

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

(For private circulation only)

Name of Scheme (if applicable)

By *[insert name of the Fund]*

['Name of the Fund'] is registered with SEBI as a Category III Alternative Investment Fund with effect from [date of registration]

Registration No. _____

Trustee (for AIFs set up as Trust): [•]

Sponsor: [•]

Manager: [•]

This private placement memorandum is being furnished to you on a confidential basis for you to consider investing in the units of [•], a scheme of [•] established as Trust/Company/LLP under the Indian Trusts Act, 1882/Companies Act, 2013. This Memorandum shall not be reproduced or provided to others without the prior written permission of the Manager.

The information contained in this Memorandum may not be provided to others who are not directly concerned with your decision regarding proposed investment. By accepting delivery of this Memorandum, you agree to the foregoing, and to return this Memorandum if you do not invest in the Units of the Fund/Scheme, as the case may be. Investors are requested to note that no returns from the Fund/Scheme is assured or guaranteed.

Name of investor: _____

Copy No. _____

Important Notice

An investment in [Name of the AIF] is suitable only for sophisticated and/or private investors including fund of funds, government institutions, corporates, public sector undertakings, and private banks, insurance companies, global development financial institutions and multilateral organizations and high net worth individuals and requires the financial ability and willingness to remain invested for the total tenure of the funds, to accept the high risks and lack of liquidity inherent in an investment in a Fund of this nature.

No assurance can be given that Fund's investment objective or investment strategy will be achieved. There can be no assurance that the Fund will achieve its target returns or returns comparable to those achieved by the entities with which the Sponsor or the Manager or their Affiliates have been associated.

The [Name of Scheme/ AIF] is [close ended] with a tenure of [number of years] which is further extendable by [period of extension in years] and in the normal course, no exit option shall be available to the investors until the end of the term.

[Note: For open ended Schemes, the paragraph above shall not apply]

(Signature of Investor)

Name of Investor: _____

Name of the Distributor (if applicable)-----

Date : _____

Place : _____

DISCLAIMER

[Please note that while the below is indicative language, please add required notices and other qualifications, that may be relevant from the Fund/Scheme perspective, herein under]

This confidential memorandum is issued in connection with and relates to an investment in the units of fund/scheme. The fund/scheme [is registered] with SEBI as a category [•] AIF under the AIF Regulations. This memorandum does not constitute an offer or a solicitation of an offer to subscribe to the units described herein from any person other than the person whose name appears on the cover page of this memorandum. No person, other than such person, receiving a copy of this memorandum, may treat the same as constituting an offer or a solicitation of an offer to subscribe to the units of the fund/scheme described herein.

The information in this [draft] memorandum for the fund/scheme is not exhaustive and may be changed. This memorandum is not an offer to subscribe to the units and does not solicit an offer to subscribe to units in any jurisdiction where the offer or sale is not permitted. An offer or solicitation in respect of the units in the fund/scheme will be made only through the final form of the fund's/scheme's Private Placement Memorandum.

The information in this memorandum is current as at the date of this memorandum, and may be supplemented, amended or modified from time to time by any further information in a supplemental information memorandum in which event the information in this memorandum shall be read as supplemented, amended or modified by such additional information, as the case may be. The supplemental information memorandum shall be provided to the investors within ----- (in no case later than 6 months) from the date of effective change regarding which the memorandum is supplemented, amended or modified.

Notwithstanding anything contained in the fund/scheme documents, the manager shall continue to be responsible for the compliance with the AIF Regulations, SEBI circulars, and the directions issued by SEBI, from time to time, and other applicable laws in relation to operations and reporting by AIFs. The manager has taken all reasonable care to ensure that the information in this memorandum is true and accurate in all material respects and that there are no material facts, the omission of which would make any statement in this memorandum, whether of fact or opinion, misleading. No other representation, warranty or undertaking is given in respect of the information in this memorandum by the Manager or by any other person duly authorized by the Manager and neither the manager nor any other person duly authorized by the Manager takes responsibility for the consequences of reliance upon any statement or information contained in, or any omissions from, this memorandum.

Prospective investors should review the fund/scheme documents carefully. Nothing in this memorandum, the information contained in it or any other information supplied in connection with the fund/scheme (other than the fund/scheme documents, the terms set out in the summary of principal terms section of this memorandum to the extent incorporated in the fund/scheme documents by reference, and the confidentiality understanding contained herein) shall form the basis of any contract.

The units of the fund/scheme are not being offered for sale or subscription to public, but are being privately placed with a limited number of eligible investors as per the AIF Regulations. Information provided herein has not been approved by SEBI or any other legal or regulatory authority in India, nor has any such regulatory authority passed upon or endorsed the accuracy or adequacy of this memorandum.

Investors may request additional information in relation to the fund by writing to the Manager:

Name of the Manager:

Name of Contact Person:

Communication Address:

Telephone No.:

Email:

PART - A

DIRECTORY

Sponsor

Name:

Registered Address:

Communication Address:

Tel.:

Email:

Manager

Name:

Registered Address:

Communication Address:

Tel.:

Email:

Trustee

Name:

Registered Address:

Communication Address:

Tel.:

Email:

Legal Advisor

Name:

Address:

Tax Advisor

Name:

Address:

Custodian

Name:

Address:

Tel.:

Email:

Auditor

Name:

Address:

Tel.:

Email:

TABLE OF CONTENTS

SECTION I: EXECUTIVE SUMMARY	8
SECTION II: MARKET OPPORTUNITY/ INDIAN ECONOMY/ INDUSTRY OUTLOOK	13
SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS	14
SECTION IV: FUND/SCHEME STRUCTURE	16
SECTION V: GOVERNANCE STRUCTURE.....	17
SECTION VI: TRACK RECORD OF MANAGER	20
SECTION VII: PRINCIPAL TERMS OF THE FUND/SCHEME	25
SECTION VIII: DETERMINATION OF THE NET ASSET VALUE OF THE UNITS.....	40
SECTION IX: CONFLICTS OF INTEREST.....	41
SECTION X: RISK FACTORS	42
SECTION XI: LEGAL, REGULATORY, AND TAX CONSIDERATIONS.....	45
SECTION XII: ILLUSTRATION OF FEES,EXPENSES AND OTHER CHARGES.....	48
SECTION XIII: DISTRIBUTION WATERFALL.....	49
SECTION XIV- DISCIPLINARY HISTORY	53
SECTION XV- GLOSSARY	54
SECTION XVI- SUPPLEMENTARY INFORMATION	55

[Please note:

- a. This is a template PPM (“PPM” or “Memorandum”), and in case any head/point/section included hereinunder is not applicable to a fund, in any manner whatsoever, it will be required to be mentioned, against such head/point/section of the PPM, that the same is “not applicable” to the Fund/Scheme.***
- b. In case additional information is required to be disclosed in the PPM for the Fund/Scheme, which is in addition to the already-stated information contained in this template PPM, the PPM may include “supplementary information” sections at the end of each section of the PPM, in order to cover such additional information, that would be otherwise relevant to the sections captured in this template PPM. In addition to such section-specific supplementary information, an additional section, i.e. Section XVI- Supplementary Information, has been provided for at the end of this template PPM, for inclusion of all such additional information that is not relevant to any section of the template PPM, but is required to be disclosed to investors.***
- c. Please note: (a) if no scheme construct is envisaged, this can be limited to just referring to the name of the AIF; and (b) this template can be modified if the AIF is established as a company or limited liability partnership.***
- d. Depending on the nature of the offering, the reference to ‘Fund’ or ‘Scheme’ may be used as appropriate.]***

SECTION I: EXECUTIVE SUMMARY

The principal terms of the offering are summarized below. The information in this section is subject to more detailed information provided elsewhere in this Memorandum. Investors should read the entire Memorandum carefully before making the decision to invest in the units of the Fund/Scheme.

AIF	<ul style="list-style-type: none"> • [Full name of the AIF] • Relevant category of registration under the AIF Regulations • Registration No.
Scheme	[Full name of the Scheme] (if applicable)
Sponsor	[Name, nature of entity and registered address]
Manager	[Name, nature of entity and registered address]
Affiliate (1)	[Name, nature of entity and registered address] – of affiliate/associate/group entity with whom any dealings are proposed/envisaged by the Fund/IM
Affiliate (2)	[Name, nature of entity and registered address] – of affiliate/associate/group entity with whom any dealings are proposed/envisaged by the Fund/IM
Affiliate (N)	[Name, nature of entity and registered address] – of affiliate/associate/group entity with whom any dealings are proposed/envisaged by the Fund/IM
Investment Objective and Strategy	<ul style="list-style-type: none"> • Investment objective and strategy of the Fund/Scheme in brief (covering types of opportunities viz. listed or unlisted securities, types of securities, sectors, geographic focus, and such factors that may be relevant to the investment strategy of the Fund/Scheme)
Investment Allocation	<ul style="list-style-type: none"> • Investment allocation (i.e. allocation of investible funds as per investment sector, geographical allocation, etc.)
Target Corpus	<ul style="list-style-type: none"> • Target Fund/Scheme size, and green shoe option (if any) as may be applicable <p><i>[For close-ended and open-ended Category III AIFs, as may be applicable]</i></p>
Classes/Series of Units	<ul style="list-style-type: none"> • List out all classes of units to be issued by the Fund/Scheme including the complete eligibility criteria for each class of units, if any • Name the series of different classes of units of the Fund/Scheme (if applicable) and the basis of such

	series segregation
Term of the Fund/Scheme	<p>State the following:</p> <ul style="list-style-type: none"> • Open ended fund / close-ended fund • Term of the Fund/Scheme starting from the final closing of the Fund/Scheme (for a close-ended Scheme) • Extension period(s) beyond the term of the Fund/Scheme, if any, subject to the AIF Regulations. (for a close-ended Scheme)
Minimum Capital Commitment	<ul style="list-style-type: none"> • Minimum commitment being sought from investors, for each class of investors in the Fund/Scheme • Whether the Manager may accept a commitment lower than the minimum commitment for any class of unit in the Fund/Scheme (as may be applicable)
Sponsor / Manager Commitment	<ul style="list-style-type: none"> • 5% of the corpus or INR 10 crores, whichever is lower will be provided by sponsor/ manager (please specify) in terms of the AIF Regulations • Additional amount of Sponsor/ Manager commitment to the Fund/Scheme • Class of Units issued against Minimum Commitment • Class of Units issued against additional Commitment, if any <p><i>(Note: Minimum commitment cannot be less than the requirement prescribed under the AIF Regulations.)</i></p>
Commitment Period (if applicable)	<ul style="list-style-type: none"> • Definition of commitment period • Commitment period (in number of years or months) including date of commencement and ending of the commitment period • Extension of the commitment period (if permitted) and the period for which it can be extended
Initial Offer Period	<ul style="list-style-type: none"> • Initial offer period – beginning / ending or time frame (e.g. number of days) or any fixed date, as may be applicable • Extension of initial offer period, if any
Subscription/Offering Price	<ul style="list-style-type: none"> • State the subscription period (i.e. initial offering period or subsequent subscription, and commencement and ending of the same) • Subscription price applicable for such subscription

	<p>period</p> <ul style="list-style-type: none"> • In case different subscription prices are applicable for different periods within the subscription period (for example, applicable to the initial offering period and subsequent subscriptions) • Notice period applicable for subscription • Limitations on subscription
Hurdle Rate of Return	<ul style="list-style-type: none"> • Hurdle rate of return for each class of units (as applicable) • Applicable currency for computation of hurdle rate of return • Basis of determination of the hurdle rate of return (specify)
High Water Mark	<ul style="list-style-type: none"> • Calculation of high-water mark, as applicable • Adjustments that may be required in calculation of the high-water mark, as applicable
Management Fee	<ul style="list-style-type: none"> • Rate and basis for the management fee (in percentage per annum) to be charged against each class of units: <ul style="list-style-type: none"> ○ For the initial offering period ○ For subsequent period/liquidation period of the Fund/Scheme • State if the proposed management fee shall be exclusive or inclusive of any applicable taxes (i.e. GST, etc.) • Frequency and timing of charging management fee to each contributor/ Fund <p>Whether the Manager may reduce the management fee for any class of unit and basis of exercising discretion (if any, as applicable)</p>
Additional Return	<ul style="list-style-type: none"> • Rate of additional return including if there is any differential additional return on different classes of units, please state the same • Basis of charging such additional return • Classes of units shall be subject to the additional return • High-water mark mechanism (as applicable) and

	<p>hurdle mechanisms applicable in calculation of such additional return</p> <ul style="list-style-type: none"> • State clearly if the Manager may vary the additional return <p><i>Please refer to sub-section titled “Distributions” under the Section VII: Principal Terms of the Fund/Scheme of this Memorandum for details.</i></p>
Performance Fee	<ul style="list-style-type: none"> • Rate of performance fee and basis of charging the same • Basis of calculation mechanism for performance fee and variation of the same • High-water mark mechanism (as applicable) and hurdle mechanisms applicable in calculation of such performance fee • Classes of units subject to performance fee
Expenses of the Fund/Scheme	<ul style="list-style-type: none"> • Entry load / placement costs chargeable if any • Set-up cost: estimate/cap • Distribution cost – estimate / cap • Operating expenses – estimate / cap <p><i>Note: Please refer to Section xx: Illustration of Fees and charges of this Memorandum for details.</i></p>
Redemption	<ul style="list-style-type: none"> • Redemption period that may be applicable • Redemption fees (exit load if applicable, if before lock-in), if any • Lock-ups, if applicable • Rate and basis of calculation of the applicable redemption fee/exit load • Variations in calculation of the redemption fee/exit load, in case for different classes/series of units, and the basis of such differential redemption fee/exit load • Gating <ul style="list-style-type: none"> ○ Applicable at the <ul style="list-style-type: none"> (a) Fund/Scheme level (b) investor level ○ Maximum permitted withdrawals per withdrawal period

Leverage strategy	<ul style="list-style-type: none">• Whether the Fund/Scheme will undertake leverage activities. if yes, brief details to be provided
--------------------------	--

SECTION II: MARKET OPPORTUNITY/ INDIAN ECONOMY/ INDUSTRY OUTLOOK

[Please note this section may cover:

- General economic background and data, if any, that the Manager deems to be relevant from the perspective of the Fund/Scheme with reliable sources cited for the data
- Investment outlook of the Sponsor/ Manager (including macro-economic and micro-economic factors) that may be relevant to the strategy of the Fund/Scheme
- Sector/industry outlook that may be relevant to the strategy of the Fund/Scheme
- Any other aspect that the Manager/Sponsor wishes to highlight in the context of the Fund's/Scheme 's investment strategy

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such as, specific facts regarding the outlook of the Manager, Sponsor group, etc. that may contribute to support the targeted market opportunity or investment pattern, any parallels that the fund wants to draw between own fund and other such global or domestic funds regarding the same investment strategy, etc. and such other information that the Manager intends to cover under the same.

For all information from third party sources mentioned in this section, sources have to be referenced.

Further, audit requirement shall not be applicable on this section II]

SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS

Investment Objective	<i>The investment objective of the Fund/Scheme to be stated clearly</i>
Category of Registration	<i>Category of registration of the Fund/Scheme under the AIF Regulations to be stated clearly</i>

PARAMETERS (IF APPLICABLE)	CATEGORIES (IF ANY)	ALLOCATION AS % OF INVESTIBLE FUNDS (AT THE TIME OF INVESTMENT)
Investment in type of securities	1. Listed equity 2. Unlisted equity 3. Debt 4. Derivatives etc.	
Maximum exposure of the Fund/Scheme to various positions adopted by the Fund/Scheme (e.g. long only/short only)		Percentage or range may be given
Leverage strategy of the Fund/Scheme		
Allocation for investment in overseas securities, if any		Percentage or range may be given
Sector Allocation (if any)	<i>[State the sectors]</i>	Proposed allocation against each sector, if any, to be mentioned
Geographic Allocation (if any)	<i>[State the geographies]</i>	Proposed allocation against each sector, if any, to be mentioned
Any variation to any of the above stated parameters or strategy	<i>[State the nature of consent required for any deviation from the above stated investment parameters/strategy/allocation]</i>	

This section may, apart from the above-mentioned points, describe the strategy, investment philosophy or any other aspects of the investment strategy that the Manager proposes to highlight to the investors in the Fund/Scheme.

Investment Process

- Flow chart depicting the investment decision making process and detailed description of the same.

Please also state in case of any material variation in the investment process, consent of which relevant governance body of AIF as listed above will be required.

(Insert a sample flow chart)

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such as, description of the strategy, investment philosophy or any other aspects of the investment strategy that the Manager proposes to highlight to the investors in the Fund/Scheme, any portfolio company related specifics, exit aspirations for the Fund/Scheme, etc. and such other information that the Manager intends to cover under the same]

SECTION IV: FUND/SCHEME STRUCTURE

This section shall include the following:

- A complete diagrammatic representation of the Fund/Scheme structure disclosing all key constituents (e.g. trustee manager, custodian (if any), investment advisor (if any), offshore feeder (if any), offshore manager (if any), etc., as may be applicable); along with a brief description of the activities of the Fund/Scheme and its constituents, jurisdictions that may be applicable (if identified), nature of relationship between each constituent of the Fund/Scheme, as well as classes of units/interest held by each constituent in the Fund vehicle(s);
- Briefly describe the structure of the Fund/Scheme (including segregation of assets and liabilities for multiple schemes of the Fund/Scheme, if applicable, and disclose related risk factor in “*Section X: Risk Factors*”)

(Insert a sample diagram)

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such as details of past association between the multiple funds in unified schemes that may be relevant from the fund perspective, etc. that may play a role in the fund operations, etc. and such other information that the Manager intends to cover under the same.]

SECTION V: GOVERNANCE STRUCTURE

A. Sponsor:

- a. Name
- b. Role
- c. Names of directors/ partners
- d. Brief profile of directors/ partners

B. Trustee: (if applicable, in case of trust)

- a. Name
- b. Role
- c. Names of directors
- d. Brief profile of directors
- e. List of responsibilities retained by the Trustee under the Trust Deed
- f. List of responsibilities of the Trustee, delegated to IM (or any other person) as per the Trust Deed (any other arrangement)

C. Manager-

- a. Name
- b. Role
- c. Names of directors/ partners
- d. Brief profile of directors/ partners
- e. List of responsibilities assigned to the Manager under the IM Agreement

[Note: Responsibilities delegated to IM discussed at Para B.f. above, may not be repeated in this section]

- f. List of responsibilities of the Manager delegated to another person under any arrangement, along with details of the said person

D. Key investment team

- o Description of the role of the management team in the operations of the Fund/Scheme

- List out the names and brief biography of each member of the investment team (including nature of relationship between management team members and the Fund/Scheme) in the following format:

Name of investment team member:

Brief biography:

S. No.	Name of Organisation	Designation	Period	Work Profile

- Qualification of each investment team member
- Any additional members of the management team of the Fund/Scheme, if relevant.
- Involvement of the members in advising and/or managing any other Funds (state no. of funds) (separately for registered with SEBI or otherwise)
- Risk factor to be added appropriately and referenced in this section for allocation of resources and time towards the instant applicant.

E. Key persons of the Fund/Scheme (other than at point D above), and details of the same (Such as Industry Experts, Research Analyst, Entities involved in deal sourcing, etc.).

F. Valuation committee (if applicable)

- Description of the role of the valuation committee in the operations of the Fund/Scheme
- List out constituents of the valuation committee

G. Investment committee (if applicable)

- Description of the role of the investment committee in decision making in relation to the Fund/Scheme
- Decision making process of the investment committee, e.g. on the basis of majority consensus, unanimous consensus, any member of the investment committee with a veto right, etc.
- Description of the size and constitution of the investment committee including the manner in which investment committee members will be appointed and replaced
- Involvement of the members in advising and/or managing any other Funds (SEBI registered or otherwise) (state no. of funds) (separately for registered with SEBI or otherwise). Risk factor to be added appropriately and referenced in this section for allocation of resources and time towards the instant applicant.
- Details of fees to be paid to the Investment Committee. Specify whether the fees, if any, shall be borne by the Fund or IM

H. Advisory board (if any)

- Role of the advisory board in relation to the operations of the Fund/Scheme
- Manner of appointment and removal of the members of the advisory board
- Description of the size and constitution of the advisory board including the manner in which members will be appointed and replaced

- Involvement of the members in advising and/or managing any other Funds (No. of Funds) (SEBI registered or otherwise)
 - Risk factor to be added appropriately and referenced in this section for allocation of resources and time towards the instant applicant.
 - Details of fees to be paid to the Advisory Board. Specify whether the fees, if any, shall be borne by the Fund or Manager
- I. Limited partner/investor advisory committee (if any):
- Role and responsibility of the investor advisory committee
 - Decision making process of the investor advisory committee
 - Description of the constitution of the investor advisory committee including the manner in which investor advisory committee members will be appointed and replaced
 - Details of fees to be paid to the Advisory Committee or reimbursement of expenses, if any. Specify whether the fees, if any, shall be borne by the Fund or IM
- J. Operating partners, advisor, portfolio company advisor or such other bodies (if any)
- Role of such bodies
 - Details of fees to be paid. Specify whether the fees, if any, shall be borne by the Fund or IM
- K. Notwithstanding any information/ statements given above, the ultimate responsibility with regard to the continuous compliance of the Fund with all applicable SEBI Regulations and Circulars shall be vested with the Manager.
- L. The adherence to the PPM shall be audited on an annual basis by an independent auditor and the findings of the same shall be placed before the Board of the Manager, trustees and also submitted to SEBI. In case of any adverse findings, the corrective steps taken shall also be submitted.

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such as, description of the governance bodies, committees, boards, etc. that may be set up for the Fund/Scheme, specifics in relation to the persons involved in such committees, boards, bodies, any parameters for investment processes that investors should be aware of, and such other information that the Manager intends to cover under the same]

SECTION VI: TRACK RECORD OF MANAGER

The broad points to be included in this regard, for each fund (including schemes of the fund, as applicable) so previously set up, *(to be depicted in tabular form, with separate tables for separate funds)*, will be as follows:

- Investment strategy of the fund
- Size of the fund
- Historical track record of the fund, i.e. performance of the fund over the last 6 months / 1 year / 3 years / 5 years
- Number of investments made by the fund
- Description of portfolio companies and investment exits for the fund (if applicable)

Track record for previous funds

- I. Type of Manager
 - a. *First Time Manager*
 - b. *Experienced Manager*
- II. First Time Manager: Disclosure in relation to previous funds, with which individual members comprising of the investment team for the Fund/Scheme were associated

[Notes:

Disclosure of track record for first time Managers is optional. However, if information is provided, the same shall be in the manner provided below.

Since the manager entity does not have any experience in fund management and is relying on the experience of individual team members, details of key members of the Manager may be disclosed.]

(Please disclose the additions to the 'Key Investment Team' as disclosed in Section V: Corporate Governance.)

(In case track record of individual is disclosed then a disclaimer should be added to the effect that the manager entity does not have any experience in fund management and is relying on the experience of individual team members, which is disclosed.)

[Notes:

- **Data that is provided should be, wherever possible, be backed with adequate sources and should be complete to the extent possible, and this shall be read in light of the risk factors and disclaimers provided in relation to the same.**
- **Further, in relation to their track record of previous funds, disclosure of the relevant data may be limited to the last five funds so set up (whether registered with SEBI or not).]**
 - a. Association with previous funds:
 - *Types of previously associated funds, and category of such funds*

- *Jurisdiction of such funds (if applicable)*
- b. Track record of previous funds (*including No. and details of investee companies from which Fund has exited, if applicable*)
 - c. Investments associated with such previous funds (wherever possible), and the nature of association of such individual members of the management team of the Fund/Scheme with such investments (i.e. the capacity of involvement of such individuals with such investments in previous funds)
 - d. Track record of the Manager in relation to previous activities conducted regarding asset management services (for example, mutual funds, portfolio management, etc.)
 - e. ***Disclaimer***: The following disclaimer should be included (in bold) under the performance track record, to enable an investor to make an informed reliance on the data produced in this section.

[Note: The above-indicated disclosures in relation to the performance track record of the Manager [and/or individual members of the investment team] may be selective in nature and may not necessarily be representative of the expected performance of the Manager [and/or the investment team] in relation to the management and operation of this Fund/Scheme. Further, data included hereinunder, in respect of the specific deals, may not truly represent the performance of a fund as a whole. Investors are requested to use their own independent assessment and judgement while attributing the credit of the past track record to the Manager [and/or the investment team]].

f. ***Risk Factor***

[Note: The Manager shall manage the assets of the Fund/Scheme and will consider its investments and divestments exclusively. The Manager has a limited/no operating track record. Therefore, judgments of the Manager's expected performance cannot be extrapolated from the past performance of the Manager [and/or the Investment Team]. Please refer to detailed risk factors under the section titled 'Risk Factors' of the Memorandum.]

An indicative tabular representation in this regard, may be as follows:

<i>Track record for first time managers</i>	<ul style="list-style-type: none"> • Jurisdiction of such previous funds with which first time manager is associated • Nature of association of manager with the fund • Track record of such previously associated funds (which will include the fund dynamics, as laid down, at the top of this section, above) • Investments in which the manager participated in the
--	---

	<p>previous fund</p> <ul style="list-style-type: none"> Track record of the Manager managing global funds/offshore funds, if applicable.
--	---

[Further, audit requirement shall be optional for track record of first time managers]

III. Experienced Manager: Disclosure in relation to previous funds

- a. Size of the previous funds
- b. Number of investments made by the previous funds
- c. Commitment period of the previous funds
- d. Investment strategy of the previous funds
- e. Track record for the previous funds (based on 3 years from closing of such funds, or previous 2 years of such funds (in case such funds have not attained closings), as may be applicable). In case such previous funds are set up as Category III AIFs, the parameters mentioned at the top of this section, will be applicable. However, in case such previous funds are set up as Category I and Category II AIFs, the below-mentioned parameters may be considered for track record.
- f. Description of portfolio company exits (for the latest 15 exits only)
- g. Track record of the Manager in relation to previous activities conducted regarding asset management services (for example, mutual funds, portfolio management, etc.)
- h. Track record of the Manager managing global funds/offshore funds
- i. Disclosures
- j. Disclaimer: The following disclaimer should be included (in bold) under the performance track record, to enable an investor to make an informed reliance on the data produced in this section.

[Note: The above-indicated disclosures in relation to the performance track record of the Manager may not necessarily be a representation of the expected performance of the Fund/Scheme. The performance track record of such past investment funds managed and operated by the Manager may depend on various internal as well as external factors beyond the control of the Manager. Investors are requested to use their own independent assessment and judgement while attributing the credit of the past track record to the Manager.]

- k. Risk Factor

[Note: The performance track record of such past investment funds managed and operated by the Manager [and/or the management team] would be a function of the prevalent factors, including, inter alia, and not limited to, business, macro and micro economic, political conditions and the relevant economic cycle that may have been applicable to such investment funds. The Fund/Scheme may not necessarily accrue an advantage/disadvantage from performance of previous investment funds as managed or operated by the Manager [and/or the investment team]. Therefore, judgments of the Manager’s expected performance cannot be extrapolated from the past performance of the Manager. Please refer to detailed risk factors under the section titled ‘Risk Factors’ of the Memorandum.]

An indicative tabular representation in this regard, may be as follows:

<i>Previous funds with which the experienced manager is associated</i>	<ul style="list-style-type: none"> • Date of launch of Fund • Size of the previous funds and jurisdiction • Investment strategy of the fund • Number of investments made by the previous funds • Commitment period of the previous funds • Historical track record of the fund, i.e. performance of the fund over the last 6 months / 1 year / 3 years / 5 years • Track record of the Manager in relation to previous activities conducted regarding asset management services (for example, mutual funds, portfolio management, etc.), if applicable • Track record of the Manager managing global funds/offshore funds, if applicable.
---	---

Notes:

- *In relation to the track record of previous funds, please note that the above-mentioned information for funds with the same investment strategy would be mandatory to be provided, and for other funds with different investment strategy, such information may be optional.*
- *Further, cross-referenced with “SECTION V: GOVERNANCE STRUCTURE ” may be provided in relation to details relating to experience of the management team/sponsor.*
- *While providing the track record for different previous funds, two separate tables may be included, one in relation to the fully exited funds, and the other in relation to the live/ongoing funds.*
- *For manager setting up its first fund in India, the section will essentially include the track record of the fund management personnel. This may be cross-referenced with the section*

“SECTION V: GOVERNANCE STRUCTURE ”. Further, this section shall also retain the flexibility for such managers to include language at their discretion, in this regard.

- *In case a manager has multiple funds in India, the track record presented for such manager will be inclusive of the track record of the previous funds set up, track record of portfolio deals, etc.*

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such additional fund dynamics that the fund chooses to be applicable to exhibit its previous track record, impact of such previous funds from an environment, social, governance perspective, specific deals and other noteworthy attainments of the fund personnel and previous funds that may establish credibility for the fund, and such other information that the Manager intends to cover under the same]

SECTION VII: PRINCIPAL TERMS OF THE FUND/SCHEME

This is a description of the principal terms (“Principal Terms of the Fund/Scheme”) of [•] (“Fund” or “Scheme”). This section provides the principal terms of funds which may be provided in detail elsewhere in this document. The terms hereof are subject to modification or withdrawal prior to initial closing and/or at subsequent closings.

1.	Fund/Scheme Offering	<ul style="list-style-type: none"> • Target corpus of the Fund/Scheme • Green shoe option, if applicable • Total Fund/Scheme corpus in INR. • Denominations of the Fund/Scheme corpus may also be provided any other currency equivalents, in addition to the amount in INR.
2.	Target Investors	<ul style="list-style-type: none"> • Target investors of the Fund/Scheme and eligibility criteria for the same
3.	Classes of units	<ul style="list-style-type: none"> • Description of the different classes of units to be issued by the Fund/Scheme • Complete specification as to the class of investors to whom each of such class of units will be allotted by the Fund/Scheme, including the eligibility criteria for each class of units, if any • Right to issue additional classes of units/sub-classes of units, subject to the approvals required (if any) • Economic and special rights attached to such classes of units issued by the Fund/Scheme (if any) • To clearly state that special rights attached to such classes of units issued by the Fund/Scheme shall not have any adverse impact on the economic or any other rights of other investors. • Designation of units issued to be denominated as separate series and treatment of such series and the basis of nomenclature of such series that may be created by the Manager • Consolidation of such series of units issued and the basis of creation of such series of units, i.e. applicable performance fee/management fee or subsequent investors • Creation of series accounts for the purposes of series of units that may be created in the Fund/Scheme

		<ul style="list-style-type: none"> • Allocation of liability, expense, cost charge or reserve arising from one class of units/series of units to the relevant class by the Manager
4.	Initial Offer Period	<ul style="list-style-type: none"> • Initial offer period – beginning / ending or time frame (e.g. number of days) or any fixed date, as may be applicable • Extension of initial offer period, if any • Subsequent subscriptions permitted for investors during dealing days
5.	Subscription/Offering Price	<ul style="list-style-type: none"> • State the subscription period (i.e. initial offering period or subsequent subscription, and commencement and ending of the same) • Subscription price for such subscription period • Basis of charging subscription price whether fixed or dependent on valuation of units, and basis of valuation in such determination (if applicable) • Notice time applicable for subscription, i.e. method of requesting subscription to units by investors and procedure applicable thereto • Payment of subscription, i.e. time period for receipt of cleared funds for a subscription request by the Manager and any discretion that the Manager may exercise in this regard (i.e. regarding notice period, subscription request acceptance, non-receipt of cleared funds in the designated time period etc.) • Limitations on subscription as may be applicable • Deployment of amounts received by the Fund/Scheme during the initial offering period or prior to any dealing day thereafter pending allotment of units, e.g. in temporary investments, credit to additional class of units, if applicable
6.	Purchase of units	<ul style="list-style-type: none"> • Procedure for purchase of units, for e.g. execution and furnish of contribution agreement to the Manager, address and contact information of the Manager, etc. • Time period applicable for completion of such purchase of units • Any discretion that may be exercised by the Manager in this regard and basis of the same • Procedure for purchase of additional units of the Fund/Scheme

7.	Minimum Capital Commitment	<ul style="list-style-type: none"> • Minimum capital commitment for investors, according to each class of investors • Whether the Manager may accept a commitment lower than the minimum commitment for any class of unit in the Fund/Scheme (specific scenarios to be mentioned)
8.	Sponsor/ Manager Commitment	<ul style="list-style-type: none"> • 5% of the corpus or INR 10 crores, whichever is lower will be provided by Sponsor/ Manager in terms of the AIF Regulations • Additional amount of Sponsor/ Manager commitment to the Fund • If Sponsor/ Manager commitment is to be funded by a shareholder/partner/group company etc., state the same
9.	Term of the Fund/Scheme and Termination	<ul style="list-style-type: none"> • Term of the Fund/Scheme is open ended (in case of close-ended Category III AIFs, please mention the term of the Fund/Scheme) • Extension period(s) beyond the term of the Fund/Scheme (in case of close-ended Category III AIFs, (in case of close-ended Category III AIFs) • Termination/ early termination of the Fund/Scheme and indicative reasons for such early termination • Reasons for termination of the Fund/Scheme • Consequences of such termination of the Fund/Scheme • Indicative actions that the Manager proposes to undertake to achieve effective winding up of the Fund/Scheme • Manner of dealing with investments which are not liquidated at the end of Term
10.	Redemption	<ul style="list-style-type: none"> • Redemption period that may be applicable • Any lock-in conditions that may be applicable to redemption of units • Conditions applicable on right of redemption for an investor <ul style="list-style-type: none"> ○ Partial redemption/full redemption permitted ○ Whether redemption may be made on a dealing day/not on a dealing day (prior/post) ○ Payment of applicable performance fee/additional return, exit load ○ Payment of applicable liabilities including taxes, fees or expenses

		<ul style="list-style-type: none"> • Redemption limits, as may be applicable • Redemption notice: period, procedure • Applicable price of redemption of units, e.g. at NAV of preceding day, exit price, etc. • Discretion of the Manager in respect of permitting redemption of units • Lock-ups, if applicable • Rate and application of exit load/redemption fee <ul style="list-style-type: none"> ○ Application of exit load to different classes of units and variations in the calculation of the same ○ Period of determination of application of an exit load ○ Calculation of the exit load ○ Percentage of exit load as per the period of exit (i.e. whether exit load will vary dependent on the timing of exit of an investor) ○ Variations in calculation of the redemption fee/exit load, in case for different classes/series of units, and the basis of such differential redemption fee/exit load • Consequences of redemption of units on the investor • Redemption upon termination of the Fund/Scheme
11.	Compulsory Redemption	<ul style="list-style-type: none"> • Cases of compulsory redemption of units • Exercise of discretion of the Manager in relation to compulsory redemption of units • Procedure for compulsory redemption of units and notice • Treatment of costs, expenses and charges in relation to compulsory redemption • Consequences of compulsory redemption on investor
12.	Redemption Procedure	<ul style="list-style-type: none"> • Notice and documentation requirement for redemption procedure • Distribution to investors on redemption of units

		<ul style="list-style-type: none"> ○ Treatment of Fund/Scheme expenses, liabilities, etc. ○ Period within which distribution will be made ○ Staggered distribution based on percentage of return and method of effecting redemption <ul style="list-style-type: none"> ● Mode of distribution: e.g. in kind distributions ● Liquidation of investments upon termination of Fund/Scheme ● Redemption in relation to side pocket accounts
13.	Delay/Suspension of Redemption	<ul style="list-style-type: none"> ● Circumstances for delay of redemption ● Circumstances for suspension of redemption ● Procedure to be followed in case of suspension or delay of redemption of units
14.	Hurdle Rate of Return	<ul style="list-style-type: none"> ● Hurdle rate of return for each class of units ● Applicable currency for computation of hurdle rate of return ● Basis of determination of hurdle rate of return
15.	High Water Mark	<ul style="list-style-type: none"> ● Calculation of high-water mark (as may be applicable) ● Adjustments that may be required in calculation of the high-water mark (as may be applicable)
16.	Additional Return	<ul style="list-style-type: none"> ● Define additional return ● Rate of additional return including if there is any differential additional return on different classes of units, please state the same ● Basis and frequency of allocation of additional return to the relevant class of units, i.e. performance period ● Calculation of additional return and percentage of additional return <ul style="list-style-type: none"> ○ Application of the principles of high-water mark and hurdle rate and adjustments in relation to the same, as may be applicable ● Calculation of additional return in case of exit/redemption of units

		<ul style="list-style-type: none"> • Calculation of additional return in case of secondary transfer of units • Payment of additional return upon removal of Manager • Whether the additional return may be varied by the Manager • Class of units towards which additional return will be allocated
17.	Performance Fee	<ul style="list-style-type: none"> • Rate of performance fee including if there is any differential performance fee on different classes of units, please state the same • Basis and frequency of payment of performance fee to the Manager, i.e. performance period • Calculation of performance fee and percentage of performance fee <ul style="list-style-type: none"> ○ Application of the principles of high-water mark and hurdle rate and adjustments in relation to the same, as may be applicable • Calculation of performance fee in case of exit/redemption of units • Calculation of performance fee in case of secondary transfer of units • Payment of performance fee upon removal of Manager • Any discretion that may be exercised by the Manager in relation to the performance fee
18.	Allocation of profits and loss	<ul style="list-style-type: none"> • Allocation of net profit/loss to the income of the Fund/Scheme with respect to series/class of units and side pocket accounts • Discretion that may be exercised by the Manager in this regard
19.	Distributions to Investors	<ul style="list-style-type: none"> • Distribution upon redemption of investment proceeds • Treatment of liquidated and un-liquidated investments upon termination of Fund/Scheme • Temporary investments

		<ul style="list-style-type: none"> • Reserves <ul style="list-style-type: none"> ○ Retention of investment proceeds and taxation related retentions as reserves at the discretion of the Manager ○ Reasons for creation of reserves of the Fund/Scheme, i.e., to meet liabilities, etc. • Discretion of the Manager in distribution of investment proceeds upon redemption requests
20.	Distribution Waterfall	<ul style="list-style-type: none"> • Distribution waterfall for each class of units of the Fund/Scheme (<i>summarised in simplified terms</i>) • <i>Please refer to sub-section titled “Distributions” under the Section VII: Principal Terms of the Fund/Scheme of this Memorandum for details.</i> • <i>[Reference the illustration of Distribution Waterfall provided in Section XIII]</i>
21.	Fees in relation to the Fund/Scheme	<p><u>Management Fee:</u></p> <p>Management fee for each class of units (provide calculation of fee in tabular format)</p> <ul style="list-style-type: none"> • Rate and the basis of charging of management fee (in percentage per annum) to be charged against each class of units: initial offering period/subsequent period/liquidation period of the Fund/Scheme (provide calculation of fees in tabular format) • Basis of charging management fee: Based on commitment amount, investment amount, fixed basis, allocated as a percentage to certain Fund/Scheme dynamic, NAV, etc. (subject to cap), etc. • Frequency of charging the management fee • Method of collection and management fee offset, if any • Whether the management fee shall be exclusive or inclusive of any applicable taxes (i.e. GST, etc.) • Whether the Manager may reduce the Management Fee for any class of unit and basis, if any (if applicable).

		<p><u>Other Fees:</u></p> <ul style="list-style-type: none"> • Constituents for “other fees”- will include placement fees, distribution fees, etc. • List each “other fees” • Frequency of charging: fixed/variable • Party responsible for bearing such other fees, for e.g. placement fee will be borne by the Fund/Scheme or by the Manager • Caps/estimate on the placement/distribution fee • Taxation implications of the placement/distribution fee <p><u>Performance Fee:</u></p> <p>[Reference the section ‘Performance Fee’ in the Principal Terms]</p>
22.	Trusteeship Fee	<ul style="list-style-type: none"> • Basis of charging Trusteeship fee • Frequency of charging the Trusteeship fee
23.	Direct Plan for Investors	<ul style="list-style-type: none"> • Please confirm if the Fund/Scheme would be offering any benefits on the units which are issued to investors who come in the Fund/Scheme directly and not through a placement agent or a distributor, i.e. a direct plan investor. • If such direct plan benefits are being offered by the Fund/Scheme, please clearly state that any external placement fees payable by the Fund/Scheme to any placement agent or distributor in relation to placement of units with non-direct plan investors will not be allocated to direct plan investors, and accordingly, the pro-rata invested capital of such direct plan investors will be computed/adjusted by the Fund/Scheme such that the benefits of lower fees and commission are made available to such direct plan investors.
24.	Expenses (including operating expenses and set-up expenses) charged to the Fund/Scheme	<p>a. <u>Operating expenses</u></p> <ul style="list-style-type: none"> • Types of operating expenses • Estimate /caps on operating expenses, if any (in case expenses exceed cap/limit, specify the entity responsible for bearing such expenses) <p>b. <u>Set-up expenses</u></p> <ul style="list-style-type: none"> • Constituents of set-up expenses • Estimate/cap on set-up expenses, if any <p>c. <u>Other expenses:</u> Expenses that may be charged by the Fund/Scheme and caps that may be applicable to the same, including entry load and placement costs chargeable to an investor, and distribution cost (estimate/cap)</p>

		<i>[Note: Please note that in cases where there is no cap applicable on the expenses for the Fund/Scheme, an indicative break-up of the ranges that are applicable to all individual constituents of such expenses for the Fund/Scheme (including operating expenses and set-up expenses) will be required to be inserted in this section]</i>
25.	Expenses of the Manager	<ul style="list-style-type: none"> • Expenses to be borne by the Manager, and not be charged to the Fund/Scheme • Provide in list form
26.	Transfer of units	<ul style="list-style-type: none"> • Whether transfer of units of the Fund/Scheme is permissible for the investors • Conditions applicable for permissible transfer of units of the Fund/Scheme (including mandatory withdrawal, if applicable) • Process to be followed in such transfer of units of the Fund/Scheme • Withdrawal of units of the Fund/Scheme, and the process to be followed with respect to the same • Transmission of units of the Fund/Scheme and the process to be followed for the same
27.	Gating restrictions on withdrawal of units	<ul style="list-style-type: none"> • Threshold of aggregate Fund/Scheme NAV for total redemption requests per applicable withdrawal/redemption period • Application of gating (a) at Fund/Scheme level; (b) at investor level • Consequences of breach of the above threshold for redemption/withdrawal requests • Pro-rata redemption cap based in case of such breach of threshold for gating and priority for meeting redemption requests in case of partial redemptions • Procedure to be followed in lieu of such consequence of breach of redemption limits
28.	Leverage	<ul style="list-style-type: none"> • Whether the Fund/Scheme will undertake leverage activities • Type and amount of leverage in terms of the AIF Regulations • What will be the leverage strategy for the Fund/Scheme (subject to the applicable law) • Reference investment strategy, if applicable

		<ul style="list-style-type: none"> • Reference provisions of AIF Regulations and circulars thereunder
29.	Indemnification	<ul style="list-style-type: none"> • Whether indemnification of the Manager, Sponsor, affiliates thereof, and such other parties is applicable • Protected persons who shall be indemnified • Actions for which such indemnification by the Fund/Scheme may be applicable (A set of illustrations may be provided) • Actions for which indemnification shall not apply • Extent of indemnification <p><i>Note: [Reference appropriate risk factor here]</i></p>
30.	Defaulting investors	<ul style="list-style-type: none"> • Define what constitutes 'default' • Consequences of default by investors including penalty, forfeiture, suspension of rights, etc. (may be provided in a tabular format) • Discretion that may be exercised by the Manager in exercise of the default recourses against defaulting investors
31.	Reinvestment (only in case of close-ended Category III AIFs)	<ul style="list-style-type: none"> • Reinvestment (if any) • Time period applicable for reinvestment (if any) • Cap on such reinvestment amounts (if any)
32.	Temporary deployment of surplus funds	<ul style="list-style-type: none"> • Kinds of instruments in which such temporary deployments may be made in accordance with the AIF Regulations • Process of temporary deployment to be followed • Holding period for investments • Manner of distribution of income from temporary investments
33.	Give back by the Investors	<ul style="list-style-type: none"> • Situations for giveback, as may be applicable • Limitations- extent of giveback and other limitations as may be applicable • Process to be followed in case of giveback
34.	Claw back of Additional Returns	<ul style="list-style-type: none"> • Define clawback of additional return • Conditions that are applicable for application of clawback • Time period for clawback • Escrow arrangement for keeping monies so obtained by the Fund/Scheme from such clawback (if any)
35.	Key Person & Key Person Event	<ul style="list-style-type: none"> • Details of key person • Definition of key person event • Consequences of key person event • Remedies in case of key person event

		<i>This section shall be read in conjunction with Section V: Governance Structure and Investment Process</i>
36.	Co-investment	<ul style="list-style-type: none"> • Disclosure whether co-investment may be offered to certain investors • Eligibility criteria in broad terms for offering co-investment opportunity • Whether any fees, commission etc. may be received by the IM/ affiliates for offering such co-investment opportunities • Co-investment in an investee company by a Manager or Sponsor shall not be on terms more favourable than those offered to the Fund/Scheme and shall be in accordance with AIF Regulations • Cost to AIF/ Scheme, if any, attached with the Co-investment activity
37.	Removal of the Manager	<ul style="list-style-type: none"> • Reasons for removal of the Manager • Process to be followed for removal of Manager • Compensation to the Manager, in case of such removal of Manager • Conditions when the manager will not be liable to receive any compensation
38.	Parallel Vehicles/ Alternative Investment Structures	<ul style="list-style-type: none"> • Whether the Fund/Scheme will launch parallel vehicles/ alternative investment structures • Potential situations where such structures may be used by the Fund/Scheme • Registration of such vehicles with appropriate regulatory authorities (as applicable) • Instances of setting up of parallel vehicles by the Fund/Scheme • Who shall bear the cost of setting up and managing such parallel vehicles
39.	Successor funds	<ul style="list-style-type: none"> • Define successor funds • Timing for launching such successor funds • Percentage of capital commitments to have been invested, committed or reserved for future investment to launch such successor funds • Exceptions to successor funds
40.	Currency principles	<ul style="list-style-type: none"> • Functional currency of the Fund/Scheme • Currency for redemptions • Currency for making capital contributions • Currency for making capital commitments
41.	Reporting	<ul style="list-style-type: none"> • Frequency and type of reporting to the investors and SEBI • As per the AIF Regulations • <i>Suo-motu</i> in case of any additional reporting that the Manager may deem necessary • Continuing/ongoing disclosure- refer to relevant annexure

42.	Taxation	<ul style="list-style-type: none"> • Computation and charging of taxes to the Fund/Scheme
43.	Valuation	<ul style="list-style-type: none"> • Applicable valuation principles in accordance with the AIF Regulations • Whether the Fund/Scheme follows the International Private Equity and Venture Capital Valuation (IPEV) Guidelines • Frequency of undertaking valuation (specify)
44.	Side Letters	<p>To the extent the Manager intends to offer side letters to certain categories of investors in the Fund/Scheme, the following should be clearly stated:</p> <ul style="list-style-type: none"> • Whether any side letters shall be offered • The criteria for offering differential rights through side letters to any investor. (List to be provided) <p><i>[Note to Applicants: The Applicants shall have full flexibility to determine the parameters for qualifying an investor for entering into a side letter arrangement. Such criteria could either be quantitative (based on size of commitment) or qualitative (based on the strategic relevance to the Fund/Scheme) or both. The same should be stated here so as to make other investors aware of the same.]</i></p> <ul style="list-style-type: none"> • To clearly state that terms of side letters shall not have any adverse impact on the economic or any other rights of other investors. • To clearly state that nothing under the side letters shall alter the rights of the other investors available to them under their respective contribution agreements. • List of commercial terms on which differential rights <u>may be</u> offered through side letters • List of non-commercial terms on which differential rights <u>may be</u> offered through side letters <p><i>[Note: Please list down an indicative list of all material commercial terms of the offering which may be altered for the qualifying investors through a side letter. For e.g. management fees, carried interest, cap on expenses, offering of co-investment rights, waiving of compensatory contribution, etc.]</i></p> <ul style="list-style-type: none"> • List of terms on which differential rights shall not be offered (including but not limited to): <ul style="list-style-type: none"> ○ Preferential Exit from Fund/Scheme

		<ul style="list-style-type: none"> ○ Contribution to Indemnification ○ Giveback ○ Drawdown (except as per the provision for 'excuse and exclusion') <p><i>[Note: No such differential rights by way of any agreement may be offered which have the potential to impact other investors in a negative manner]</i></p>
45.	Distribution in-kind	<ul style="list-style-type: none"> ● Whether in-specie distribution of assets may be made by the Fund/Scheme ● Type of assets that may be distributed (e.g. property rights, land parcels, unlisted securities etc.) ● Restrictions on disposal of assets so distributed, if applicable
46.	Warehoused Investments	<ul style="list-style-type: none"> ● Define warehoused investments ● Whether warehousing can be done by Sponsor/ Manager, or any other third party ● Period of warehousing, i.e. prior to initial closing, up to final closing, or such other period ● Timeline for transfer of investments to the Fund ● Terms in relation to the transfer of warehoused investments to the Fund/Scheme including the warehousing cost (if any), allocation of expenses and approvals (if required) in this regard. ● Information that will be provided to the incoming investors in such regard <p>[Reference risk factor related to associate party transactions here]</p>
47.	Movement from one class of units to another class of units of the Fund/Scheme	<ul style="list-style-type: none"> ● Instances of permitting movement of an investor from one class of units to another class of units of the Fund/Scheme ● Discretion of the Manager that may be exercised in this regard
48.	Fund/Scheme documents	<p>The Fund/Scheme Documents shall constitute:</p> <ul style="list-style-type: none"> ● Constitutional documents (depending on the structure of the Fund/Scheme, i.e. LLP, company, trust, body corporate); ● Investment management agreement; ● Contribution agreement of the respective investor; and ● Any other documents designated as Fund/Scheme document by the Manager, ● Further, it should be clarified as to which Fund Document should prevail over which other Fund Document(s) ● To clarify which documents shall be shared with prospective investors upfront, manner in which such documents shall be shared and also which documents shall

		be shared only upon express request by the prospective investor.
49.	Listing	<ul style="list-style-type: none"> • Listing will be in accordance with applicable laws.
50.	Amendments and waivers	<p>The Manager may from time to time make any general amendment to this Memorandum, including amendments to the investment strategy, process and restrictions, as it considers necessary or desirable, provided however, amendment process will be specified by the Manager keeping in mind the requirements under the AIF Regulations.</p> <p><i>[In addition to the above, please include such additional language in relation to the process and provisions of amendments and waivers, as may be applicable to the Fund/Scheme]</i></p>
51.	Confidentiality	The investor shall maintain the confidentiality of any information regarding the Fund/Scheme, the Trustee, the Manager, their respective affiliates and the portfolio companies and their affairs, received by the investor pursuant to the Contribution Agreement, as a result of its status as an investor to the Fund/Scheme, unless <i>[please insert instances of exceptions to confidentiality, as may be applicable to the Fund/Scheme]</i> .
52.	Custodian	<ul style="list-style-type: none"> ○ [Name and SEBI Registration No. of Custodian], if appointed, or ○ Declaration to appoint Custodian before the Fund begins its operations
53.	Tax Advisors	<ul style="list-style-type: none"> • Domestic <ul style="list-style-type: none"> ○ Name ○ Address • Offshore (if any) <ul style="list-style-type: none"> ○ Name ○ Address
54.	Auditors	Name of the proposed auditor or any qualification criteria for the Fund/Scheme to appoint an auditor, including the term for which such auditor is appointed.
55.	Transfer Agent	<ul style="list-style-type: none"> ○ Name ○ Address
56.	Grievance Redressal	Details of measures in place to address investor grievances to be given. This shall include AIF's SEBI SCORES details, Arbitration process and other legal remedies as applicable. (Fund's SCORES details to be updated after receipt of registration)

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such as, details regarding the computation for non-direct plan investors, warehousing of investment, distribution waterfall mechanics (i.e. return of capital, hurdle rate of return and additional return based on the nature of the sector being targeted by the Fund/Scheme such as credit, debt, ESG segments etc.)), deviation from the flow of distribution waterfall provided above, additional commercial and non-commercial terms for side letters, additional commercials for co-investment, and such other information that the Manager intends to cover under the same]

SECTION VIII: DETERMINATION OF THE NET ASSET VALUE OF THE UNITS

This section shall broadly lay out the principles that will be used by the Manager for the determination of the net asset value of units of the Fund/Scheme and may *inter alia* include:

- Details of the entity to be appointed as the Valuer of the Fund/Scheme
- Valuation policy of the Fund/Scheme
 - General principles of valuation
 - Exceptions and deviations from the valuation policy
 - Asset class wise allocation of valuation methodology: please note that this description in relation to the valuation of asset classes should be provided for each asset class that is contemplated to be targeted by the Fund/Scheme

ASSETS	POLICY
Type of asset class	<ul style="list-style-type: none"> • Valuation methodology to be followed and the basis of such valuation • Whether valuation of such asset class shall be on the basis of the asset class being traded or non-traded • Frequency of valuation • Calculation of the NAV for the asset class, which shall include the applicable formulae for valuation as well • Any other asset class specific detail that may be relevant from the point of view of valuation of the same • Illustrative examples on how the units shall be issued at different NAV for each asset class

- Valuation Committee of the Fund/Scheme (if applicable)
 - Role of the valuation committee
 - Constitution of the valuation committee
- Any other guiding principles relevant for the investors to know in relation to the valuation policy

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such as, deviation from the IPEV principles for valuation, specifics in relation to the valuation tracking in addition to the above, and such other information that the Manager intends to cover under the same]

SECTION IX: CONFLICTS OF INTEREST

This section shall lay out, in detail:

- All potential sources of conflicts of interests that the Manager envisages during the operations of the Fund/Scheme, which includes conflicts arising at following levels:
 - At the level of employee of the management entity
 - At the level of service providers of the Fund/Scheme
 - At the level of the Manager
 - At the level of the Sponsor
 - At the level of the investor
 - At the level of members of various governance bodies (as described in the section titled “*Governance Structure and Investment Process*”)
 - At the level of the Sponsor/ Manager group entity in relation to various schemes managed by the Sponsor/ Manager
- Describe in brief the nature of potential conflicts of interest which could arise at various levels of the operations of the Fund/Scheme
- Methodology proposed to be adopted by the Manager for effective mitigation/resolution of conflicts of interest
- Disclosure to the investor about the risk that arises out of such conflicts of interest and their acknowledgement to existence of such risks
- Details of conflict of interest, in case the trustee is a group or associate entity of the AIF/ sponsor/ manager or have one or more directors in common (as applicable).
- Conflict of interest in case of warehousing.
- Conflict of interest in case of co-investments

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such as, instances of conflict of interest regarding certain investments that may be warehoused by the Fund/Scheme and mitigation of the same, group-level service provision of services for the Fund/Scheme (for instance, entities in the same group acting as the Manager and trustee) and such other information that the Manager intends to cover under the same.]

SECTION X: RISK FACTORS

This section should lay down as exhaustively as possible all potential risk factors that the investor needs to be aware of in respect of his investments in the Fund/Scheme. The following is not an exhaustive list and the Manager may suitably amend these to suit the requirements of the Fund/Scheme.

[Please note that risk factors shall be disclosed in the descending order of materiality.]

[In a tabular format, please provide risk factors specific to specific type of instruments to be invested in by the Fund/Scheme, i.e. risk specific to debt instruments, equity, derivatives, undertaking leverage, etc.]

[In a tabular format, please provide risk factors specific to specific type of investors in the Fund/Scheme, for example overseas investors or specific to foreign portfolio investors]

Please ensure that risk factors are pertinent to then proposed investment strategy/ focus/ instruments as mentioned in the PPM [e.g. There is no need to add a risk factor on illiquidity of listed securities for an investment strategy which only invests in unlisted securities]

[Further ensure that wherever risk factors in relation to Accounting Standards, Judicial Systems, Regulatory oversight, Lack of Data etc. is provided, clearly state the specific deficiencies and associated risk to the Fund, instead of documenting sweeping (broad) statements]

[Wherever applicable, also mention the mitigation factors instituted by the IM for each of the risks]

A. RISKS RELATED TO PORTFOLIO INVESTMENTS IN PARTICULAR

1. Risk associated with the nature of the portfolio investments (type of company, type of instrument, pricing, non-controlling stake/minority interest, as may be applicable) and the possibility of inability of the Fund/Scheme to deploy the entire capital raised
2. Risk in relation to the return of capital contributions and the hurdle rate of return not being guaranteed returns
3. Risk related to the exit of the Fund/Scheme from the portfolio investments and possibility of distribution in kind
4. Risk in relation to side letters that maybe entered into between Fund and certain investors
5. Risk with regards to ability of the Fund/Scheme to raise significant capital
6. Risk associated with the Fund/Scheme investing with third parties
7. Risk associated with lack of insurance by the Fund/Scheme against catastrophic events and other losses
8. Environmental related liabilities and risk to the Fund/Scheme arising thereto

9. Risk associated with counter party's actions/default with respect to the Fund/Scheme
10. Risk associated with change/change in control of parties in relation to the Fund/Scheme
11. Risk associated with the managerial role the Fund/Scheme may play *vis-à-vis* each portfolio company (example director seat/party to litigation/liabilities arising due to environmental damage, product defect, violation of government regulations and other similar liabilities)

B. RISK RELATED TO FUND/SCHEME STRUCTURE

This section will be specific to the structure adopted and attendant risks associated with the structure. Certain common themes across Fund/Scheme structures could be:

1. Performance risks
2. Risk associated with the ability of the Manager/management team to identify and structure investments and divestments
3. Concentration risk
4. Risk associated with reliance on forward looking statements/market data
5. Risk associated with reliance on the trustee, manager and other decision-making committees
6. Risk associated with relying on third party service providers/intermediaries
7. Risk to investment on account of default on capital calls
8. Restrictions on withdrawal and transfer and risk associated with this (including receiving in-kind distribution). Also, risk associated with AIF not being an assured return product to be included
9. Risk associated with indemnity and tax obligation of the investors to parties to the Fund/Scheme

C. REGULATORY RISK FACTORS

1. Risk associated with obtaining SEBI registration and cancellation/suspension of SEBI certificate/other action by SEBI that may impact the operations of the Fund/Scheme and Manager
2. Risk of uncertainty around the legal framework in which the Fund/Scheme/various parties to the Fund/Scheme and portfolio entities operate in India. Also, risk in relation to litigation that may be faced by the Fund/Scheme may also be highlighted along with the lack of jurisprudence as to certain aspects, in India
3. Other regulatory risks including companies act, takeover code, enforcement risks, regulatory approvals including loss of registration etc.

D. GENERAL RISK FACTORS

1. Political, social and economic risks in India and how investments of the Fund/Scheme can be impacted as a result of changes in the same
2. Risks related to global financial conditions
3. Impact of bankruptcy of portfolio vehicles/enforceability on ability of the Fund/Scheme to earn returns
4. Risk of segregation of assets between funds/schemes/trustees not being available in third party suits/regulatory actions with respect to the Fund/Scheme
5. Risk associated with the illiquid nature of the investment in the Fund/Scheme (as may be applicable)
6. Risk of changes in accounting practices that may be adopted in relation to the Fund/Scheme

E. TAX RELATED FACTORS

1. General Anti – Avoidance Rules and its impact on the Fund/Scheme / its investors/ portfolio investments and risks associated with it
2. Risks associated with change in tax laws, including renegotiation of tax treaties, relevant to the Fund/Scheme and its investors
3. Change in administrative interpretation/ application of tax laws and attendant risks therefrom

F. SECTOR SPECIFIC RISK FACTORS

This can include risks associated with the specific sector/ strategy that the Fund/Scheme will be focussing upon as a part of its investment strategy and objectives

G. CURRENCY RELATED RISKS

1. Risks related to currency fluctuations arising from offshore investments in AIFs
2. Risks associated with investment in offshore jurisdictions in case the Fund/Scheme intends to invest abroad

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such as, risk factors arising out of dedication of time of fund management personnel regarding multiple funds, risks in relation to additional laws that may be applicable to the operations of the Fund/Scheme, and such other information that the Manager intends to cover under the same.

Further, audit requirement shall be optional for this section X]

SECTION XI: LEGAL, REGULATORY, AND TAX CONSIDERATIONS

This section shall include standard language for legal, regulatory and tax considerations as applicable to the Fund/Scheme.

1. **Indian Trust Act, 1882 / Limited Liability Partnership Act, 2008 / Companies Act, 2013**
Details as may be applicable regarding the constitution of the Fund/Scheme.
2. **Indian Securities Laws**

SEBI (Alternative Investment Funds) Regulations, 2012

This section can capture the following (as provided under the AIF regulations):

- (a) Brief overview of the AIF Regulations;
- (b) Key considerations associated with the Fund/Scheme raising (example minimum ticket size, contents of PPM etc.);
- (c) Key investment conditions applicable to all AIFs;
- (d) Key investment conditions applicable specifically to the category of AIF for which registration is being sought;
- (e) Continuing commitment of the Manager or Sponsor (depending on the category for which registration is being sought);
- (f) Tenure of the Fund/Scheme and conditions for winding up;
- (g) Reporting obligations;
- (h) Alteration in strategy of the Fund/Scheme;
- (i) Alteration in category of the Fund/Scheme;
- (j) Valuation (depending on the category for which registration is being sought).

SEBI Regulations on Initial Public Offerings

Relevant details about IPOs, QIPs and Preferential Allotments as notified under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “ICDR Regulations”).

Takeover Regulations

Relevant provisions of the SEBI (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011 (“**Takeover Code**”), including open offer and disclosure requirements.

Insider Trading Regulations

Relevant provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Anti-Money Laundering

Relevant provisions of the Prevention of Money Laundering Act, 2002 (the “**PMLA**”) including any amendments thereto.

3. The Companies Act, 2013

General and specific provisions to be highlighted from the Companies Act, 2013 depending on investment strategy/ type of instrument that the Fund/Scheme seeks to invest in.

4. Foreign investment laws

Foreign Investment in AIFs

Relevant provisions of FEMA that permit foreign investment into an AIF including conditions under Schedule 8 of Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Relevant provisions of SEBI (Foreign Portfolio Investors), Regulations 2014.

Foreign investment laws in general

If the AIF is foreign owned or controlled, relevant provisions from extant foreign investment laws as applicable to downstream investments may be provided.

5. Other regulatory considerations (based on the sector focus of the AIF)

This may include:

- (a) Real Estate funds – RERA, enforcement of security interest (mortgages) etc.;
- (b) Credit funds – investments in debt securities (NCDs), listing of debt securities, enforcement of security interest etc.;
- (c) Distress focussed funds – Insolvency and Bankruptcy Code, SARFAESI Act, investments in debt etc.; and
- (d) Infrastructure funds – relevant laws based on the sector / sub-sector (roads, ports, energy etc.).

6. Implications under the Competition Act, 2002

Competition law as may be applicable based on the investment strategy of the Fund/Scheme to be provided.

7. Taxation of Fund/Scheme

Taxation regime as may be applicable based on the category of the AIF to be provided.

Taxation on individual income components

1. Characterisation of income
2. Tax rates applicable in case of:
 - (a) Interest
 - (b) Dividend
 - (c) Capital gains on sale of securities
 - (i) Listed shares/ securities
 - (ii) Unlisted shares
3. Securities transaction tax
4. General Anti-Avoidance Rules
5. Goods and Service Tax

Any other tax considerations that may be relevant to the Fund/Scheme to be included

[Note: Please note that as a part of the supplementary section under this section, additional information that has not been covered hereinabove may be included, such as, additional regulations, acts, circulars, directions, case law, etc. that may be specifically be applicable to the Fund/Scheme, and such other information that the Manager intends to cover under the same.

Further, audit requirement shall be optional for this section XI]

SECTION XII: ILLUSTRATION OF FEES, EXPENSES AND OTHER CHARGES

(Include illustration of fees, expenses and other charges)

(Please note that such table should be representative of the details of fee and all charges provided in the section "Principle Terms")

A Assumptions							
1	The format provided below is indicative and provided for reference only and investors should review and examine the detailed terms mentioned in the Private Placement Memorandum and other Fund documents.						
2	The Fund may want to insert appropriate assumptions as may be relevant in the template below.						
3	Please note that the below tables are for illustration purposes only and actuals may differ.						
B Particulars of Fees							
Sr no	Particulars	Basis of Calculation	Year 1	Year 2	Year 3	...	Year N
1	Total capital commitment from the unit holders						
2	Total contribution received from the unit holders						
3	Fees and other expenses						
	a. Setup Fees						
	b. Placement Fee						
	c. Management fees (including GST)						
	d. Fees to Advisory Board						
	e. Fees to Investment Committee (if any)						
	f. Organizational expenses						
	g. Trusteeship Fee						
	h. Other expenses						
4	Net amount invested by the Fund in the Portfolio Companies (Capital Deployed)						

SECTION XIII: DISTRIBUTION WATERFALL

[For a Category III Alternative Investment Fund with Performance Fees]

[Please note that such table should be representative of the details of distribution, hurdle rate etc. provided in the section "Principal Terms"]

(Include illustration of fees, expenses and other charges)

A Assumptions

- 1 The format provided below is indicative and provided for reference only and investors should review and examine the detailed terms mentioned in the Private Placement Memorandum and other Fund documents.
- 2 The Fund may want to insert appropriate assumptions as may be relevant in template below.
- 3 It is assumed that there shall only be one Closing (if applicable) i.e. the First Closing and the Final Closing would be the same. The entire capital would be drawn down and invested on First Closing (if applicable).

B Capital commitment received and drawn down

Sr no	Particulars	Class A	Class B	Class C	Class D	Total
1	Total capital commitment from the unit holders					
2	Total contribution received from the unit holders					
3	Fees and other expenses					
	a. Setup Fees					
	b. Placement Fee					
	c. Management fees (including GST)					
	d. Fees to Advisory Board					
	e. Fees to Investment Committee (if any)					
	f. Organizational expenses					
	g. Trusteeship Fee					
	h. Other expenses					
4	Net Amount invested by the Fund					

**C Computation of Net Asset Value and allocation of Performance Fees
Assumed XIRR-**

Sr no	Particulars	Class A	Class B	Class C	Class D	Total
1	Opening Net Asset Value ('NAV') (refer note 2)					
2	Increase/decrease in NAV on marked-to-market basis					
3	Closing NAV (before reducing expenses and giving effect of adjustment towards Performance Fees)					
4	Less: Adjustment for expenses					
	a. Organizational expenses					
	b. Management fees (including GST)					
	c. Other expenses					
5	Closing NAV post expenses before any Performance Fees					
6	Less: Adjustment towards Performance Fees (refer note 3)					
7	Closing NAV (carried forward to next period)					

Notes:

- 1 The above template should be replicated in the Private Placement Memorandum for each of the scenarios below:
 - a. The fund is at loss
 - b. The fund is at no profit or no loss
 - c. The fund has earned profits but less than the hurdle
 - d. The fund has earned profits equal to the hurdle
 - e. The fund has earned profits more than hurdle
- 2 Opening NAV would represents the amount invested by the Fund on First Closing
- 3 Performance fees is typically calculated based on returns above hurdle rate, subject to high water mark (if applicable) or other conditions as provided in the Private Placement Memorandum. The table inserted in Section C can be appropriately modified to reflect the manner in which the Performance Fees is to be computed based on the details contained in the Private Placement Memorandum.
- 4 The class of units reflected above is only for representation purpose; each Fund should depict the class of units proposed to be issued by the Fund and its respective entitlement in the above table based on the terms detailed in the Private Placement Memorandum.
- 5 The above template intends to bring certain essential disclosures required by a Category III Alternative Investment Fund in the illustration for fees and expenses. Each Fund can make additional disclosures in this illustration as may be relevant.

DISTRIBUTION WATERFALL

(For Category III Alternative Investment Fund with Additional Returns)

A Assumptions

- 1 The format provided below is indicative and provided for reference only and investors should review and examine the detailed terms mentioned in the Private Placement Memorandum and other Fund documents.
- 2 The Fund may want to insert appropriate assumptions as may be relevant in the template below.
- 3 It is assumed that there shall only be one Closing (if applicable) i.e. the First Closing and the Final Closing would be the same. The entire capital would be drawn down and invested on First Closing (if applicable)

Capital commitment received

B and drawn down

Sr no	Particulars	Class A	Class B	Class C	Class D	Total
1	Total capital commitment from the unit holders					
2	Total contribution received from the unit holders					
3	Fees and other expenses					
	a. Setup Fees					
	b. Placement Fee					
	c. Management fees (including GST)					
	d. Fees to Advisory Board					
	e. Fees to Investment Committee (if any)					
	f. Organizational expenses					
	g. Trusteeship Fee					
	h. Other expenses					
4	Net amount invested by the Fund					

C Distribution waterfall (i.e. allocation of returns to the unit holders)

Assumed XIRR –

Sr no	Particulars	Basis of Calculation	Class A	Class B	Class C	Class D	Total
1	Total amount available for distribution post all expenses						
2	Allocation of consideration for unit holders of each class as						

	documented in the Private Placement Memorandum (refer note 3):						
	- Additional Return adjustments						
3	Total distribution being made to unit holders of each class						

Notes:

- 1 The above template should be replicated in the Private Placement Memorandum for each of the scenarios below:
 - a. The fund is at loss
 - b. The fund is at no profit or no loss
 - c. The fund has earned profits but less than the hurdle
 - d. The fund has earned profits equal to the hurdle
 - e. The fund has earned profits more than hurdle

- 2 The class of units reflected above is only for representation purpose; each Fund should depict the class of units proposed to be issued by the Fund and its respective entitlement in the above table based on the terms detailed in the Private Placement Memorandum.

- 3 The allocation of distribution proceeds amongst the unit holders to be based on the Additional Return adjustments provided for in the Private Placement Memorandum. If the Additional Return adjustments is dependent on the increase or decrease in the Net Asset Value of the Fund/particular class of investors or any other parameters as contained in the Private Placement Memorandum, the table inserted in Section C can be appropriately modified to reflect such Additional Return adjustments in an appropriate manner.

- 4 The above template intends to bring out certain disclosures required by a Category III Alternative Investment Fund in the illustration for fees and expenses. Each Fund can make additional disclosures in this illustration as may be relevant.

SECTION XIV- DISCIPLINARY HISTORY

[Please refer to provisions of circular dated June 19, 2014 and disciplinary history may be provided in tabular format (including current status of pending enforcement actions, if any) against all the specified entities in the aforesaid circular]

[Entities against whom the disciplinary history should be provided – Sponsor, Manager, Trustee, Associates of Sponsor, Associates of Manager, Directors/ Partners of Sponsor, Directors/ Partners of Manager and Directors/ Partners of Trustee]

[Disciplinary history to be provided Authority/ Regulator-wise- i.e. Overseas/Domestic regulator, Civil/ Criminal cases]

SECTION XV- GLOSSARY

[Please note that as a part this section, definitions in relation to all the terms and abbreviations used in the PPM, will be included.]

[Any words which are common “industry parlance” [e.g. Seed capital, Series- A investment, etc.] may be clarified in this section]

[Further, audit requirement shall not be applicable on this section XV]

PART - B

SECTION XVI- SUPPLEMENTARY INFORMATION

[Note: Any additional information in relation to the Fund/Scheme, Manager, investment team which does not form part of the standard disclosures and the section-wise supplementary section under the earlier sections, may be indicated herein under.]