

The logo for SBIRESURGENT INDIA OPPORTUNITIES FUND is displayed within a dark blue rectangular box. The word "SBIRESURGENT" is written in a bold, blue, sans-serif font, with a stylized white arrow pointing upwards and to the right. Below it, the words "INDIA OPPORTUNITIES FUND" are written in a smaller, white, sans-serif font.

SBIRESURGENT
INDIA OPPORTUNITIES FUND

**(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 : 10, Frère Félix de Valois 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 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 15th February, 2006

IMPORTANT INFORMATION

The Fund is a Mauritian collective investment vehicle incorporated as a public company, limited by shares. The Fund will be organised as an open-ended multi-class fund. The Fund will invest 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 shall consist 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 ("**Performance Shares**").

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 SEBI registration No. MF/009/93/3. SBI Mutual Fund Trustee Company Private Limited ("**Trustee**") is the trustee of SBI MF.

The Fund will be 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.

The Scheme Asset Manager has applied to the SEBI to sponsor the Fund and for formation of the Scheme. The 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 the 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 Service Commission of Mauritius under the Financial Services Development Act, 2001 and the Companies Act, 2005. The contact details of the Financial Service Commission of Mauritius are as follows:

Address : 4th Floor, Harbour Front Building,
President John Kennedy Street,
Port Louis, Mauritius

Telephone No. : (230) 2210700

Facsimile No. : (230) 2087172

It must be understood that neither the SEBI nor any other regulatory authority in India nor the Financial Services Commission or any authority in Mauritius vouch for the accuracy of any of the statements made or opinions expressed with regard to the Fund or the Scheme in this Prospectus. This Prospectus may not be distributed directly or indirectly in India or in Mauritius or to Indian or Mauritian residents and Shares are not being offered and may not be sold directly or indirectly in India or in Mauritius or to or for the account of any resident of India and Mauritius.

Kingdom of Bahrain

All applications for investment should be received, and any allotments made, from outside the Kingdom of Bahrain. This Prospectus has been prepared for private information purposes of intended investors only. It may not be used for and shall not be deemed to be a public offering of the Shares. The Fund represents and warrants that it has not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe for the Shares and this Prospectus will not be issued, passed to, or made available to the public generally.

Belgium

The Fund has not been and will not be registered with the Belgian Banking, Finance and Insurance Commission ("*Commissie voor het Bank-, Financie- en Assurantiewezen*" / "*Commission bancaire, financière et des assurances*") as a foreign collective investment institution under Article 127 of the law of 20 July 2004 on certain forms of collective management of investment portfolios. The offering in Belgium has not been and will not be notified to the Belgian Banking, Finance and Insurance Commission, nor has this Prospectus been or will it be approved by the Belgian Banking, Finance and Insurance Commission.

The minimum investment per investor and per transaction in the securities issued by the Fund under this offering exceeds EUR 250,000 or equivalent in relevant foreign currency.

This Prospectus has been issued to you for your personal use only and exclusively for the purposes of the offering. Accordingly, this document may not be used for any other purpose nor passed on to any other person in Belgium.

Canada (British Columbia and Ontario)

Shares in the Fund may not be offered or sold, and this document may not be delivered, in Canada or to a resident of Canada, unless and until this document is accompanied by an appropriate Canadian wrapper. Please refer to Appendix VII for private placement in Canada of Shares in the Fund.

France

Except pursuant to any available authorisation or consent from the *Autorité des marchés financiers*, the Shares of the Fund are not being and may not be offered or sold in France and this Prospectus, or any information contained in this Prospectus or any offering material relating to the Shares of the Fund, may not be distributed or caused to be distributed in France.

Germany

The Shares which are the subject of this Prospectus are neither registered for public distribution with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* - "**BaFin**") according to the German Investment Act nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act has been filed with the BaFin. Consequently, the Shares in the Fund must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner, and this document and any other document relating to the Shares in the Fund, as well as information or statements contained therein, may

not be supplied to the public in Germany or used in connection with any offer for subscription of the Shares in the Fund to the public in Germany or any other means of public marketing.

Any resale of the Shares in the Federal Republic of Germany may only be made in accordance with the German Securities Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the sale and offering of units. No view on taxation is expressed. Prospective investors in Germany are urged to consult their own tax advisers as to the tax consequences that may arise from an investment in the Shares.”

Hong Kong

No person may issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Warning

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise extreme caution in relation to the offer. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

Japan

There is a risk of loss of invested principal which follows as a result of fluctuations in the net asset value of Shares of the Fund due to changes in the prices of securities or other financial products held by the Fund, changes in foreign exchange rates, or the deteriorated credit, etc. of the company which issued the securities or other financial products held by the Fund.

Kuwait

Shares in the Fund may not be marketed and sold in Kuwait unless a licence for the same has been granted by the Ministry of Commerce and Industry pursuant to Law No. 31/1990 and the various Ministerial Resolutions issued pursuant thereto.

Mauritius

The public of the Republic of Mauritius is not invited to subscribe for any interests in the Fund and residents of Mauritius shall not hold any interest in the Fund unless specifically authorised to do so by the Mauritius Financial Services Commission in the exercise of its powers under the FSD Act.

Oman

The Fund, this Prospectus or any other offering material relating to the Fund may not be distributed to any person in Oman without the prior consent of the Capital Market Authority and then only in accordance with any terms and conditions of such consent.

Qatar

The Fund is not being offered or sold publicly in Qatar and it has not been and will not be registered with the Qatar Central Bank or other regulatory authority and may not be offered or sold to the public generally in Qatar. No offer, sale or delivery of such securities, or distribution of any prospectus relating thereto, may be made in or from Qatar except in compliance with any applicable Qatar laws and regulations.

Singapore

This Prospectus is confidential, it is addressed solely to and is for the exclusive use of the person named below. Any offer or invitation in respect of Shares is capable of acceptance only by such person and is not transferable. This Prospectus may not be distributed or given to any person other than the person named below and should be returned if such person decides not to purchase any Shares. This Prospectus should not be reproduced, in whole or in part.

Name:

Number:

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 2 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), other than an exemption in Section 302C and Section 305C of the SFA or (ii) pursuant to, and in accordance with, the conditions of an exemption in Section 302C or Section 305C of the SFA where the offer, sale or invitation to the person named above is not made with a view to the Shares being subsequently the subject of an offer, sale or invitation to another person under Section 302C or Section 305C of the SFA.

United Arab Emirates

The Fund and relevant documents have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This Prospectus is strictly private and confidential and has not been reviewed, deposited or registered with any licensing authority or governmental agency in the United Arab Emirates, and is being issued to a limited number of institutional investors/high net worth individuals and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. The Fund may not be offered or sold directly or indirectly to the public in the United Arab Emirates.

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 sections 238 and 240 of the Financial Services and Markets Act 2000. When distributed in, from or into the United Kingdom this Prospectus is only intended for investment professionals, high net worth companies, partnerships, associations or trusts and investment personnel of any of the foregoing (each within the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005), persons outside the European Economic Area receiving it electronically, persons outside the United Kingdom receiving it non-electronically and any other persons to whom it may be communicated lawfully. No other person should act or rely on it. Persons distributing this Prospectus in, from or into the United Kingdom must satisfy themselves that it is lawful to do so.

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 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”). Based on interpretations of the 1940 Act by the staff of the SEC, the Fund would be required to register under the 1940 Act if more than 100 beneficial owners of Shares of the Fund were US Persons, calculated in accordance with Section 3(c)(1) of the 1940 Act. The Fund will not knowingly permit the number of beneficial owners of Shares that are US Persons to be more than 75. 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 the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and by other benefit plan investors to equal or exceed 25% of the value 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 the plan asset regulations under ERISA.

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 Development Act 2001 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, Kuwait, Mauritius, Oman Qatar, Singapore, United Arab Emirates, United Kingdom and United State of America, and are subject to changes therein.

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DEFINITIONS

The following definitions apply throughout this Prospectus.

Accounting Date	means 31 March in each year.
Administrator	means Multiconsult Limited, having its office at 10, Frère Félix de Valois Street, Port Louis, Mauritius.
Administration Agreement	means the administration agreement dated the 20 th January, 2006 executed between the Administrator and the Fund as amended from time to time.
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 Ernst & Young, Mauritius.
Board	means the Board of Directors of the Fund.
BSE	means The Stock Exchange of Mumbai, India.
Business Day	means every day on which The Stock Exchange of Mumbai, India (BSE), the National Stock Exchange of India Limited (NSE), the banks in Mauritius and the banks in Mumbai, India are open for normal business (other than during a suspension of normal dealing), a day on which the subscription and redemption of Shares is not suspended.
Cash-Custodian	means Barclays Bank Plc. having its address at 8th Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Mauritius
Constitution	means the constitution of the Fund.
Continuous Offer	means the offer of shares in the US Dollar Fund 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 document.
Custodian Agreement	means the custodian agreement dated the 3 rd February, 2006 executed between the Fund and the Cash Custodian in Mauritius as amended from time to time.
Custodians	means the Cash Custodian and 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	means 12:00 noon (Mauritius time) on the Business Day immediately preceding the Valuation Day.
Directors	means the members of the Board of Directors of the Fund, details of which are given at Part VI of this document, or any duly constituted committee thereof.

Distributor	means a distributor appointed by the Fund 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 Shares of Euro 1 each denominated in Euros in the capital of the Fund.
Entry Fee	means an entry fee 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, Mauritius.
FSD Act	means the Financial Services Development Act 2001.
Fund/Company	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 Financial Services Development Act 2001 and is regulated by the FSC.
Government of India or Government	means the central government of India.
India	means the Republic of India.
Indian Custodian	means the Mumbai branch of Citibank N.A., 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 that shall take place up to 31 st March 2006
Institutional Investors	means any Person, including a natural person, who subscribes to shares in the company for an aggregate of US\$ 500,000 or € 500,000 or any greater amount.
Institutional Plan	means the plan under the US Dollar Fund and the Euro 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, incorporated under the laws of Mauritius (holding registration number 60432 C1/GBL) and which has been appointed by the Directors of the Fund to act as its investment manager.
Issue Price	means the price at which Shares are issued on a Valuation Day, calculated as described in Appendix I.
Management Shares or MS	means the management shares held by the Investment Manager.
Member	A person who is registered as the holder of shares of the Company in the register of members for the time being kept by or on behalf of the Company.
Multiconsult	means Multiconsult Limited, having its office at 10, Frère Félix de Valois Street, Port Louis, Mauritius.
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 all Valuation Days.
NSE	means the National Stock Exchange of India.
Ordinary Resolution	means a resolution passed as an ordinary resolution by a simple majority of the Shareholders present and entitled to vote 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
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 and the Institutional Plan
Portfolio	means the assets and liabilities of the Shares.
Prospectus	means this document.
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 modification 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 Multiconsult Limited, which is acting as the Administrator to the Fund.
Retail Investors	means any person who subscribes to shares in the Company to an aggregate of less than US\$ 500,000 or € 500,000.
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 and the Performance Shares.
Shareholders	means the holders of Shares in 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 and the Euro Fund, from time to time, 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, voting and present 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.
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.
Valuation Day	means every Tuesday and Friday of a week on which the BSE, the NSE and the banks in Mauritius and the banks in Mumbai, India are open for normal business (other than during a suspension of normal dealing). In the event BSE, NSE, the banks in Mauritius or banks in Mumbai, India are closed for business on the day on which the valuation is required be carried out, the immediately following Business Day on which BSE, NSE, the banks in Mauritius and the banks in Mumbai, India are open for normal business shall be deemed to be the Valuation Day.
Valuation Point	means 3:00 pm (Mauritius time) on the Valuation Day and/or day(s) as the Directors determine in their absolute discretion.

In this Prospectus, references to "Rupees" or "Rs." are to the lawful currency of India, 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.

PART I - SUMMARY OF PRINCIPAL TERMS

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

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 Fund holding a Category 1 Global Business License. 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. Each such class will have a separate prospectus.

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 in the Retail Plan of the US Dollar Fund and the Euro Fund will be US\$5,000 and Euro 5,000 respectively and multiples of US\$1,000 and Euro 1,000 respectively thereafter and in the Institutional Plan of the US Dollar Fund and the Euro Fund will be US\$500,000 and Euro

500,000 respectively and multiples of US\$ 1,000 and Euro 1,000 respectively thereafter (or such lesser amounts as the Investment Manager may determine in its discretion).

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 i.e. from 29th September 2006, Shares may be subscribed on any Valuation Day twice every week at an Issue Price per Share based on the prevailing Net Asset Value of the Fund (US Dollar Fund (Retail and Institutional Plans) and the Euro Fund (Retail and 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 and Institutional 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 twice every week. 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 Institutional Plan and the Retail Plan in the US Dollar Fund and the Euro Fund respectively.

Custody and Administration

Barclays Bank Plc. has been appointed to act as Cash Custodian to the Fund. The Mumbai branch of Citibank N.A. has been appointed by the Scheme Asset Manager as the Indian Custodian of the Scheme's assets in India. Multiconsult acts as Secretary, Registrar and Administrator to the Fund.

Fees and Expenses

The Fund will pay an Investment Management Fee to the Investment Manager at the rate not exceeding 1.50% per annum of the weekly net assets under the Retail Plan and 0.75% per annum of the weekly net assets under the Institutional Plan in both the US Dollar and Euro Funds 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 weekly 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.

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 Custodians 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 3% for Retail Investors and 2% for Institutional Investors.

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 FSD Act and is liable to income tax in Mauritius at the rate of 15%. However the Fund will be 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 in Mauritius.

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

PART II - INVESTMENT OBJECTIVE 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 the 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 the SEBI, the following investment conditions/restrictions shall apply to the Scheme and the Fund:

- (i) The Scheme shall not invest more than 15% of its Net Asset Value in debt instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act, 1992. Such investment limit may be extended to 20% of the Net Asset Value of the Scheme with the prior approval of the Trustees and the Board of the Scheme Asset Manager.

Provided, that such limit shall not be applicable for investments in government securities and money market instruments. Provided further that investment within such limit can be made in mortgage backed securitised 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 and shall in no case put itself in a position whereby it has to make short sale or carry forward transactions. Provided that the Scheme may enter into derivative transactions on a recognised stock exchange in acceptance with the guidelines issued by the SEBI for trading by mutual funds.
- (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.
- (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 of all the schemes of SBI MF.
- (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.

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 - RISK 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.

No Operating History

As of the date set forth this Prospectus, the Fund has not commenced operations and therefore has no operating history.

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 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 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 endeavour 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 are 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 Cash Custodian. 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 31st March 2006, 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 any Valuation Day at the Issue Price on that Valuation Day plus the applicable Sales Charge.

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

Redemption of Shares

The Fund will open for redemption from 29th September 2006 onwards. Shares may be redeemed on an ongoing basis on any Valuation Day at the Redemption Price on that Valuation Day, 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 will comprise Messrs Deepak Chawla (non-resident Director), Uday Kumar Gujadhur (resident director from Multiconsult) and Pierre Dinan (Independent resident Director)

Deepak Chawla is the Managing Director and Chief Executive Officer of SBI Funds Management Private Limited. He joined SBI in 1972 and has more than 33 years of experience in areas of banking and capital markets. He holds a Masters Degree in Economics and is a Certificated Associate of the Indian Institute of Bankers

Uday Gujadhur is the Chief Executive Officer of Multiconsult Limited. He is a Fellow member of the Association of Chartered Certified Accountants. He is also the Chairman of the International Fiscal Association (Mauritius Branch) and a member of the International Tax Planning Association and the Society of Trust and Estate Practitioners. Uday has over 20 years professional experience in the fields of auditing, taxation, consulting and global business (including structuring of funds, companies and trusts and international tax planning).

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 and African companies and institutions. He has been engaged in promoting and managing global business services since 1992 and has been a member of various committees set up Government ministries in the matters of finance and international trade.

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 board of the Investment Manager comprises Mr Sethuram Iyer as the non-resident director who has experience of managing investments in India. The Investment Manager will also have two resident directors, Ms Pamela Balasoupramaniem and Mr. Milind Mulay the brief biographies of the directors are as follows:

Sethuram Iyer is the Chief Investment Officer of SBI Funds Management Private Limited heading a team of investment professionals managing assets around US\$ 3 billion. He joined SBI in 1976 and has 30 years of experience in banking and investment. Prior to joining SBI Funds Management he was in the Tokyo office of State Bank of India as Sr. Vice President (Credit & Investment).

Pamela Balasoupramaniem is a director of Multiconsult Limited. She is an associate member of the Institute of Chartered Accountants in England and Wales and is also a member of the International Fiscal Association. She

holds a degree in Accounting, Finance and Economics. She is responsible for the Fund administration services within Multiconsult Limited and has over 7 years of experience in that area.

Milind Mulay is the Managing Director of SBI International (Mauritius) Limited. He joined SBI in 1974 and has handled diverse assignments covering an extensive range of banking business including Industrial and Commercial Credit, Corporate Banking, International Banking, Agriculture Finance and Government Treasury business. He holds a Masters Degree in Physics from University of Mumbai and is a Certificated Associate of the Indian Institute of Bankers

Administrator

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

The administration of the Fund will be undertaken by the Administrator in Mauritius which will, *inter alia*, provide registrar, corporate, secretarial and administrative services, in Mauritius and maintain the statutory books and records for each Fund.

The Administrator will provide secretarial, administrative and registrar services to the Fund. These services include acting as corporate secretary and agent for service of process, the keeping of books and records, calculating and reporting the Net Asset Value, managing corporate correspondence, attending to regulatory filings in Mauritius, maintaining lists of shareholders and attending 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. Each party agrees to indemnify and hold harmless the other Party, any of its members or its employees who act in any capacity for such company from any claim or action whatsoever and wheresoever arising from their connection with such company excepting only actions, claims, costs, demands, loss or damage of any kind arising from any negligence, fraud or wilful misconduct of the Administrator, any member of the Administrator or its employees.

The office address of the Administrator is Multiconsult Limited, 10, Frère Félix de Valois Street, Port Louis, Mauritius, Telephone number: 230 - 2023029

Custody of the Assets

The Fund has appointed Barclays Bank Plc as its Cash Custodian, to act as the custodian of the Fund's assets.

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

but subject to the foregoing the Cash Custodian will not further or otherwise be responsible for assets placed with sub-custodians. As at 30th December 2005, the Cash Custodian has USD 302,533,626 of assets under custody and provides a full range of banking and global custody services. It also acts as custodian or trustee of a wide variety of offshore funds.

The Fund has reaffirmed the appointment of Citibank N.A., Mumbai Branch, 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 weekly net assets under the Retail Plan of both the US Dollar and Euro Funds and 0.75% p.a. of the weekly net assets under the Institutional Plan of both the US Dollar and Euro Funds 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 weekly 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 Custodians, 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 and 2% for Institutional 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 Fund will pay the Cash Custodian a custody fee of US\$ 4000 per annum payable quarterly plus normal banking costs and charges as set out in the Custodian Agreement.

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.

Other Fees and Expenses

Each Independent Director will be entitled to a fee of US\$ 4000 per annum while the Director who is also an Officer of Multiconsult will be entitled to a fee of US\$ 2000 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 and distributing all valuations, statements, accounts, reports and investor servicing. 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 for the purpose of the FSD Act and is liable to income tax in Mauritius at the rate of 15%. However, the Fund will be entitled to a deemed tax credit equivalent to the higher of the actual foreign tax suffered or 80% of Mauritian income tax on its foreign source income. Presently there is no capital gains tax 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. 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 certificate of Mauritian tax residency from the Mauritian Commissioner of Income Tax 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 not be liable to pay tax on any income, profits or gains derived by the Scheme from any source. As a result, except as described below, income and capital gains realised by the Scheme on its investment portfolio will not be subject to taxation in India.

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. 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; and
- Any short-term capital gains from the sale or redemption of units of the Scheme will be taxed at the rate of 10% plus a surcharge at the rate of 2.5% plus an education cess at the rate of 2% on the income tax and surcharge 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 or units of equity oriented funds on a recognised stock exchange in India.
- 0.1% on sale of equity shares in a company or units of equity oriented funds on a recognised stock exchange in India.
- 0.02% 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 than by the actual delivery or transfer of share or unit.
- 0.0133% on sale of derivatives on a recognised stock exchange in India.
- 0.2% 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. The Fund holds a Category 1 Global Business Licence in Mauritius and accordingly all sums paid to or by the Fund would be excluded from the exchange control regulations if the suspension of such regulations ceased to operate, except in the unlikely event that the exchange control regulations are extended to global business companies.

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, the 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, applications for investments in the US Dollar Fund and the Euro Fund should be for a minimum of US\$5000 and € 5000 respectively and multiples of US\$1000 and €1000 respectively thereafter in the case of an investor opting for the Retail Plan and by an investor opting for the Institutional Plan will be US\$500,000 and € 500,000 respectively and multiples of US\$1000 and € 1000 respectively thereafter (or such amounts as the Investment Manager/Fund may determine in its discretion).
- The Issue Price of the US Dollar Fund and the Euro Fund will be calculated at 3:00 pm (Mauritius time) twice a week, on Tuesdays and Fridays provided that day is a Business Day and, if not, 3:00 pm (Mauritius time) on the first following Business Day.
- The Net Asset Value of each Redeemable Participating Share under each Plan viz. Institutional Plan and Retail Plan of the US Dollar Fund and Euro Fund on each Valuation Day will be disclosed by the Fund on www.sbifunds.com.
- Applications for subscriptions and redemptions (whether through the Distributor or directly to the Fund) should be made to:

SBI Resurgent India Opportunities Fund
Multiconsult Limited,
10, Frère Félix de Valois Street, Port Louis, Mauritius
Tel: (230) 202 3029
Fax: (230) 212 5265
Email: multico@intnet.mu

- 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 (upto 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 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 where an applicant is a regulated financial services business based in Mauritius or in an equivalent jurisdiction (i.e. subject to the supervision of a public authority) or in the case of public companies listed on Recognised Stock/Investment Exchanges, as set out in the Code.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the 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 Registrar 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 Registrar has not been provided by the applicant.

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 despatched 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
Multiconsult Limited
10, Frère Félix de Valois Street,
Port Louis,
Mauritius
Tel: (230) 202 3029
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.
- A Shareholder may redeem all or part of its holding provided that, if the redemption request would reduce the balance in the account below US\$ 5,000 or € 5,000 (for Retail Investors) and US\$ 500,000 or € 500,000 (for Institutional Investors) such request will be treated as a request to redeem the entire shareholding, unless the Fund otherwise determines.
- 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.
- 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.
- Subject to paragraph 5 and 6 below, the Administrator will redeem on each 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.
- 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 by telegraphic transfer to the account designated by the applicant in the Subscription Document.
- 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 despatched 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 each Valuation Day will be based on the Net Asset Value per Share calculated by the Administrator as at the Valuation Point on the 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 31st March 2006 for 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 3:00 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 9108 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

1. Dr. Arvind Virmani, Director and Chief Executive, Indian Council for Research on International Economic Relations - Chairman, Board of Directors
2. Dr. (Mrs.) Malathi Anagol, Economist - Independent Director
3. Prof. S K. Barua, Professor, Indian Institute of Management, Ahmedabad, India - Independent Director
4. Mr. Mukund. M. Chitale, Chartered Accountant - Independent Director
5. Mr. Raj Nair, Management Consultant - Independent Director
6. Mr. S. K. Hariharan, Deputy Managing Director, State Bank of India - Associate 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 the 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 Societe Generale Asset Management (SGAM). 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 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 Allocation (% of Net Assets)	Risk Profile
Equities and equity related instruments including derivatives	70% - 100%	High
Fixed/Floating 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 Citibank N.A., Mumbai Branch, 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.

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 Article 3 of the Constitution.

In carrying out its objects, the Fund shall not promote or distribute any shares or interest in its shares in Mauritius and 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, a class of Redeemable Participating Shares of € 1.00 each constituting the Euro Fund 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 Article 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 Article 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 Article 22 of the Constitution. Where a person fails to pay on any call, the Board may after service of a notice under Article 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 Curatelle Act, shall be the only persons recognised by the Company as having title to his interest in the shares, but nothing in the Article 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 Article 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 Article 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 determined on each Valuation Day 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 :-
 - (i) 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
 - (ii) 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 every Tuesday and Friday, provided such days are Business Days.

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 are 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 the 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 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 Multiconsult Limited
 10, Frère Félix de Valois Street, Port Louis, Mauritius
 Tel: (230) 202 3029
 Fax: (230) 212 5265

INVESTMENT MANAGER

SBI Funds Management (International) Pvt. Ltd.
 C/o Multiconsult Limited
 10, Frère Félix de Valois Street, Port Louis, Mauritius
 Tel: (230) 202 3029,
 Fax: (230) 212 5265

ADMINISTRATOR

Multiconsult Limited
 10, Frère Félix de Valois Street,
 Port Louis, Mauritius
 Tel: (230) 202 3029
 Fax: (230) 212 5265

CUSTODIAN

In Mauritius

Barclays Bank Plc
 8th Floor, Harbour Front Building,
 President John Kennedy Street,
 Port Louis, Mauritius

In India

CITI BANK N.A
 77 Ramnord House,
 Dr. Annie Besant Road,
 Worli, Mumbai - 400 018

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 Valois Street
 Port Louis, Mauritius

AUDITORS

In Mauritius

ERNST & YOUNG
 1st Floor Anglo Mauritius House
 4 Intendance Street
 Port-Louis
 MAURITIUS
 India

In India

S. R. Batliboi & Co.
 6th Floor, Express Towers,
 Nariman Point
 Mumbai 400 021

APPENDIX VII - PRIVATE PLACEMENT IN CANADA OF SHARES IN THE FUND

This Canadian offering memorandum includes and incorporates by reference the Prospectus of the Fund dated as of the date hereof (the Prospectus and this Canadian offering memorandum, together, this "Memorandum"). Terms defined in the Prospectus and not otherwise defined herein have the same meanings herein as in the Prospectus. **This Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Shares in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Memorandum or the merits of the Shares, and any representation to the contrary is an offence.**

An investment in Shares is not insured by the Canada Deposit Insurance Corporation or any other governmental agency, and is subject to investment risks.

The distribution of Shares is being made primarily outside Canada and is being made in Canada only on a private placement basis in Canada to residents of the Provinces of British Columbia and Ontario (together, the "Canadian Jurisdictions") and is exempt from the requirements in the Canadian Jurisdictions that the Fund prepare and file a prospectus with the relevant securities regulatory authorities and that trades in Shares be executed through a registered dealer, pursuant to sections 2.3 and 2.10 of National Instrument 45-106 - Prospectus and Registration Exemptions, of the Canadian Securities Administrators (the "NI"). Each purchaser of the Shares in the Canadian Jurisdictions must be either (a) an "accredited investor" within the meaning of section 1.1 of the NI, or (b) a purchaser who purchases Shares that have an acquisition cost to the purchaser of not less than C\$150,000 paid in cash at the time of the purchase, and who is not created or used solely to purchase or hold securities in reliance on the exemption in section 2.10 of the NI. In either case, the purchaser must purchase the Shares as principal, and provide written certification to the Fund as to such matters. The Fund is an "investment fund" within the meaning of that term for purposes of the NI, as it is a "mutual fund" under the applicable securities laws of the Canadian Jurisdictions. In Ontario, the Shares will, and in British Columbia, the Shares may, be distributed through one or more dealers registered with the relevant securities regulatory authority.

No person has been authorized to give any information or to make any representations other than those contained in this Memorandum.

CURRENCIES

The currencies in which financial information in this Memorandum is disclosed are the euro and the United States dollar. As of 5pm London time on 13th February 2006, the exchange rate was C\$ 1.3748 for every € 1.00. The following table indicates the exchange rate history for the past five years:

<i>EXCHANGE RATES - € to C\$</i>		
<i>YEAR</i>	<i>AVERAGE FOR THE YEAR</i>	<i>AS OF DECEMBER 31</i>
<i>2004</i>	<i>1.6169</i>	<i>1.6292</i>
<i>2003</i>	<i>1.5826</i>	<i>1.6280</i>
<i>2002</i>	<i>1.4832</i>	<i>1.6564</i>
<i>2001</i>	<i>1.3868</i>	<i>1.4185</i>
<i>2000</i>	<i>1.3704</i>	<i>1.4092</i>

RESALE RESTRICTIONS

The distribution of Shares in Canada is being made on a private placement basis. The Fund is not a reporting issuer in any province or territory in Canada, the Shares are not listed on any stock exchange in Canada, and the Fund does not intend to become a reporting issuer or to list the Shares on any stock exchange in Canada. As there is no market for the Shares, it may be difficult or even impossible for an investor to sell them. Any resale of Shares must be made in accordance with applicable securities laws, which may require resales to be made: (a) in accordance with exemptions from registration and prospectus requirements, including those pertaining to resales outside the Canadian Jurisdictions; or (b) pursuant to a prior written consent order or ruling of the relevant securities regulatory authority; or (c) pursuant to a prospectus for which a final receipt is issued by the relevant securities regulatory authority. Investors in Canada are advised to seek legal advice prior to any resale of the Shares. As an alternative, Shares may be redeemed as set out in “Summary of Principal Terms” in the Prospectus.

ACKNOWLEDGMENTS

By purchasing Shares, among other things, each investor in Canada will be deemed to have acknowledged, certified, represented, warranted to and agreed for the benefit of the Fund, the Investment Manager, the Scheme Asset Manager and any dealer acting in respect of the distribution of Shares, as follows:

- (a) it is authorized to consummate the purchase of the Shares;
- (b) it is entitled under applicable securities laws in the Canadian Jurisdictions to purchase the Shares without the benefit of a prospectus qualified under such securities laws;
- (c) it understands and acknowledges that the Shares have not been and will not be qualified for distribution under applicable securities laws in the Canadian Jurisdictions;
- (d) it has reviewed the terms referred to above under “Resale Restrictions” and understands and acknowledges that the Shares may not be resold without an exemption from the registration and prospectus requirements of applicable securities laws;
- (e) either: (i) it is an “accredited investor” within the meaning of section 1.1 of the NI, or (ii) it is a purchaser who is purchasing Shares that have an acquisition cost to the purchaser of not less than C\$150,000 paid in cash at the time of the purchase, and who is not created or used solely to purchase or hold securities in reliance on the exemption in section 2.10 of the NI;
- (f) it is purchasing the Shares as principal, for investment only and not with a view to resale or distribution, and not as agent;
- (g) it understands and acknowledges that the Fund is not obligated to file and has no present intention of filing with any securities regulator or securities regulatory authority in the Canadian Jurisdictions any prospectus in respect of the resale of the Shares; and
- (h) it acknowledges and agrees that, except as otherwise expressly required by applicable law, no representation, warranty or undertaking (express or implied) is made and no responsibilities or liabilities of any kind or nature whatsoever are accepted by any dealer through whom the shares are distributed as to the accuracy or completeness of the information contained in this Memorandum.

Enforcement of Legal Rights

The Fund was established under the laws of a jurisdiction outside Canada. The Fund and all of the Fund's officers and directors, the Investment Manager, the Scheme Asset Manager, and their respective officers and directors, will be resident outside Canada. All or a substantial portion of the assets of the Fund and such persons are situated outside Canada. As a result, there may be difficulty in enforcing any legal rights against the Fund or such persons. In particular, it may not be possible for investors to effect service of process within Canada upon the Fund or such persons, to satisfy a judgment against the Fund or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Fund or such persons outside Canada.

Taxation and FOREIGN Exchange Control

Reference is made to the discussion regarding Mauritius and Indian taxation and exchange control considerations under "Taxation and Exchange Control" in the Prospectus.

Canadian investors should consult their own legal and tax advisers with respect to the tax consequences of an investment in the Shares in their particular circumstances and with respect to the eligibility of the Shares for investment by them under applicable tax and other laws in Canada.

PURCHASERS' STATUTORY OR CONTRACTUAL RIGHTS OF ACTION

As used herein, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement in this Memorandum not misleading in light of the circumstances in which it was made.

RIGHTS FOR PURCHASERS IN ONTARIO

Securities legislation in Ontario provides that if this Memorandum, together with any amendment hereto, delivered to a purchaser of a Share resident in Ontario before the issue of such Share to such purchaser, contains a Misrepresentation, and it was a Misrepresentation at the time of purchase of the Share by such purchaser, such purchaser who purchases the Share during the period of distribution will have, without regard to whether the purchaser relied upon the Misrepresentation, a right of action against the Fund for damages or, while still the owner of the Share purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund. The purchaser may exercise these rights against the Fund provided that:

- (a) the right of action for rescission or damages will be exercisable by a purchaser only if the purchaser commences an action to enforce such right not later than,
 - (i) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
 - (ii) in the case of any action other than an action for rescission, the earlier of (1) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (2) three years after the date of the transaction that gave rise to the cause of action;
- (b) the Fund will not be liable if it proves that the purchaser purchased the interest with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the Fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Share as a result of the Misrepresentation relied upon;

- (d) in no case will the amount recoverable in any action exceed the price at which the Share was sold to the purchaser; and
- (e) the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
- (i) this Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Each purchaser should refer to provisions of the applicable securities laws of Ontario for the particulars of these rights or consult with a legal adviser.

RIGHTS FOR PURCHASERS IN BRITISH COLUMBIA

This Memorandum and any amendment thereto does not constitute a “prescribed disclosure document” within the meaning of the Securities Act (British Columbia). Accordingly, the statutory rights set out in section 132.1 of the Securities Act (British Columbia) are not applicable. Nevertheless, the Fund will grant purchasers in British Columbia the equivalent rights of action for rescission and damages as are provided to residents of Ontario who purchase a Share.

GENERAL

The foregoing summaries are subject to the express provisions of the applicable securities laws in each Canadian Jurisdiction, including the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law.