

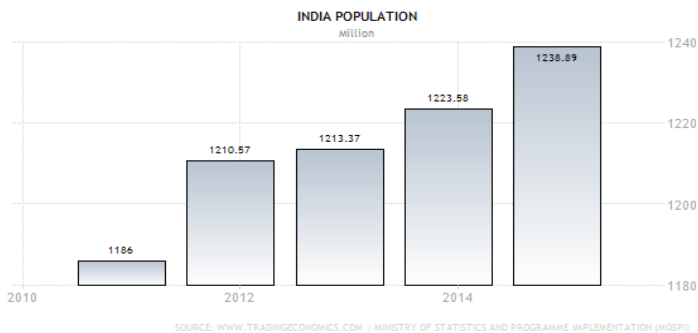


FPI INVESTMENTS - IL&FS SECURITIES SERVICES LTD.

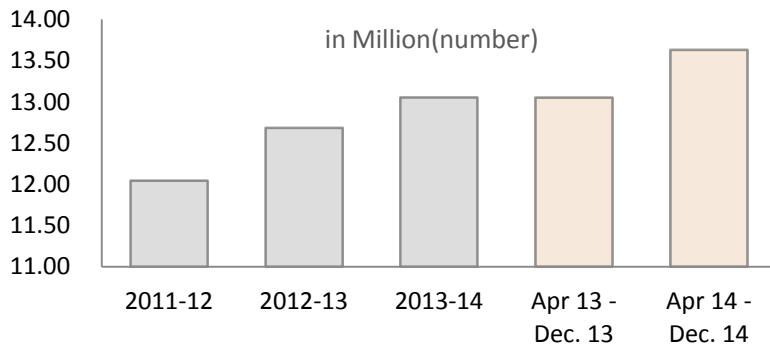
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BROAD ECONOMIC OUTLOOK

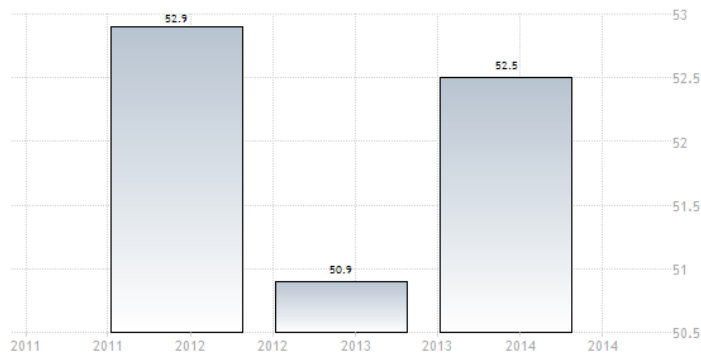
POPULATION



BENEFICIAL ACCOUNT HOLDER (NSDL)



INDIA LABOR FORCE PARTICIPATION RATE



Source: www.tradingeconomics.com & www.sebi.gov.in

GDP GROWTH RATE



INDIA GROWTH STORY

- ❑ One of the **fastest growing** economies in the world ~ GDP Annual Growth Rate 7%
- ❑ Robust **savings** ~ over 22,000 INR Billion
- ❑ Huge potential for growth/greater penetration particularly in many sectors, particularly **infrastructure, consumer products, financial services**
- ❑ **Financial inclusion** – policy drive of the Indian Government.
- ❑ **FII/FPI Investments** - Strong buyers of Indian equities over past few years

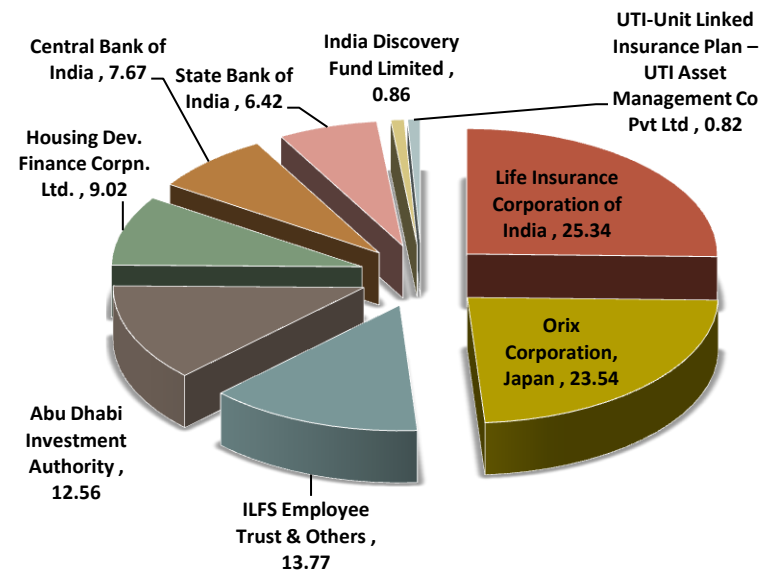
ABOUT IL&FS

IL&FS Financials (INR Million)

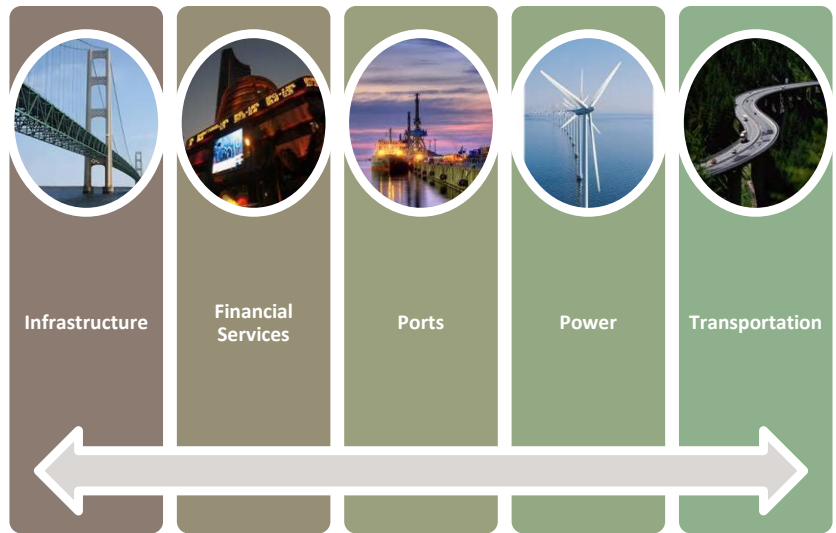
Description	2013	2014	2015
Equity Capital	1,168	1,181	1,312
Net-worth	27,433	38,669	50,000*

Detailed Financials at: <http://www.ilfsindia.com/Financials.aspx?id=8&cid=2>
 *approximate figure

Shareholders



Corporate Profile



Summary

- Founded in 1988, Institutional Pedigree with Global shareholders
- IL&FS has a Net-worth of Rs 38.66 billion and a total asset base of more than Rs 123 Billion
- Has business interests in diverse sectors, such as infrastructure, financial services, ports, power, private equity and transportation
- Exclusive linkages with external stakeholders including the government

ABOUT IL&FS SECURITIES (ISSL)

Product & Services Offering

Depository Services

Loan Against Share

Clearing – Equity / Debt / Derivatives *

Designated Depository Participant – FPI

Securities Lending & Borrowing *

Custodial Services

National Pension Scheme

Fund Accounting

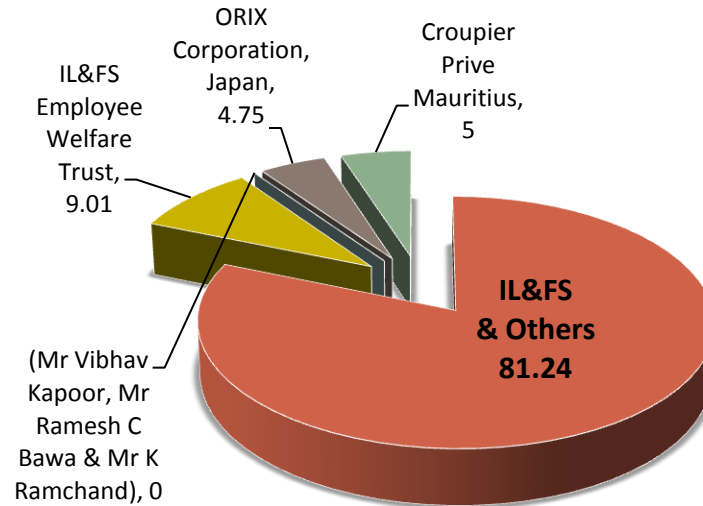
Additional Services

Escrow Management

Loan book administration

Broking Back-Office outsourcing

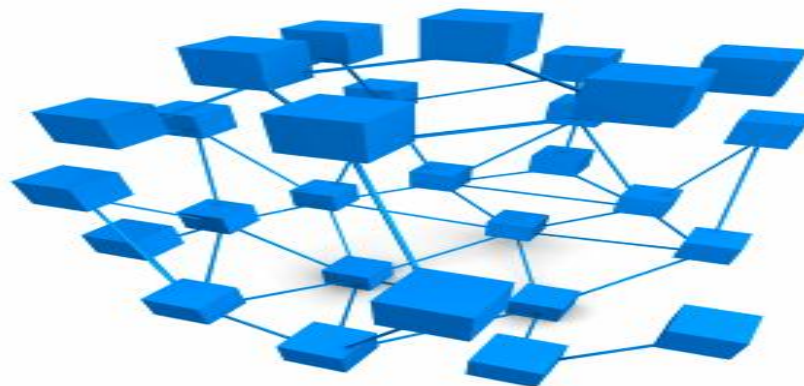
Trustee Services



Summary

	IL&FS Securities Services Ltd (ISSL) is the subsidiary of IL&FS, part owned by Foreign Investors
	ISSL is having a custody presence in India for more than 17 years
	ISSL is the largest Professional Clearing Member in India (for Equity Derivatives).
	ISSL is the largest clearer for the Stock Lending and Borrowing (SLB) segment in India
	Strong systems and IT resources in-house
	Leader in domestic Hedge Funds (end to end services – custody/clearing/fund accounting/trustee)

IL&FS OFFERING FOR FOREIGN INVESTORS



WE OFFER YOU END-TO-END SOLUTIONS

Foreign Portfolio Investment

Foreign Direct Investment

Foreign Venture Funds

In-House Expertise



Our Partner Eco-system

PAN Processing	Custody
Demat Account	Derivatives Clearing
Domestic Trustee	Stock Lending
Escrow Services	Global Fund Services

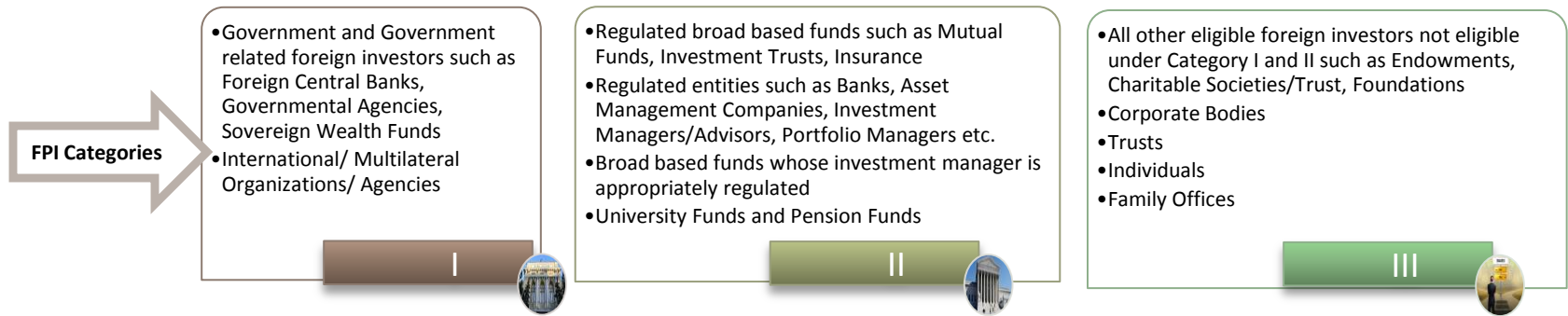
- Broking Partners**
We work with all leading brokers including Algo / HFT specialists
- Legal / Tax Advisory**
To cater to your global fund structuring as well as India taxation advisory
- CPA Partners**
Local CPA is mandatory, you can appoint from our panel or your own CPA
- Portfolio Advisory**
Looking for Indian Markets' expertise – we can introduce Advisors to you
- Banking Partners**
We work with leading domestic and foreign banks for your Banking needs

ISSL already has a critical mass of FPI clients across geographies. We understand your need for fast turn-around for your India registration and account setups. We have created a comprehensive eco-system of services to create a seamless experience for You!

FPI REGIME

FPI Eligibility : The Applicants	
✓	Is a person not resident in India
✓	Is a resident of a country whose securities market regulators is a signatory to SEBI MoU/IOSCO's MMoU
✓	Is resident of a country meeting FATF requirements
✓	If being a Bank, should be resident of a country whose Central Bank is a member of the Bank for International Settlements
✓	Is not a Non Resident Indian (NRI)
✓	Is legally permitted to invest in Securities outside his country
✓	Is authorized by its MoA & AoA (or equivalent document)
✓	Has sufficient experience, good track record, is professionally competent, financially sound
✓	generally good reputation of fairness and integrity
✓	Does not have a "opaque" structure (protected / segregated cell company or similar where ultimate beneficial owners are ring fenced from each another)

Items	Features description
SEBI Registration , Fees	Mandatory; Due diligence and registration will be done by Designated Depository Participant (DDP). USD 1000 per year fee for Cat II, USD 100 fee for Cat III
Custody A/c	Mandatory
PAN No. / CA	Mandatory to obtain PAN Card, file tax returns in India
Bank A/c	Foreign currency + INR account allowed
Demat	One per Depository allowed
Brokers	Multiple trading members allowed, order placement directly with Brokers
Investment s Types	Listed securities only permitted; Infra bonds allowed in unlisted also <ul style="list-style-type: none"> • Equity, Mutual Funds • Debt (Government, Corporate) • Equity, Currency and Interest Rate Derivatives
Investment Limits	<ul style="list-style-type: none"> • Investment in the Equity Shares of a Company by a Single FPI or a Group of FPIs shall be < 10% of the Issued Capital of the Company. • Government Debt: USD 31 Bn, Corporate Debt USD 50 Bn • Separate position limits in the Derivatives
Taxation	Standard tax rates for all categories, no TDS
ODI/P-notes	Categories I and II FPIs may issue, subscribe to or otherwise deal in ODIs



Equity

- Shares, Debentures and Warrants, listed or to be listed (both Primary / Secondary)
- Units of domestic Mutual Fund Schemes, whether listed or not
- Units of schemes floated by a Collective Investment Scheme
- Derivatives traded on a recognized Stock Exchange
- Indian Depository Receipts (IDRs)
- Other instruments as permitted from time to time

Debt

- Dated Government Securities
- Commercial Papers issued by an Indian Company
- Rupee denominated Credit Enhanced Bonds
- Security Receipts issued by Asset Reconstruction Companies
- Perpetual Debt instruments and debt capital instruments, as specified by RBI from time to time
- Non Convertible Debentures / Bonds issued by an Indian Company in the Infrastructure sector
- Non Convertible Debentures / Bonds issued by NBFCs categorized as 'Infrastructure Finance Company' by RBI
- Rupee denominated bonds or units issued by Infrastructure Debt Funds
- Such other instruments specified by

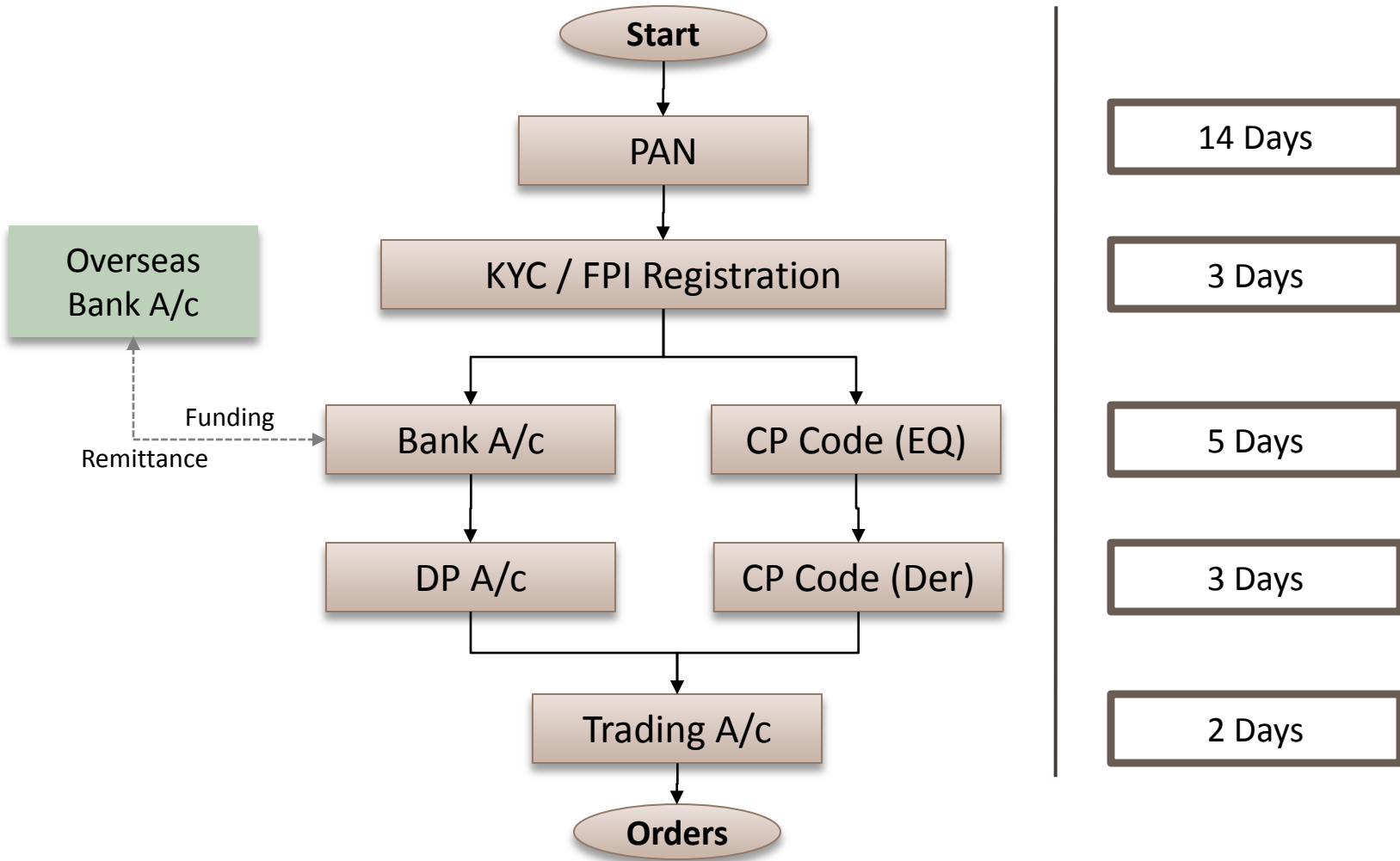
Derivatives

- Equity
- Interest Rate
- Currency

India FPI/FII Net Investments - INR Million

	Equity	Debt	Total
2008-09	(477,060)	18,950	(458,110)
2009-10	1,102,210	324,380	1,426,580
2010-11	1,101,210	363,170	1,464,380
2011-12	437,380	499,880	937,260
2012-13	1,400,330	283,340	1,683,670
2013-14	797,090	(280,600)	516,490
2014-15	1,113,330	1,661,270	2,774,610
2015-16	(296,960)	75,590	(221,370)

OPERATIONAL PROCESS



- Custodian would facilitate the entire account opening process
- Expected timelines for entire setup and go live are about 1 month

Individuals

- Proof of Identity (Passport mandatory)
- Proof of Address
- Bank Proof
- Bank Letter
- PAN



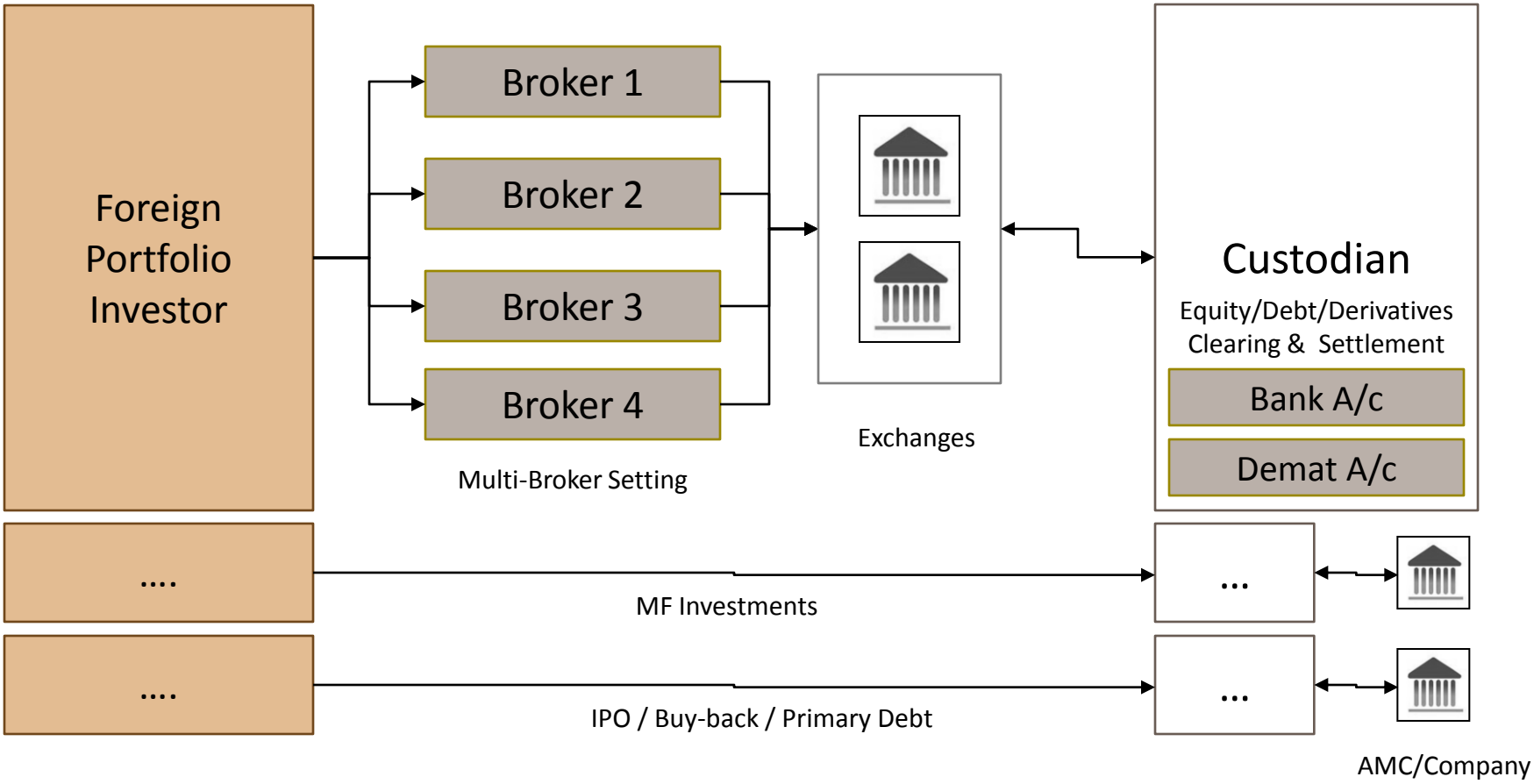
Non-Individuals

- Constitutive Documents (MoA, Trust Deed, Partnership Deed)
- Certificate of Incorporation
- Regulatory Affiliation details
- Proof of Address
- Bank Account Details
- Bank Letter stating satisfactory relationship (Cat III only).
- Board Resolution stating that entity is allowed to invest
- Shareholding details and Ultimate Beneficiaries' # Details
- Financials
- Senior Management Credentials / Photo
- Authorized Signatories Details
- PAN

This is an indicative list. Exact KYC details to be consulted with Custodian at the time of account opening

Natural person or persons who ultimately own, control or influence a client and / or persons on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement (>25% in case of Companies & > 15% in case of other entities)

For PAN card application: In case of non-individual entities, the certificate of incorporate must be counsalarized from Indian Embassy. Rest all supporting documents are to be notarized / attested by Banks



- Equity is settled on T+2 basis | MF Redemptions are settled on T+1 basis
- Government Debt is settled T+1 basis | Corporate Debt is settled on T+0 / T+1 basis
- FPI can make use of Stock Lending and Borrowing segment to manage any short sales.

Item Description

Derivatives

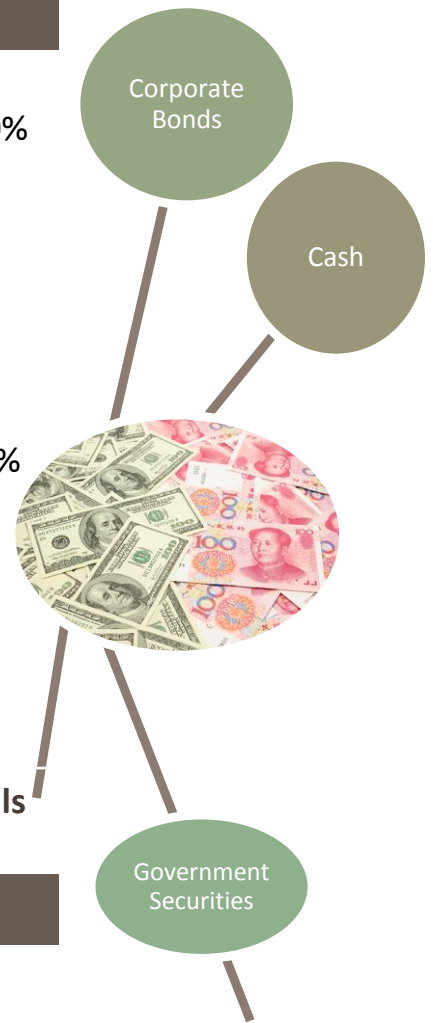
Initial Margins As per the exchange , and levied on all Category of clients. ISSL shall raise an alert when the initial margin reached 70% of the trading limits set by ISSL and make a margin call on the utilization reaching 80% (In manual acceptance mode of trade)

Extreme loss margin/ Exposure Margin As per Exchange
USD INR - 1% of MTM value of gross open position
IRF - 0.50% of value of the gross open positions
Equity F&O- Index options and Index futures contracts - 3%
 Option contracts & Futures Contract on individual Securities -
 The higher of 5% or 1.5 standard deviation of the notional value of gross open position in futures on individual securities and gross short open positions in options on individual securities in a particular underlying.

MTM MTM adjusted on EOD positions & debited from **Collaterals**

Equity Cash Segment

Margins For Cat I & II clients, there are no margin levied to the brokers , as these are considered institutional Trades. For Cat III (Individual /Corp) margin will be levied on brokers for T day
 Margin will be levied on the Custodian from T1 basis – therefore Custodian will have to make payments (funds & securities) on T1 basis for all Categories



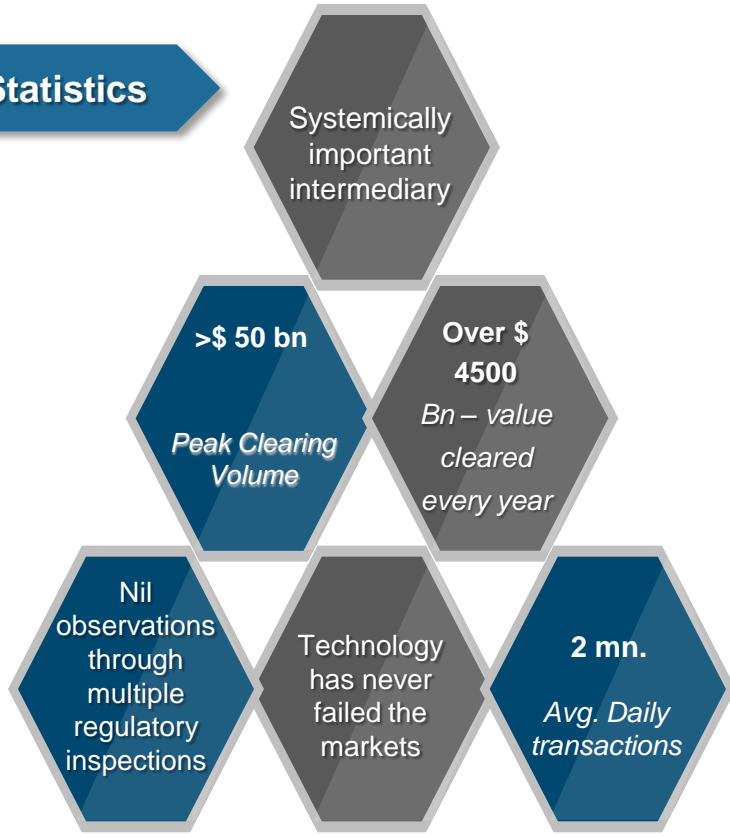
- Can purchase via the PD/Banks
- Convert into Demat A/C of FPI
- Place as collateral - PCM/DDP

V: ROLES AND RESPONSIBILITIES

Item	Broker	Custodian	Client	CA	Bank	Advisor
KYC		<input checked="" type="checkbox"/>				
SEBI Registration		<input checked="" type="checkbox"/>				
DP A/c		<input checked="" type="checkbox"/>				
Bank A/c		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
Exchange CP		<input checked="" type="checkbox"/>				
Trade Execution	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Advisory	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
Client Relationship	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
CA Certification		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
SEBI /NSDL Reporting		<input checked="" type="checkbox"/>				
RBI Reporting		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
Client Reporting		<input checked="" type="checkbox"/>				
Compliance			<input checked="" type="checkbox"/>			

WHY IL&FS SECURITIES SERVICES LTD.

Vital Statistics



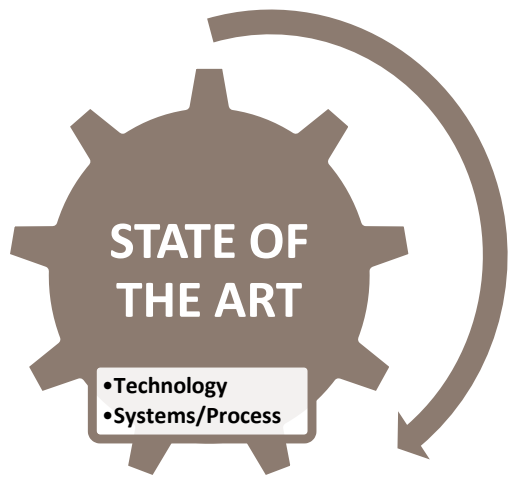
Resilience

- › Serviced Market participants through ups and downs of markets
- › Maintained positioning as largest clearing member

Innovation

- › Partnered with Stock Exchanges for launch of multiple new products

- ✓ **Largest Clearing Member on Exchange Traded Derivatives**
- ✓ **Dominant market share of 25% - literally every 4th trade in the Exchange gets cleared thru IL&FS**
- ✓ **Governance and Compliance amongst best in industry**
- ✓ **Largest Custodian for Category III AIFs and Managed Accounts**
- ✓ **1,500+ Institutional Customers. IT enabled services with proprietary platforms that are built to enable scale**
- ✓ **The only intermediary in the country with multiple licences in Securities Services**
- ✓ **Peak Transactions over 4.0 million on a single day**



Neutral Player – does not have broking/advisory products, no proprietary trading thus no conflict with fund management. ISSL has a core focus on Clearing and Custody services alone.

Facility for auto confirmation of trades

Clearing trades within the blink of an eye
(in few milli seconds)

Customized Reporting as per client requirement & maintains globally accepted reporting standards for clients spread across the globe *(providing GMI format reporting to clients)*



▼ Clientele spread across the globe

SERVICING VARIOUS CATEGORIES OF CLIENTS:

HFT Traders

Algo Players

Domestic Hedge Funds

Banks

Trusts

Family Offices

Category –II Broad Based Funds

Brokers

HNI

Ultra HNI

Individuals

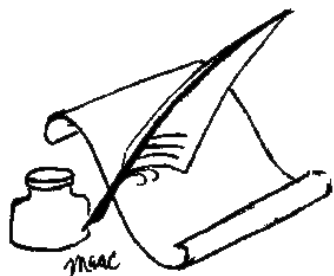


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