,000 & in multiples of US\$1,000 thereafter
US Dollar Fund	Institutional 2	US\$1,000,000 & in multiples of US\$1,000 thereafter
Euro Fund	Retail	Euro 5,000 & in multiples of Euro 1,000 thereafter
Euro Fund	Institutional	Euro1,000,000 & in multiples of Euro 1,000 thereafter

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- The Issue Price of the US Dollar Fund and the Euro Fund will be calculated at 5:00 pm (Mauritius time) on any Valuation Day provided that day is a Business Day and, if not, 5:00 pm (Mauritius time) on the first following Business Day.
- The Net Asset Value of each Redeemable Participating Share under each Plan viz. Institutional Plan, Retail Plan, Retail 2 Plan and Institutional 2 Plan of the US Dollar Fund and Retail Plan & Institutional Plan of the Euro Fund on each Valuation Day will be disclosed by the Fund on www.sbfunds.com.

- Applications for subscriptions and redemptions (whether through the Distributor or directly to the Fund) should be made to:
SBI Resurgent India Opportunities Fund
C/o Cim Fund Services Ltd
33, Edith Cavell Street, Port Louis, Mauritius
Tel: (230) 405 2000
Fax: (230) 212 5265
Email: Naimah.Wahab@cimglobalbusiness.com / Farad.Nauthoo@cimglobalbusiness.com
- Applications, which will be permitted only on the basis of the terms of this document or a current, equivalent offering document in relation to the Fund, shall be made by completing the Application Form which is circulated with this Prospectus and attaching the verification documents as per the checklist attached to the Application Form (together, the “**Subscription Documents**”).

- The Administrator will process Subscription Documents received by fax or scanned copies sent by email and issue statements of holdings only upon receipt of the original documents and acceptance of the application. The Administrator should receive the original documents within 5 Business Days from the date of the receipt of the facsimile copies or scanned copies by email.
- Subscription Documents should reach the Administrator and subscription monies should be received in the 'subscription-cum-redemption account' of the Fund by 3:00 p.m. (Mauritius time) on 31st March 2006 for the Initial Offer Period or by the Dealing Valuation Point during continuous offer for the Administrator to be able to process the application for issuance of Shares on the relevant Valuation Day.
- In case of individual investors, applications may be made singly or jointly (up to three). In case of Joint Holders, the required verification documents have to be provided for all the applicants.
- Investors should note that settlement dealing and redemption would be effected in US dollars or Euros (as the case may be) depending on whether the investment is being made in the US Dollar Fund or the Euro Fund respectively.
- Applications received by the Administrator by the Dealing Valuation Point will result in shares being issued on the Valuation Day. Applications received after the Dealing Valuation Point will be held over and shares will be dealt with on the immediately following Valuation Day.
- Subscription monies received will initially be paid into the subscription-cum-redemption account of the Fund and interest, if any, arising on such account will accrue for the benefit of the Fund.
- The Fund reserves the right to seek evidence of further identity to comply with applicable money laundering regulations. In the case of delay or failure to provide satisfactory information, the Fund may take such action as it thinks fit.

Mauritius Anti-Money Laundering Legislation

To ensure compliance with the Financial Intelligence and Anti-Money Laundering Act 2002, the Mauritius Financial Intelligence and Anti-Money Laundering Regulations 2003 and the code on the Prevention of Money Laundering and Terrorist Financing ("**Code**") issued by the FSC, an investor applying for shares will be required to provide certain information/documents for the purpose of verifying the identity of the applicant, source of funds and obtaining confirmation that the application monies do not represent, directly or indirectly, the proceeds of any crime. The request for information may be exempted (a) 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 (b) the subscription is made through an intermediary which is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of an equivalent jurisdiction as prescribed in the laws of the Republic of Mauritius. For the purposes of these exceptions, recognition of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Anti-Money Laundering Laws by reference to those jurisdictions recognised by the FSC as having sufficient anti-money laundering legislation. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Fund may reject the application and refuse to accept the relevant subscription monies or the Fund may refuse to process a Redemption Notice until proper information has been provided. Investors should note specifically that additional information as may be necessary to verify the identity of the investor and the owner of the account to which the redemption proceeds will be paid may be requested. Redemption proceeds will not be paid to a third party account.

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

In accordance with the Financial Intelligence and Anti-Money Laundering Act 2002, the Mauritius Financial Intelligence and Anti-Money Laundering Regulations 2003 and the Code published by the FSC, the Fund will appoint a Money Laundering Reporting Officer (“MLRO”) and an Alternate Money Laundering Reporting Officer (“AMLRO”). The duties of that MLRO & AMLRO will include receiving and evaluating internal suspicious transactions reports and, where appropriate, filing these with the Mauritius Financial Intelligence Unit (“FIU”). Persons connected with the Fund are required to report any suspicion of money laundering, terrorist financing or other suspicious transactions to the MLRO and/or AMLRO. If requested by any relevant authority including, without limitation, the FIU, the MLRO, AMLRO may pass on information about any applicant for Securities of the Fund to any such regulatory authority. It is a term of subscription that any applicant will be deemed to have consented to the passing on of such information to any such authority.

Statement of holding and certificates

A statement of holding will be sent to the applicant, or to the applicant’s distributor, through whom the order was placed, on the acceptance of the application, All Shares issued will be registered and the share register will be conclusive evidence of ownership. Shares will be issued in uncertificated form unless a certificate is specifically requested at the time of application. The uncertificated form enables the Fund to effect redemption instructions without undue delay and, consequently, the Fund recommends that investors maintain their shares in this manner.

Investors will be allocated a Personal Account Number on acceptance of their application and this, together with the Shareholder’s personal details, will be proof of identity. The Shareholder should quote this Personal Account Number in all future dealings with the Fund.

If an investor or transferee requests shares to be issued in certificated form, a share certificate will be dispatched within 28 calendar days of completion of the registration process or transfer, as the case may be, of the shares.

Any changes to the Shareholder’s personal details, loss of Personal Account Number or loss of share certificate must be notified immediately to the Fund in writing. The Fund reserves the right to require an indemnity or verification countersigned by a bank, stockbroker or other party acceptable to it before accepting such instructions.

2. Redemption of Shares

Subject to the foregoing and to paragraphs 5 and 6 below, Shares may be redeemed on any Valuation Day by transmitting a Redemption Notice by facsimile or mail, to be received no later than the Dealing Valuation Point to:

SBI Resurgent India Opportunities Fund
C/o Cim Fund Services Ltd,
33, Edith Cavell Street
Port Louis, Mauritius
Tel: (230) 405 2000
Fax: (230) 212 5265

Redemptions may only be made on the basis of the information contained in this document or a current, equivalent offering document in relation to the Fund.

The Directors may from time to time determine the minimum amount in value or number of any holding of Participating Shares which may be held and may, in doing so, differentiate between different applicants or different groups of applicants or between different holders or different groups of holders provided that any such determination shall not oblige any person registered as a holder of Participating Shares prior to such determination either to dispose of any of his Participating Shares or to acquire any additional Participating Shares.

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- Payment of the Redemption Price may be made in US dollars and Euros or such other currency as the Directors may from time to time otherwise determine. Should the Fund be required to make any *in specie* distributions of the Redemption Price, the Directors may, in their absolute discretion, set such value as they deem fair upon any one or more class or classes or property and may determine how such division shall be carried out as between redeeming Shareholders. Payment of the Redemption Price shall be subject to any requisite exchange control or other official consents first having been obtained.
- Redemption proceeds paid out of the assets of the Fund will be held in the Subscription-cum-Redemption Account until payment can be made to a redeeming Shareholder. Interest, if any, will accrue to the benefit of the Fund.
- Redemption proceeds will be paid net of exit load fee, if any.
- Each Redemption Notice must identify the number or value of shares to be redeemed and the Shareholder's name and Personal Account Number.
- A Redemption Notice may not be withdrawn by a Shareholder save as described in paragraphs 5 and 6 below.
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- Subject to paragraph 5 and 6 below, the Administrator will redeem on any Valuation Day the appropriate number of shares specified in a redemption notice received up to the relevant Dealing Valuation Point. The Redemption Price will be determined as at the Valuation Point on the Valuation Day (paragraph 3 below). Redemption Notices received after the Dealing Valuation Point will be held over and shares will be priced on the immediately following Valuation Day.
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- The Administrator will send, within 5 Business Days of the relevant Valuation Day to each Shareholder, at their address shown on the register of Shareholders, or to the Shareholder's Distributor through whom the order was placed, a confirmation in respect of each redemption of shares for his account.
- Proceeds of redemptions will be transmitted in US Dollars or Euros as the case may be, normally within 10 Business Days of the relevant Valuation Day at their address shown on the register of Shareholders, or to the Shareholder's broker through whom the order was placed and proceeds in respect of each redemption of shares for the Shareholder's account.
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- In the case of a certificated shareholding, a cancelled share certificate for the relevant shares must be received by the Administrator before the redemption price will be paid. Balance share certificates, where appropriate, will, if the Shareholder requests, normally be dispatched within 21 calendar days thereafter.

3. Calculation of Conversion, Issue and Redemption Prices

General

Issue and Redemption Prices of shares are based on Net Asset Value per share which will be determined by the underlying value of the units in the Scheme and the value of the net assets outside India. Fiscal and purchase charges will be taken into account in determining Issue Prices, and fiscal and sales charges will be taken into account when determining Redemption Prices.

Investments in the Scheme will be valued as described in Appendix V of this Prospectus. An amount which represents an appropriate allowance for fiscal and purchase charges of the underlying assets will be added to the Net Asset Value per unit in the Scheme in order to calculate the issue price of a unit, which will be reflected in the Issue Price of shares as described below. An amount which represents an appropriate allowance for fiscal and sales charges of the underlying assets will be deducted from the Net Asset Value per unit in the Scheme in order to calculate the redemption price of a unit which will be reflected in the Redemption Price of the shares as described below.

Initial Issue Price, the Issue Price and the Redemption Price of Shares

During the Initial Offer Period, the shares shall be issued at the Initial Issue Price. In the Continuous Offer, the Issue Price of the shares will be based on the Net Asset Value per share calculated by the Administrator as at the Valuation Point on the Valuation Day or at such other time as the Directors may determine plus a Sales Charge as applicable.

The Redemption Price of shares to be redeemed on Net Asset Value per share calculated by the Administrator on each Valuation Day. For the purpose of Issue Price and the Redemption Price, the Net Asset Value per share shall be calculated by the Administrator in the manner as laid out in Appendix V. The Issue Price and the Redemption Price per share shall be rounded up to the nearest US cent or Euro cent depending on the class of shares.

4. Settlement Procedures

Settlement for subscriptions should be made directly to the Fund's bank account by 3:00 p.m. (Mauritius time) on the Initial Offer Period and by the Dealing Valuation Point during continuous offer to be processed on the Valuation Day. Payment must be made as follows:

- By telegraphic transfer (quoting the subscription reference number, the applicant's name and account number, if available) and providing the information as required in the Application Form.
- Applicants are requested to instruct their bankers to advise the Administrator of the remittance of funds, such advice to include the subscription reference number, the applicant's name, personal account number (during continuous offer) and "SBI Resurgent India Opportunities Fund" for identification purposes. Failure to do so may cause delay in the processing of the transaction.
- Applicants should be aware that any cost associated with refund of subscription monies on account of non-allotment of shares or cancellation of the issue of shares on account of non-receipt of Subscription Documents shall be borne by the applicant. Any expenses in relation to transfer of funds for subscription or redemption shall be borne by the investor.
- Proceeds of redemptions will be transmitted in US Dollars or Euros as the case may be, normally within 10 Business Days of the relevant Valuation Day by telegraphic transfer to the account designated by the applicant in the Subscription Documents.
- To make arrangements so that the Administrator can wire proceeds in response to redemption requests, an investor should designate an account at a bank or other financial institution acceptable to the Administrator to receive proceeds and the Administrator shall wire the redemption proceeds by way of telegraphic transfer. An investor who already has an account with the Fund may change instructions as to a designated bank account previously given by sending a written notice to the Administrator. Authentication and documentation may be required. Similarly, changes in any Shareholder's name or address must be provided in a form satisfactory to the Administrator.

5. Possible Deferral of Applications for the Redemption of Shares

On each Valuation Day the Directors may limit the number of shares redeemed to such number of shares which does not cause the aggregate net assets of that class then in issue to decrease by 15% or more. In such case, the Investment Manager/Fund will reduce all requests pro rata (based on the size of the request) so that the net number of shares redeemed does not exceed the limitation so determined by the Directors pursuant to their powers. Any shares which, by virtue of this limitation, are not redeemed on any particular Valuation Day shall be carried forward for redemption on the next Valuation Day and all following Valuation Days (in relation to which the Fund has the same power of deferral) until the original request has been satisfied, provided that (a) the Fund will reduce all such requests pro rata on the next and following Valuation Days so that they cover no more than the permitted number of shares; and (b) the original request is given priority over subsequent requests.

The Fund will notify any applicant if his application is deferred. If the Directors choose to exercise their powers of deferral, Shareholders may revoke or withdraw a Redemption Notice, either in respect of the request relating to the portion which has been deferred or otherwise, by written notice to the Fund before 5:00 pm (Mauritius time) on the next Valuation Day.

6. Temporary Suspension of Calculation of Net Asset Value

The Directors are empowered to suspend the calculation of the Net Asset Value and may do so in any of the following events:

(a) when one or more exchanges or other regulated markets which provide the basis for valuing any assets of the Fund are closed (other than for or during holidays) or if dealings therein are restricted or suspended or where trading is restricted or suspended in respect of securities forming a material part of the Fund's assets;

(b) when, as a result of political, economic, military or monetary events or any circumstance outside the control, responsibility and power of the Fund including (without limitation) delays in settlement or registration of securities transactions, the disposal of the assets of the Fund is not reasonably practicable without materially and adversely affecting and prejudicing the interests of continuing Shareholders, or if, in the opinion of the Directors, a fair price cannot be calculated for the assets of the Fund;

(c) in the case of a breakdown of the means of communication normally used for the valuing of any investment of the Fund or if for any reason the value of any asset of the Fund which is material in relation to Net Asset Value (as to which the Directors shall have sole discretion) may not be determined as rapidly and accurately as required;

(d) if, as a result of currency exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable, or if purchases, sales, deposits and withdrawals of the assets of the Fund cannot be effected at the normal rates of exchange, as determined by the Directors;

(e) in case of a decision to liquidate the Fund or any particular class of shares of the Fund, or mandatorily redeem all shares, on and after the day of publication of the first notice to shareholders of the Fund indicating such a decision;

(f) when by reason of voluntary or involuntary liquidation or bankruptcy or insolvency or any similar proceedings the Fund's investments are affected or an event which results in the investments being nationalised, expropriated or otherwise required to be transferred to any government agency, authority or entity occurs;

(g) when the Directors are of the opinion that a change or adoption of any law, rule or regulation by any governmental authority, central bank or comparable agency or any directive or request issued by any such body imposes restrictions on the sale or acquisition or transfer of investments; or

(h) in any other period when the Directors, at their discretion, determine it to be in the interest of the Shareholders as a whole or Shareholders of a relevant class or classes.

In addition, the Directors shall have the right, after consultation with the Investment Manager, to postpone any Valuation Day to the next Business Day or such other day as the Directors may determine, if, in their opinion, a significant proportion of the assets of the Fund cannot be valued on an equitable basis and such difficulty is expected to be overcome within the period of postponement.

No redemption of shares or issue of shares will take place during any period when the calculation of the Net Asset Value is suspended. The Directors reserve the right to withhold payment to persons whose shares have been redeemed prior to such suspension until after the suspension is lifted, such right to be exercised in circumstances where the Directors believe that to make such payment during the period of suspension would materially and adversely affect and prejudice the interests of continuing Shareholders. Notice of any suspension will be given to any Shareholder tendering his shares for redemption. If the request is not withdrawn the shares will be redeemed on the first Valuation Day following termination of the suspension or on such earlier day following the end of the suspension as the Directors may determine either generally or in any specific case or cases.

The Directors have delegated their rights of suspending dealings in shares and the postponement of any Valuation Day to the Investment Manager, subject to their overall supervision or direction.

7. Compulsory Transfer and Redemption

The Directors have the power under the Constitution to restrict (by means of compulsory transfer or redemption, if necessary) the ownership of shares where, in the conclusive determination of the Directors, such shares (i) are sold or transferred to or held by a person in breach of the laws or requirements of any jurisdiction or governmental authority; or (ii) might result in the Fund incurring a material liability to taxation or suffering a material pecuniary, fiscal or regulatory disadvantage which the Fund might not otherwise have suffered or incurred, including but not limited to, being deemed to be a fiduciary subject to ERISA or being required to register as an “investment company” under the Investment Company Act; and for this purpose includes a US Person who is not a “qualified purchaser” as defined in Section (2)(a)(51)(A) of the Investment Company Act or a person resident in India who is or becomes a shareholder without the consent of the Directors.

The Directors, in their absolute discretion, may compulsorily redeem or convert into any other class of shares, all outstanding shares of either the US Dollar Fund or the Euro Fund, on four (4) weeks’ notice if the aggregate Net Asset Value of the US Dollar Fund or the Euro Fund falls below US\$ 5,000,000, or Euro 5,000,000 respectively for a period of four (4) consecutive weeks. However, prior to such a conversion the Directors shall give investors an opportunity to exit the US Dollar Fund or the Euro Fund by offering to redeem their shares at the Redemption Price.

APPENDIX II – CONSTITUTION & MANAGEMENT OF SBI MUTUAL FUND

Constitution of the SBI Mutual Fund

SBI Mutual Fund (SBI MF) has been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) and is registered as a trust under the Indian Registration Act, 1908. SBI MF is registered with Securities & Exchange Board of India (SEBI) as a Mutual Fund (registration code MF/009/93/3 dated 23rd December 1993). State Bank of India is the Sponsor and the Settlor of SBI MF. SBI Mutual Fund Trustee Company Private Limited is the Trustee Company. The Trustee Company has appointed SBI Funds Management Private Limited as the Scheme Asset Manager.

Sponsors

State Bank of India, having its corporate office at State Bank Bhavan, Madame Cama Road, Mumbai - 400 021, which has made an initial contribution of Rs. 500,000 towards SBI MF and has appointed the Trustees to supervise the activities of the Fund. The State Bank of India or SBI having its Corporate Office at State Bank Bhavan, Madame Cama Road, Mumbai - 400 021, is the largest public sector bank in India with 23,010 branches in India and 66 offices in 29 countries worldwide. In addition to this, SBI also has 7 associates and 1 banking subsidiary in addition to other non-banking subsidiaries in India.

The Trustee

SBI Mutual Fund Trustee Company Private Limited was appointed as Trustee to SBI MF by way of a Restated and Amended Trust Deed (“the **Trust Deed**”) dated December 29, 2004, to supervise the activities of the Fund as disclosed in this section.

Board of Directors of the Trustee Company as on May 5, 2016:

1. Mrs. Manju Agarwal – Associate Director
2. Mr. Richard Mendonca – Associate Director
3. Mr. Krishnamurthy Vijayan – Independent Director
4. Mr. Shriniwas Joshi – Independent Director
5. Mr. Dhruv Prakash – Independent Director

The Sponsor and the Trustee shall be entitled, by a supplemental deed to the Trust Deed, to modify or alter the provisions of the Trust Deed, in such a manner and to such extent as they may consider in the interest of and for the purpose of the Trust, but subject to the approval of the SEBI, and the unit holders, if required. As per the Trust Deed, the Board of Directors of the Trustee Company shall, subject to the requirements under the SEBI Mutual Fund Regulations, meet at least once every two months and at least six such meetings shall be held every year. The Trustees shall review the information reports submitted by the Scheme Asset Manager in accordance with the SEBI Mutual Funds Regulations. In line with the Trust Deed the Trustees shall be paid a fee calculated on such basis and such intervals as set out in the Scheme Offer Document and/or offer documents of the scheme(s) framed for the issue of units or as agreed between the parties.

Scheme Asset Manager

SBI Funds Management Private Limited was approved by SEBI to act as the asset management company for SBI MF by their letter no. No.IIMARP/3102/93 dated 23rd December 1993. Out of the Scheme Asset Managers' total paid-up capital of Rs. 500 million, 63% is held by the SBI and 37% is held by Amundi Asset Management through its wholly owned subsidiary Amundi India Holding. The Scheme Asset Manager will manage the schemes of the SBI MF in accordance with the provisions of the Investment Management Agreement, the Trust Deed, and the objectives of the respective schemes. For the SBI Resurgent India Opportunities Fund and the SBI Resurgent India Opportunities Scheme mentioned in this Prospectus, the Scheme Asset Manager will manage the Scheme in accordance with the provisions of the Investment Management Agreement, the Trust Deed, the Unit Purchase Agreement and the objectives of the SBI Resurgent India Opportunities Fund.

APPENDIX III – SUMMARY OF THE PRINCIPAL TERMS OF THE SCHEME AND OF THE UNIT PURCHASE AGREEMENT

The following is a summary of certain provisions of the Scheme and the Unit Purchase Agreement.

1. Establishment

The Scheme is constituted by the SBI MF.

2. Asset Allocation Pattern

The broad asset allocation pattern under normal circumstances would be as follows:

Type of Instrument	Normal Asset allocation (% of Net assets)	Risk Profile
Equities and Equity related instruments including derivatives	70% - 100%	High
Fixed/Floating rate debt instruments and Money Market instruments	0% - 30%	Medium to Low

3. Investment Strategy and Style

The investment strategy would revolve around growth at a reasonable price whereby the Scheme would invest in growth-oriented stocks which are available at attractive relative valuations. The Scheme would use a combination of top-down approach for sector allocation and bottom-up approach for stock selection in the Scheme. The Scheme would seek to identify and invest in businesses that have a sustainable competitive advantage and investments would have a medium term horizon of at least 24 months. The Scheme would adopt a four-stage filtering process based on the parameters of liquidity, management quality, valuations and competitive position of the company in determining the investment universe. The Scheme would not have any market capitalization restrictions and would be well-diversified across a broad range of sectors.

4. Risk-management

The overall philosophy of fund management will be based on a strong risk-management framework. The framework for managing the Fund will be oriented toward identifying and mitigating risk emanating from concentration in the portfolio, liquidity and timely implementation of price-limits for buying and selling. As a risk-mitigating measure it will limit exposure to individual companies and to sectors to reasonable levels. The exposure to any single company will not be more than 10% of the net assets of the Scheme at the time of investment.

5. Segregation of Assets

Units of the Scheme are issued only to the Fund. No other person has any right to participate in the Scheme.

The assets representing the Scheme are vested in the Trustee. The Scheme Asset Manager and the Trustee have contracted under the Unit Purchase Agreement that the Scheme Asset Manager shall segregate or shall procure the segregation of the assets representing the Scheme from all other assets of the other schemes. No claims incurred otherwise than in connection with each scheme shall be made against the assets of that scheme.

To satisfy its obligations:

(a) the Scheme Asset Manager has appointed SBI-SG Global Securities Services Pvt. Ltd. , as Indian Custodian of the Scheme’s assets under the terms of the Indian Custodian Agreement, as amended from time to time. The Indian Custodian is responsible, *inter alia*, for the custody and transfer of the assets of the Scheme; and

(b) on a liquidation of the Scheme the assets of the Scheme will be liquidated for the benefit of its unit holder.

Units of the Scheme are issued only to the Fund. No other person has any right to participate in the Scheme

6. Management of Assets

The Scheme Asset Manager has undertaken in the Unit Purchase Agreement to give the Fund and the Scheme the benefit of its best judgement, efforts and facilities in rendering its services with a view to achieving the investment objective of the Fund within the investment policies and restrictions set out in this Prospectus and the Scheme Offer Document.

7. Issue of Units

The Scheme Asset Manager will issue and redeem units in the Scheme on receipt of a transaction slip from the Fund in accordance with the provisions of the Unit Purchase Agreement.

Units in the Scheme are issued in unregistered form and may be issued in certificated or uncertificated form. Units in the Scheme are registered in the name of the Fund.

8. Transfer of Units

Transfer of units in the Scheme is not permitted.

9. Deferral and Suspension of Issues and Redemption of Units

The Scheme contains provisions on deferral and suspension of issues and redemptions of units which reflect provisions described in Appendix I to this document.

10. Issue Price and Redemption Price

The Issue Price and Redemption Price of a unit in the Scheme is determined by calculating the value of the assets referable to the Scheme (including accrued income), deducting all liabilities incurred on account of the Scheme, dividing the figure by the number of units outstanding and rounding the amount down to four decimal places.

11. Valuation of Assets of the Scheme

The value of assets of the Scheme will be determined on the basis described in Appendix V of this Prospectus, on "Computation of Net Asset Value and Valuation of Net Assets".

12. Indemnification

The Unit Purchase Agreement provides that each party ("Indemnifying Party") to the agreement shall indemnify the other ("Indemnified Party") against any losses, claims, damages or liabilities (including legal or other expenses reasonably incurred in investigating or defending such loss, claim, damages or liabilities) to which the Indemnified Party may become subject to by reason of their performing their duties under this Agreement. However, such indemnity shall not apply in cases of wilful default, bad faith, or negligence in the performance or non-performance by the Indemnified Party of their obligations or duties under the agreement.

13. Voting Rights

Under the terms of the Scheme Offer Document, the Trustee to the Scheme alone shall have the absolute, beneficial and unfettered right to exercise votes attached or pertaining to any shares, debentures or other securities and any accretions thereto attributable to the Scheme which powers, the Trustee may delegate to the Scheme Asset Manager.

14. Fees

A description of the fees and expenses payable to the Scheme Asset Manager pursuant to the Scheme Offer Document is set out at Part VII “Fees and Expenses” of this document.

15. Conflicts of Interest

The Scheme Asset Manager has agreed to act in accordance with the procedures described under Part IV “Conflicts of Interest” of this document.

16. Borrowing by the Scheme

The Scheme is allowed to borrow to meet temporary liquidity needs for the purpose of repurchase, redemption of Magnums. The Scheme Asset Manager shall not borrow more than 20% of the Net Assets of the Scheme and the duration of such borrowing shall not exceed a period of six months.

17. Modification

The Unit Purchase Agreement may only be changed or varied by agreement between the Fund, the Investment Manager, the Trustees and the Scheme Asset Manager.

18. Governing Law

The Scheme is governed by and construed in accordance with the laws of India. The Unit Purchase Agreement is governed by the laws of India.

APPENDIX IV – GENERAL INFORMATION

The information in this section includes a summary of certain of the provisions of the Constitution.

1. Constitution and Objects

The Fund is set up as a public company with limited liability incorporated under the Companies Act 2001 of Mauritius. The provisions of the Companies Act 2001 of Mauritius apply to the Fund subject to the modifications, additions, exclusions and extensions set out in the Constitution.

The Fund is an investment company whose objects generally include, but are not limited to, carrying on the business of an investment company, the acquiring, investing in, holding, selling, dealing in, varying or disposing of certain securities, and the doing of all such things as the Fund may deem incidental or conducive to the attainment of any of its objects set out in Clause 3 of the Constitution.

In carrying out its objects, the Fund shall not make any investment or acquisition in Mauritius, save and except to the extent that it is permitted by the FSC.

2. The Share Capital

The Board may issue shares at any time, to any person and in any number it thinks fit without the prior approval of the Members. The Board may issue different classes of shares on such terms and conditions as it may in its absolute discretion decide.

The Board may issue fractions of shares and a fractional share shall have the same corresponding fractional liabilities, limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole share of the same class.

3. Classes of Shares

The Fund shall at the Initial Offer Period, have a class of Management Shares of US\$1.00 each, a class of Redeemable Participating Shares of US\$ 1.00 each constituting the US Dollar Fund (segregated into Retail Plan, Retail 2 Plan, Institutional Plan and Institutional 2 Plan), a class of Redeemable Participating Shares of €1.00 each constituting the Euro Fund (segregated into Retail Plan and Institutional Plan) and a class of Performance Shares of US\$ 0.01 each.

The Management Shares and the Performance Shares shall be issued or be held otherwise than by such person as may be approved by the Directors. For the avoidance of doubt, the Investment Manager may be authorised to hold Management Shares and Performance Shares.

4. Voting Rights

The Management Shares shall confer on the holders thereof the right to one vote at a Members Meeting of the Fund on any resolution.

The Redeemable Participating Shares in the US Dollar Fund and the Euro Fund, as well as the Performance Shares, shall not confer on the holders thereof a voting right at a Members Meeting of the Fund except in the case of a modification of their class rights.

5. Minimum Holding

The Directors may from time to time determine the minimum amount in value or number of any holding of Participating Shares which may be held and may, in doing so, differentiate between different applicants or different groups of applicants or between different holders or different groups of holders provided that any such determination shall not oblige any person registered as a holder of Participating Shares prior to such determination either to dispose of any of his Participating Shares or to acquire any additional Participating Shares.

6. Compulsory Transfer or Redemption

The Directors may require the compulsory redemption or transfer of Participating Shares where the holder is not a Qualified Holder after serving him with a notice under Clause 19 of the Constitution.

7. Modification of Rights

Any of the special rights attached to any class of shares may from time to time be altered or abrogated with the consent in writing of the holders of not less than three-quarters of the issued shares of each such classes or with the approval of a Special Resolution passed at a separate meeting of the holders of such shares.

The special rights attached to any class of shares having preferential rights shall be deemed not to be varied by the creation, allotment or issue of further shares ranking *pari passu* therewith; or by the creation of Management Shares or by the creation, allotment, issue or redemption of Participating Shares.

8. Share Certificates

Shares in the Fund shall be issued in registered form. Entitlement to such shares may be evidenced by an entry on the Register of members, and holders will be allotted a Personal Account Number which shall be quoted by the Member upon any transfer, transmission, other instruction to the Fund. If a Member does not quote his Personal Account Number, the Fund shall not be obliged to act on his instructions.

However, where the Directors so decide, share certificates may be issued in respect of each class of shares. The Clause 21 of the Constitution shall apply to such share certificates.

9. Calls on and Forfeiture of Shares

The Board may make calls upon the shareholders in respect of any amount unpaid on their Shares under Clause 22 of the Constitution. Where a person fails to pay on any call, the Board may after service of a notice under Clause 23 of the Constitution forfeit the share in respect of which the amount is owed and has remained unpaid. The forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

10. Transfer and Transmission of Shares

Transfers of Shares shall be effected by transfer in writing in any usual or common form in use in Mauritius but need not be under seal, and every form of transfer shall state the full name and address of the transferor and transferee. No transfer of Management Shares or of Performance Shares may be effected without the prior written consent of the Directors or the Directors' duly appointed agent.

In case of the death of a shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and his heir or the curator appointed under the Mauritius Curatelle Act, shall be the only persons recognised by the Company as having title to his interest in the shares, but nothing in the Clause 26 shall release the estate of the deceased holder whether sole or joint from any liability in respect of any share solely or jointly held by him.

11. Variation of Share Capital

The Company may under Clause 27 of the Constitution from time to time by a Special Resolution.

(a) Consolidate and divide its share capital or any part thereof into shares of a larger amount than its existing shares.

(b) Cancel any share which, at the date of the passing of the Special Resolution in this behalf, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of its shares cancelled; and

(c) Subdivide its shares or any of them into shares of a smaller amount than fixed by the Constitution, provided that in the subdivision of an existing share occurs, 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.

12. Annual Members Meetings and Special Meetings

An annual Members Meeting may be called once in each year not later than 6 months after the balance sheet date of the Fund and not later than 15 months after the previous annual Members Meeting. The business to be transacted at an annual meeting shall include the consideration and approval of the financial statements; the receiving of any auditor's report; the consideration of the annual report; and the appointment of any auditor.

The Directors of the Fund may convene meetings of the Members at such times and in such manner and place within or outside Mauritius as the Directors consider necessary or desirable, and they shall convene such a meeting upon the written request of Members holding not less than 5% of the vote of the outstanding voting shares in the Fund.

A resolution in writing signed by not less than 75 per cent of the Members who would be entitled to vote on that resolution at a Members Meeting who together hold not less than 75 per cent of the votes entitled to be cast on that resolution, is as valid as if it had been passed at a meeting of those Members.

Written notice of the time and place of a Members Meeting shall be sent to every Member entitled to receive notice of the meeting and to every Director, secretary and auditor of the Company not less than 14 days before the meeting.

Not less than two (2) Members present in person or by proxy and entitled to vote thereat (and for this purpose the duly appointed representative of a corporation shall be deemed a Member) and holding at least one third of the stated capital of the Fund shall be a quorum for a meeting, and no business shall be transacted at any Members Meeting unless the requisite quorum be present at the commencement of the business.

Unless a poll is demanded, voting at the Meeting shall be determined by the Chairperson of the Meeting being either voting by voice, or by show of hands.

The Chairman of Members Meeting shall not be entitled to a casting vote.

13. Proxy

A Shareholder may exercise the right to vote either by being present in person or by proxy. A proxy for a Member may attend and be heard at a members Meeting as if the proxy were the Member. A proxy shall be appointed by notice in writing signed by the Member. The instrument appointing a proxy shall be in the form set out in Clause 28.11 of the Constitution.

14. Capitalisation of Profits

The Fund in a Members Meeting may upon the recommendation of the Directors by an Ordinary Resolution resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (excluding the Share Premium Account, and including capital reserve) or to the credit of the profit and loss accounts for distribution amongst the holders of Participating Shares pro rata to their respective holdings on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such holders respectively or paying up in full unissued Participating Shares to be allotted and distributed credited as fully paid up to and amongst such holders in the proportion aforesaid, or partly in the one way and partly in the other.

15. Share Premium and Reserve Accounts

The Directors shall establish an account to be called the Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Participating Shares or any other shares of the Fund issued at a premium. There shall be debited to the Share Premium Account on the redemption of a Participating Share the difference between the nominal value of such share redeemed and the Redemption Price provided always that at the discretion of the Directors all or part of such sum may be paid out of such other fund as may be lawfully applied to pay the Redemption Price.

16. Accounts, Records and Inspection

The Directors shall keep accounts and records reflecting the financial position of the Fund. These records shall be kept at the registered office of the Fund or at such other place as the Board may think fit. The Directors shall cause the accounts of the Fund to be examined and the correctness of the profit and loss and the balance sheets to be ascertained by one or more auditors at least once every year.

The books, registers, and other documents required to be maintained by the Company and kept open for inspection under the provisions of the Act, shall be available for inspection at the Registered Office of the Fund by the persons entitled to access thereto to, the extent and in the manner and on payment of the requisite fees, if any, specified in the aforesaid provisions, between the hours of 9.00 am and 5.00 pm on each Business Day or between such other hours or such other time as the Directors may from time to time determine.

17. Winding Up of the Fund

The assets available for distribution among the Members shall after payment to creditors be applied in the following priority

- (i) First, in payment to the holders of the Participating Shares of each class of a sum in the currency in which that class is designated (or in any other currency selected by the liquidator) up to the nominal amount paid up thereon;
- (ii) Second, in payment to the holders of the Management Shares of sums up to the nominal amount paid up thereon;
- (iii) Third, in payment to the holders of Participating Shares of any balance then remaining, such payment being made in proportion to the number of Participating Shares held.

Distribution (whether of cash or of assets of the Fund in specie) may be effected in such installments and over such period or periods as the liquidator considers reasonable in the circumstances having regard to the time involved in and the manner of realization of investments.

APPENDIX V – COMPUTATION OF NET ASSET VALUE

1. Computation and Determination of Net Asset Value of Shares

- a) The Net Asset Value per share and the Net Asset Value for each class of Participating Shares shall be calculated on a daily basis and, within each class of Participating Shares, a separate Net Asset Value per Share will be determined for the Retail Plan or Institutional Plan. The Net Asset Value shall be the value of all the assets less all the liabilities which includes the accrued fees divided by the number of Participating Shares then in issue or deemed to be in issue.
- b) The Net Asset Value of each Class shall be the value of all the assets less all the liabilities attributable to that Class of Participating Shares divided by the number of Participating Shares of that Class then in issue, or deemed to be in issue and adjusting the resultant amount upwards to the nearest cent. The Assets and Liabilities of the Company will be calculated in accordance with the manner stated hereinafter.
- c) The Net Asset Value per Participating Share shall be expressed in US\$ for the US Dollar Fund and in for the Euro Fund as a per share figure.
- d) For the purpose of determining the Net Asset Value per Share the assets of the Company shall be deemed to include:
 - (i) all cash in hand, on loan or on deposit, or on call including any interest accrued thereon;
 - (ii) all bills, demand notes, promissory notes and accounts receivable;
 - (iii) all bonds, time notes, shares, stock, debentures, debenture stock subscription rights, warrants, options and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it;
 - (iv) all stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared payable to registered shareholders on a date on or before the day as of which the Net Asset Value is being determined;
 - (v) all interest accrued on any interest-bearing securities owned by the Company except to the extent that the same is included or reflected in the principal value of such security;
 - (vi) all other investments of the Company;
 - (vii) the expenses of the Company in so far as the same have not been written off; and
 - (viii) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.
- e) In the case of net asset value of Units in the Scheme, the same shall be valued as per the SEBI Mutual Fund guidelines and regulations or in such manner as the Trustee may from time to time determine and as explained hereinafter.
- f) The Net Asset Value of the Company will be compiled net of total liabilities of the company, including all fees and expenses.
- g) Notwithstanding the foregoing, where at the time of any valuation any asset of the Company has been realized or contracted to be realized there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company and provided that if the net amount receivable is not payable until some future time after the time of any valuation the Directors may make such allowance as they consider appropriate.
- h) The liabilities of the Company and the liabilities attributable to a Class of Participating Shares shall be deemed to include all its liabilities and such provisions and allowances for contingencies (including tax) payable by the Company but not liabilities represented by shares in the Company. In determining the amount of such liabilities, the Directors may calculate any liabilities of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.
- i) Any calculations made pursuant to above shall be made by or on behalf of the Directors and shall (except in the case of manifest error) be binding on all persons.

- j) For the purposes of the calculation of Net Asset Value per Participating Share :
- 1) The price of Participating Shares payable to the Company on allotment (which allotment has not been cancelled) less any Fiscal and Sales Charge (including any commission) payable by the Company in connection with the issuance thereof and less any initial charge(s) levied shall be deemed to be an asset of the Company as of the time at which such Participating Shares are first deemed to be in issue ; and
 - 2) The price of Participating Shares payable by the Company on redemption or on cancellation of allotment shall from the time at which such Participating Shares are deemed to cease to be in issue in accordance with this Constitution until such price is paid be deemed to be a liability of the Company.
- (k) NAV of the shares of the Fund and the Units of the Scheme shall be disclosed on a daily basis

2. Computation and Determination of Net Asset Value of the Units in the Scheme

NAV of the Scheme as stated in the above paragraph will be determined by dividing the net assets of the Scheme by the number of outstanding Units. Pursuant to Regulation 77 and Schedule 8 of the SEBI (Mutual Funds) Regulations, 1996, as may be amended from time to time, the following investment valuation norms are applicable to the Scheme:

Traded Securities:

- 1) The securities shall be valued at the last quoted closing price on the stock exchange.
- 2) When the securities are traded on more than one recognised stock exchange, the securities shall be valued at the last quoted closing price on the stock exchange where the security is actively traded. It would be left to the AMC to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments is principally traded such as the NSE or the BSE.
- 3) Once a stock exchange has been selected for valuation of a particular security, reasons for change of the stock exchange shall be recorded in writing by the AMC.
- 4) When, on a particular valuation day, a security has not been traded on the selected stock exchange the value at which it is traded on another stock exchange may be used.
- 5) When a security (other than Government 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 or any other stock exchange, as the case may be, on the earliest previous day may be used, provided such date is not more than 30 days prior to valuation date.

Thinly Traded Securities

(i) Thinly Traded Equity/Equity Related Securities:

When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly.

Where a stock exchange identifies the “thinly traded” securities by applying the above parameters for the preceding calendar month and publishes/provides the required information along with the daily quotations, the same can be used by the mutual funds.

If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the mutual fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.

In case trading in an equity security is suspended up to 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the Asset Management Company/Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

Further it is clarified that in order to determine whether a security is thinly traded or not, the volumes traded in all recognized stock exchanges in India may be taken into account.

(ii) Thinly Traded Debt Securities:

A debt security (other than Government Securities) shall be considered as a thinly traded security, if on the valuation date there are no individual trades in that security in marketable lots (current Rs. 50 million) on any stock exchange.

A thinly traded debt security as defined above would be valued as per the norms set for non-traded debt security.

Non Traded Securities:

When a security (other than Government securities) is not traded on any stock exchange for a period of 30 days (15 days in case of debt security) prior to the valuation date the scrip must be treated as a 'non traded' security. Unlisted equity shares will be in accordance with the criteria laid down by SEBI.

VALUATION OF NON-TRADED / THINLY TRADED SECURITIES

Non traded/ thinly traded securities shall be valued "in good faith" by the asset management company on the basis of the valuation principles laid down below:

(i) Non-traded / thinly traded equity securities:

(a) Based on the latest available balance sheet, net worth shall be calculated as follows: Net worth per share = [share capital + reserves (excluding revaluation reserves) – miscellaneous expenditure and debit balance in profit and loss account] divided by number of paid-up shares.

(b) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E ratio shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.

(c) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.

(d) In case the earnings per share is negative, the earnings per share value for that year shall be taken as zero for arriving at capitalised earning.

(e) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.

(f) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.

(ii) (a) Non Traded /Thinly Traded Debt Securities of up to 182 days to maturity:

As the money market securities are valued on the basis of amortization (cost plus accrued interest till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments) the same process should be adopted for non-traded debt securities with residual maturity of up to 182 days, in the absence of any other standard benchmarks in the market. All other non traded non-government debt instruments should be valued using the method suggested in (ii)(b) hereof.

(ii) (b) Non Traded/ Thinly Traded Debt Securities of over 182 days to maturity.

For the purpose of valuation, all non-traded debt securities would be classified into "investment grade" and "non investment grade" securities based on their credit ratings. The non-investment grade securities would further be classified as "performing" and "non performing" assets:

- All non Government investment grade debt securities, classified as not traded, shall be valued on yield to maturity basis as described below.

- All non Government non investment grade performing debt securities would be valued at a discount of 25% to the face value.
- All non Government non investment grade non performing debt securities would be valued based on the provisioning norms.

The approach in valuation of non traded debt securities is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non traded security.

The yields for pricing the non traded debt security would be arrived at using the process as defined below.

Step A

A risk-free benchmark yield is built using the Government securities (“**GOI Sec**”) as the base. GOI Secs are used as the benchmarks as they are traded regularly; free of credit risk; and traded across different maturity spectrums every week.

Step B

A matrix of spreads (based on the credit risk) is built for marking up the benchmark yields. The matrix is built based on traded corporate paper on the wholesale debt segment of an appropriate stock exchange and the primary market issuances. The matrix is restricted only to investment grade corporate paper.

Step C

The yields as calculated above are marked-up/marked-down for illiquidity risk

Step D

The yields so arrived are used to price the portfolio.

METHODOLOGY

A. Construction of Risk Free Benchmark

Using Government of India dated securities, the benchmark shall be constructed as below:

- Government of India dated securities will be grouped according to duration as follows: 0.5-1 years, 1-2 years, 2-3 years, 3-4 years, 4-5 years, 5-6 years and 6 years and the volume weighted yield would be computed for each group (each such group henceforth to be referred to as “**Duration Bucket**”). Accordingly, there will be a benchmark yield-to-maturity for each Duration Bucket.

The benchmark as calculated above will be set weekly, and in the event of any change in the Reserve Bank of India (RBI) policies affecting interest rates during the week, the benchmark will be reset to reflect any change in the market conditions.

Note: The concept of duration over tenure has been chosen in order to capture the reinvestment risk. It is intended to gradually move towards a methodology that incorporates the continuous curve approach for valuation of such securities. However, in view of the current lack of liquidity in the corporate bond markets, a continuous curve approach to valuation would be necessarily based on limited data points, and this would result in out of line. As an interim methodology therefore it is proposed that the Duration Bucket approach be adopted continuously, in order to fine tune the Duration Buckets on a periodic basis. Over the next few years it is expected that with the development of the secondary market trading, it would be possible to make a gradual move from the Duration Bucket approach a continuous curve approach.

B . Building a Matrix of Spreads for Marking-up the Benchmark Yield

Mark up for credit risk over the risk free benchmark yield-to-maturity as calculated in step A, will be determined using the trades of corporate debentures/bonds of different ratings. All trades on an appropriate stock exchange during the fortnight prior to the benchmark date will be used in building the corporate YTM and spread matrices. Initially these matrices will be built only for corporate securities of investment grade. The matrices are dynamic and the spreads will be computed every week. The matrix will be built for all Duration Buckets for which the benchmark Government of India matrix is built to effectively link the corporate bond matrix with the Government of India securities matrix.

Accordingly:

- All traded paper (with minimum traded value of Rs. 10 million) will be classified by their ratings and grouped into 7 duration buckets; for rated securities, the most conservative publicly available rating will be used;
- For each rating category, average volume weighted yield will be obtained both from trades on the appropriate stock exchange and from the primary market issuances;
- Where there are no secondary trades on the appropriate stock exchange in a particular rating category and no primary market issuances during the fortnight under consideration, then trades on appropriate stock exchange during the 30 day period prior to the benchmark date will be considered for computing the average YTM for such rating category;
- If the matrix cannot be populated using any or all of the above steps, then credit spreads from trades on appropriate stock exchange of the relevant rating category over the AAA trades will be used to populate the matrix;
- in each rating category, all outliers will be removed for smoothing the YTM matrix;
- Spreads will be obtained by deducting the YTM in each duration category from the respective YTM of the GOI securities;
- In the event of lack of trades in the secondary market and the primary market the gaps in the matrix would be filled by extrapolation. If the spreads cannot be extrapolated for the reason of practicality, the gaps in the matrix will be filled by carrying the spreads from the last matrix.

C. Mark-up/Mark-down Yield

The Yields calculated would be marked-up/marked-down to account for the illiquidity risk, promoter background, finance, company risk and the issuer class risk. As the level of illiquidity risk would be higher for non-rated securities the marking process for rated and non-rated securities would be differentiated as follows:

- Adjustments for securities rated by external rating agencies

The yields derived from the above methodology could be adjusted to account for the risk mentioned above.

A discretionary discount/premium of up to +100/-50 Basis Points for securities having a duration of up to 2 years and up to +75/- 25 Basis Points for securities having a duration higher than 2 years will be permitted to be provided for the above mentioned types of risks. The rationale for the above discount structure is to take cognizance of the differential interest rate risk of the securities. This structure will be reviewed periodically.

- Adjustments for internally rated securities

To value an un-rated security, the fund manager has to assign an internal credit rating, which will be used for valuation. Since un-rated instruments tend to be more illiquid than rated securities, the yields would be marked up by adding +50 basis point for securities having a duration of up to two years and +25 basis point for securities having a duration of higher than two years to account for the illiquidity risk.

Valuation of securities with Put/Call Options

The option embedded securities would be valued as follows:

Securities with call option

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

Securities with put option

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

Securities with both put and call option on the same day

The securities with both put and call option on the same day would be deemed to mature on the put/call day and would be valued accordingly.

(ii) Government securities

Government securities will be valued at prices released by an agency suggested by Association of Mutual Funds of India.

(iii) Illiquid Securities:

(a) The aggregate value of "illiquid securities" of a scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.

(b) The Mutual Fund shall disclose as on March 31 and September 30 the scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the unitholders. In the list of investments, an asterisk mark shall also be given against all such investments which are recognised as illiquid securities.

Valuation of Derivative Product:

1. Traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (I) to (V) of clause 1 of the eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, and as amended by the SEBI from time to time.
2. Untraded derivatives shall be valued in accordance with the valuation method for untraded investments prescribed in sub clauses (I) and (II) of clause 2 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, and as amended by the SEBI from time to time.

**APPENDIX VI – DIRECTORY PARTIES
REGISTERED OFFICES**

THE FUND

SBI Resurgent India Opportunities Fund

C/o Cim Fund Services Ltd
33, Edith Cavell Street, Port Louis, Mauritius
Tel: (230) 405 2000
Fax: (230) 212 5265

INVESTMENT MANAGER

SBI Funds Management (International) Private Limited

C/o Cim Fund Services Ltd
33, Edith Cavell Street, Port Louis, Mauritius
Tel: (230) 405 2000
Fax: (230) 212 5265

ADMINISTRATOR

Cim Fund Services Ltd

33, Edith Cavell Street, Port Louis, Mauritius
Tel: (230) 405 2000
Fax: (230) 212 5265

BANKER

Barclays Bank Mauritius Limited

1st Floor, Barclays House, 68-68A, Cybercity, Ebene, Mauritius

CUSTODIAN

In India

SBI-SG Global Securities Services Pvt. Ltd.
Jeevan Seva Extension Building, Ground Floor, S.V. Road, Santa Cruz (W),, Mumbai,
Maharashtra 400054, India

LEGAL ADVISERS

Indian Law

Nishith Desai Associates

93-B Mittai Court, Nariman Point,
Mumbai 400 021, India

as to English regulatory, tax and securities matters

Linklaters

One Silk Street, London
EC2Y 8HQ, United Kingdom

Mauritian Law

Iqbal Rajahbalee

BLC Chambers, 5th Floor, Unicorn House
Fr Felix de Valiois Street, Port Louis, Mauritius

AUDITORS

In Mauritius

Grant Thornton

Ebene Tower, 52 Cybercity, Ebene, Mauritius

In India

M. M. Nissim & Co.

Barodwala Mansion, B-Wing, 3rd Floor, 81, Dr. Annei Besant Road, Worli, Mumbai 400018 , India

Statement pursuant to section 71(2)(b) of the Mauritius Securities Act 2005 (“Act”)

The Directors hereby accept responsibility for the contents of this Prospectus and that, to the best of their knowledge and belief, and after making reasonable inquiries, the Prospectus complies with the Act, any regulations made under the Act and any applicable FSC Rules.

.....
Pierre Dinan

.....
Sahjahan Ally Nauthoo

.....
Dinesh Kumar Khara



(A public company, limited by shares, incorporated under the laws of Mauritius with registration number 60433 C1/GBL)

**Addendum dated 11 April 2018
to the Prospectus of
SBI Resurgent India Opportunities Fund
dated 13 June 2016**

Investment Manager
SBI Funds Management (International) Private Limited
Registered Office: C/o SGG Fund Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis 11324, Mauritius

IMPORTANT NOTICE

This Addendum is confidential and for Private Circulation only and has to be read in conjunction with the Prospectus of SBI Resurgent India Opportunities Fund. This is not an offer for subscription of shares in the SBI Resurgent India Opportunities Fund ("The Fund"). The material in this document is for information purposes only and this is not a document in public domain. Investment in the Participating shares of the Fund involves a certain degree of risk, which may not be suitable for you. Please consult your financial, tax and legal advisers before considering subscription in the Participating Shares of this Fund. This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

1. The Section “Fees and Expenses” of “PART I - SUMMARY OF PRINCIPAL TERMS” of the Prospectus is hereby amended and replaced in entirety with the following:

Fees and Expenses

The Fund and the Scheme will be responsible for their respective operating expenses, including the fees of the Investment Manager, the Scheme Asset Manager, the Administrators and the Custodian and all transaction costs and reasonable out of pocket expenses. The aggregate expenses charged to the Fund and the Scheme are, however, not expected to exceed as per below table:

Share Class	Plan	Aggregate expense limit
US Dollar Fund	Retail	2.75% per annum of the daily net assets
US Dollar Fund	Retail 2	2.75% per annum of the daily net assets
US Dollar Fund	Institutional	2.00% per annum of the daily net assets
US Dollar Fund	Institutional 2	1.25% per annum of the daily net assets
Euro Fund	Retail	2.75% per annum of the daily net assets
Euro Fund	Institutional	2.00% per annum of the daily net assets

The Fund will pay the Investment Management Fee to the Investment Manager at a rate as mutually agreed from time to time within the aggregate expense limit as mentioned above. Investment Management Fee shall be payable to the Investment Manager on a monthly basis, in arrears. Investment manager may charge different management fee in different plans, subject to limits mentioned above. The Investment Management Fee may be subject to changes from time to time. In addition to this, the Scheme shall pay to the Scheme Asset Manager a fee at the rate not exceeding 0.50% per annum of the daily average Net Asset Value of the Scheme. At the time of the Initial Offer Period, an Entry Fee shall be levied on the investors at the rate of 3% of the amount invested by investors, subject to a right of the Fund to reduce or waive such Entry Fees. After the Initial Offer Period, the Fund will levy a Sales Charge of up to 5% of the Issue Price per share on subscriptions.

In case of USD Retail 2 Plan an exit load will be charged. Exit load will be - For exit within 1 year from the date of allotment - 2% of the investment amount; For exit after 1 year from the date of allotment – Nil. This exit load fee will be paid to Investment Manager.

Further information is set out under “Fees and Expenses” at Part VII of the Prospectus as amended from time to time.

2. The Section “Investment Management Fees and Operating Expenses” of “PART VII – FEES AND EXPENSES” of the Prospectus is hereby amended and replaced in entirety with the following:

Investment Management Fees and Operating Expenses

The Fund will pay an Investment Management Fee to the Investment Manager within the total expenses as detailed in the Section “Fees and Expenses” of “PART I - SUMMARY OF PRINCIPAL TERMS”. The Investment Management Fee may be subject to changes from time to time.

The Fund and the Scheme will be responsible for their respective operating expenses, including the fees of the Investment Manager, the Scheme Asset Manager, the Administrator and the Custodian, Directors Fees, all transaction costs and out of pocket expenses. The aggregate expense charged to the Fund and the Scheme, however, are not expected to exceed the amount detailed in the Section “Fees and Expenses” of “PART I - SUMMARY OF PRINCIPAL TERMS”.

All other terms and conditions of the scheme remain unchanged. This addendum forms an integral part of the subscription agreement & prospectus of the Scheme as amended from time to time.