

HSBC FII VALUE PROPOSITION

We, at the HSBC Group, realize that the account opening stage is perhaps the most critical stage in a FII / sub-account investment life cycle in India. We have a dedicated account opening team that works in conjunction with your Client Service Manager (CSM) to ensure that the account opening process sees its logical end seamlessly.

We follow a consultative approach with regards to the FII / sub-account application process, by conducting reviews of draft documents before they are executed and submitted to SEBI. The concerned CSM and the account opening team are also in constant touch with SEBI through regular phone calls and personal visits from the time the application is submitted till the approval is received. We can also organize conference calls with clients to clarify complex structures and provide our guidance on the best way possible to structure the accounts in India.

In our constant endeavor to offer our clients value added services, we have attempted to make it easier for you and your clients to complete the SEBI application form which is the first and foremost step for a portfolio investor to register in India. We have prepared a set of elaborate instructions to help you fill-up the forms. Please refer to Appendix B for a detailed guide on how to complete the FII application form.

This will also ensure that the entire form is filled correctly, as we have observed that in the past clients often forward us applications with incomplete details or leave certain sections blank as they are uncertain as to what response is required in those sections.

HSBC BANK (MAURITIUS) LTD

- We are the market leaders in Mauritius – over half the companies incorporated in the Global Business sector (Category 1 licences) have accounts with us.
- We are the largest bank in the Global Business sector in Mauritius, and one of the first to set up business in 1991.
- We have enabled Indian Corporates to benefit from nil withholding tax liability under the India-Mauritius DTA on borrowings from us. We have the largest balance sheet by far – and so are able to support large loans.
- We provide a full range of the Trade Services that facilitate the trade cycles of both local and international customers.
- Our balance sheet size in Mauritius enables Indian Corporates to access foreign currency funding for large capex projects.
- We are a part of the HSBC Group, one of the worlds largest financial institutions. By using HSBC to invest into India, we are able to provide seamless routing of funds from investment source to investment destination in India.

- We work very closely with our colleagues in HSBC India, particularly with HSBC Securities, who have about 44% of the entire Indian Custody market. Our colleagues work closely with the regulators and have an unrivalled knowledge of the local market.

HSBC BANK INDIA

- **Experience-** First FII trade settled in the market through HSBC
- **Diverse client base-** Global Custodians, Broker Dealers, FIIs, FVCIs, FDIs
- **Influence-** hand picked by SEBI for 'papers' on international policy
- **Regional Network-** Sharing international best practice within the group
- **Commitment-**
 - Shareholder of the National Securities Depository Ltd. (NSDL), the first and largest depository in India
 - Head of HSBC Securities Services is a member of the Executive Committee of NSDL
- **Ability to structure and customise solutions** -Client specific solutions are proactively structured and innovative solutions are offered
- **Ability to drive change in the market-** Our close interaction with the regulators and market participants help us to manage this exceedingly well
- **Regional player-** Our regional proposition coupled with our ability to transfer best practices across the region
- Seamless fund flows from countries like Mauritius
- Our partnership approach with clients to understand their requirements and provide solutions
- Our well developed understanding of regulations, which assists in compliance with the various regulations governing foreign investments in India

ADVANTAGES OF USING HSBC IN INDIA AND MAURITIUS

- Seamless flow of funds transfers
- Ease in account opening