



Your investments in
India made easy
by **Bank One**

India - One of the fastest growing economies in the world

India, an emerging economy, has witnessed unprecedented levels of economic expansion, along with countries like China, Russia, Mexico and Brazil. India, being a cost effective and labour intensive economy, has benefited immensely from outsourcing of work from developed countries, and a strong manufacturing and export oriented industrial framework. With the economic pace picking up, global commodity prices have staged a comeback from their lows and global trade has also seen healthy growth over the last two years.

The financial services sector contributed 15% to India's GDP in 2009-10, and is the second largest component after trade, hotels, transport and communication all combined together.

Mauritius – A sound and stable economic structure

Mauritius is known to be a well-regulated and well-rated Global Business jurisdiction. Over the years, Mauritius has maintained strong ties with Europe, Africa and Asia. Actually, business entities can take advantage of double taxation avoidance treaties with no less than 31 countries and use Mauritius as their business hub which is strategically located, with direct access to global equities and alternative investment markets. The country's financial sector is extremely vibrant.

Investing in India

Applying for a **FII** license is administratively heavy. Foreign investors who do not wish to go that route may still access the Indian market through an existing **FII**, as a sub-account. The sub-account is becoming increasingly the most favoured way to invest in India.

Bank One Limited – An overview

Bank One went through a major re-branding exercise following the take-over by CIEL Investment Ltd (50%) and I&M Bank Limited (50%) in 2008. The Bank is a universal bank providing for all customers segments: Retail, Private, Corporate, SME, and International Banking. Financial solutions include transaction and deposit accounts, personal finance, trade finance, corporate finance and capital market services as well as a host of unique banking services. Bank One focuses on customer needs and on building long-lasting relationships with its customers. It offers a range of traditional and non-traditional wealth management products and has tied up with a number of Indian fund providers:

Indian Entrepreneurs Fund – focusing on the top Indian business men as the performance of their businesses has outperformed the index for Cap Growth 2010- 20.63%.

Life Fund – investing in Indian Companies that have shown superior capital efficiency 2010 showed 28% growth.

Business Leaders Fund – investing in the businesses run by the leaders of the different industries and sectors of the Indian economy – 17.67% growth 2010.

PSU Equity Fund – investing in companies where the majority shareholding is held by the Indian Government - 11.45% growth 2010.

Midcap Fund – investing in Indian Midcap companies - 25.69% growth in 2010.

Indian Growth Fund – the fund aims to achieve capital appreciation by being primarily invested in the shares and equity-linked instruments of companies listed in India. The fund may also achieve its objective by investing in units of mutual funds worldwide which have a similar investment objective.

Indian Infrastructure and Realty Fund – the fund aims to achieve capital appreciation by being primarily invested in listed shares and equity-linked instruments of companies which are directly or indirectly involved in infrastructure and real estate sector in India. The fund may also achieve its objective by investing in units of mutual funds worldwide which have a similar investment objective. The fund plays the major growth opportunities of India by investing in companies with high growth potential. These companies are likely to be those that will benefit from the current/future growth opportunities and which have proven management capabilities.

Bank One FII

Bank One holds an investment advisor license delivered by the Financial Services Commission of Mauritius and has recently been granted a **Foreign Institutional Investor (FII)** license by the Securities and Exchange Board of India (SEBI).

Bank One provides two types of sub-accounts:

- Third party
- Execution only

Who can be a sub-account?

Sub-accounts may be any of the following: individuals, companies, institutions or funds incorporated or established outside India.

Types of sub-accounts

- Broad-based funds
- Foreign corporates
- Foreign individuals

Sub-accounts may have access through an **FII**, to:

- Securities in primary and secondary markets (shares, debentures, warrants).
- Dated government securities, other debt instruments.
- Derivatives traded on a recognised stock exchange.
- Commercial papers.
- Participatory Notes (P-Notes).
- Security receipts.

Benefits of sub-accounts for investors

- Like the FII, the sub-account holds shares in its own name.
- For taxation purposes a sub-account is recognised as a distinct legal entity.
- Tax benefits flowing from Double Taxation Agreements depend on the domicile of the sub-account, not the FII.
- The sub-account can have a custodian different from its FII's local custodian.
- The FII ensures compliance with local regulations.

Services offered by Bank One

Third party

- Bank One will provide for administration including:
 - Informing SEBI of any changes relating to the sub account;
 - Submitting applications to SEBI for debt limits when they are issued;
 - Trade holiday notification and its implications on execution and settlement;
 - Regularly update the account holder, by means of bulletins on any matter pertaining to the FII/sub-account e.g. debt limits;
 - Update the clients of any developments concerning SEBI regulations;
 - Update the sub-account of any RBI restrictions as and when updated by RBI.
- Bank One will ensure that the subaccount complies with all relevant regulations and provide an on-going follow up service to ensure that breaches do not occur.
- Bank One will additionally monitor the investment limits and debt limits biddings of the sub account and provide assistance in the selection of brokers.

Execution only

This sub account will provide the services detailed above in addition to:

- Placement and settlement of the trades with the local custodian in India;
- Or placement of trades with the brokers in India.

Your contact persons:

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