

STONE STREET CAPITAL

DUBAI · LONDON

# India ADR

## *Conversion Programme.*

A structured gateway for sovereign and institutional capital — converting Indian listed equity into US-listed American Depositary Receipts through an integrated, USD-denominated framework.

## — — SUMMARY

# A structured pathway from Indian equity to *USD-tradable instruments.*

Stone Street Capital coordinates an institutional process by which a Foreign Portfolio Investor acquires Indian listed equity shares, places them into an authorised Depository Receipt issuance pipeline through a Domestic Custodian, and receives American Depository Receipts credited via DTC. The investor retains beneficial ownership throughout, subject to the terms of the approved DR programme and applicable regulation.

## ASSUMPTIONS

- Eligible offshore investor operating through the FPI route
- Investor duly registered and onboarded under Indian regulation
- Approved Depository Receipt programme in place
- Authorised Domestic Custodian and Depository Bank appointed
- Underlying Indian shares eligible for DR issuance
- KYC, AML, tax and regulatory approvals completed

## — — THE OPPORTUNITY

# Where *high-growth markets* meet structural friction.

India is one of the fastest growing major equity markets globally, attracting record allocations from sovereign wealth funds and large institutional managers. Yet direct, USD-denominated access remains operationally complex — fragmented infrastructure, multi-layered regulation, and inefficient currency exposure stand between capital and opportunity.

## USD 7T+

Sovereign wealth capital seeking access

## 12%

India equity market CAGR over 5 years

## 3

Major time zones continuously covered

## — — THE FRICTION

# Three barriers that *limit* direct institutional access.

## 01 / CURRENCY

## Limited USD flexibility

Capital deployed in INR remains exposed to FX volatility, while conversion pathways back to USD are tightly governed.

- Local-currency conversion requirements
- FEMA, RBI and FPI multi-layered framework
- Restrictions on account structures and capital movement

## 02 / OPERATIONS

## Multiple intermediaries

Each transaction touches a broker, custodian, depository and depository bank — fragmented onboarding multiplies cost and time.

- Individual KYC across counterparties
- Cross-border coordination overhead
- Capital movement restrictions

## 03 / INFRASTRUCTURE

## Settlement fragmentation

Local settlement systems operate independently of international clearing — creating reconciliation gaps that institutional capital cannot tolerate.

- DEMAT, NSDL / CDSL local rails
- DTC, Euroclear offshore rails
- Manual handoffs at every layer

## — — OUR SOLUTION

# A fully integrated *ADR conversion* framework.

We design and operate the institutional pathway that converts local listed equities into US-listed American Depositary Receipts — beneficial ownership retained, USD tradable, and settled through global clearing infrastructure.

## KEY FEATURES

## 01 Acquisition of Indian listed equities

Executed through licensed FPI broker-dealer relationships within full regulatory compliance.

## 02 Conversion into US-listed ADRs

Issuance and custody coordinated with major depository banks — the asset becomes a USD instrument.

## 03 Settlement via international clearing

DTC delivery, full operational management, and reverse conversion available on request.

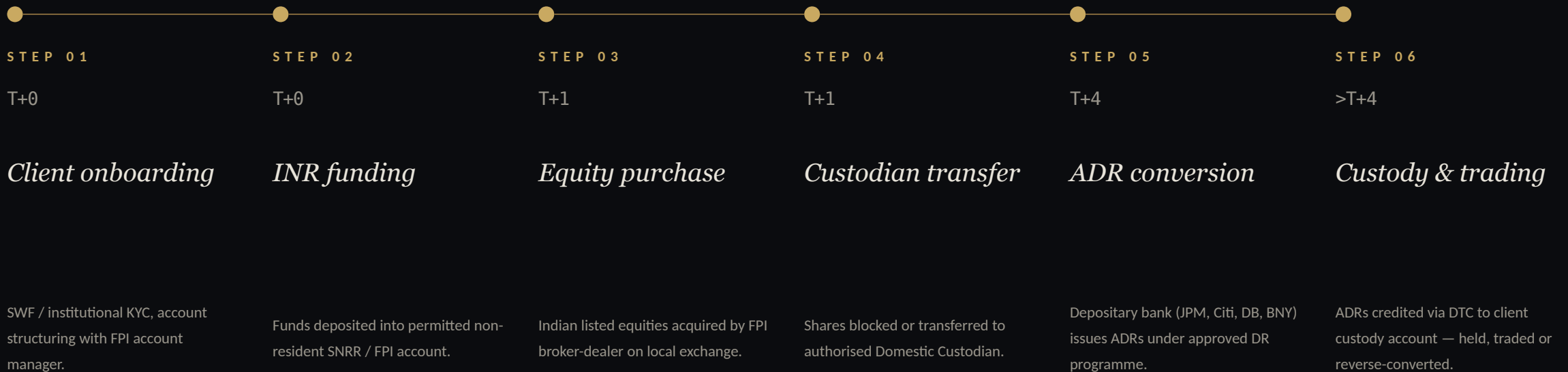
## 04 Beneficial ownership retained

Investors hold the underlying economic interest throughout — no synthetic exposure or wrapper risk.

— — PROCESS

# From onboarding to USD-tradable position, *end-to-end*.

A coordinated workflow across FPI-licensed brokers, designated depository participants, depository banks and US broker-dealers — all sequenced within a single institutional framework.



## — — OPERATIONAL DETAIL

# Trade flow by phase.

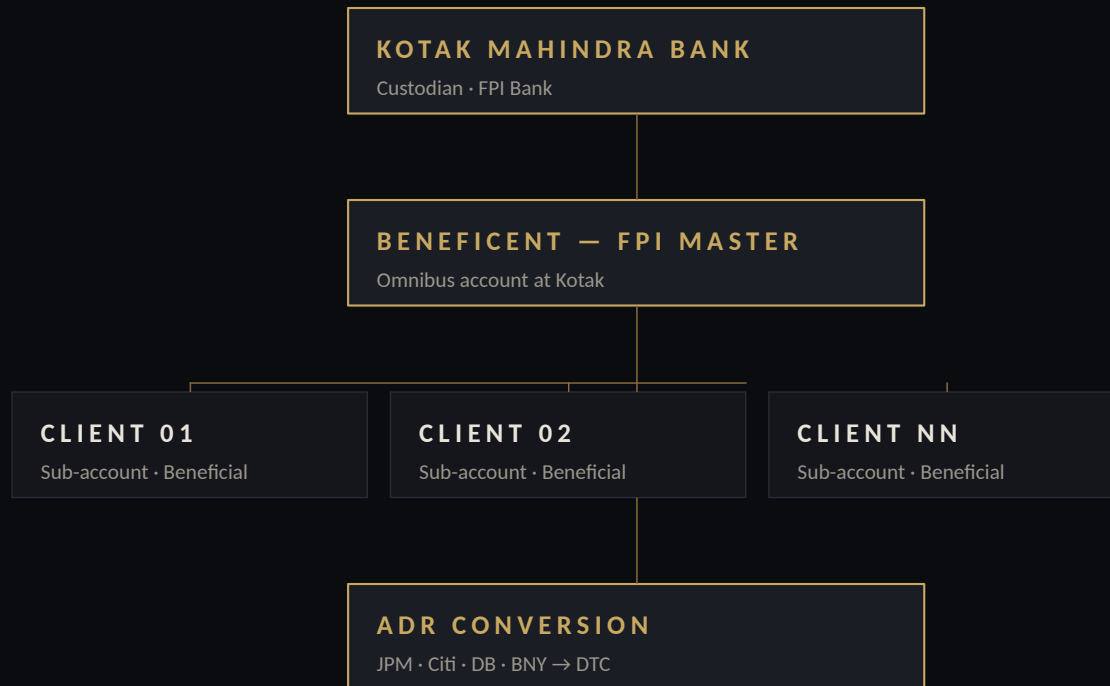
Each phase, the account structure that supports it, the custodian or depository involved, and the indicative timing — from INR funding to ADR trading in US markets.

PHASE	TIME	ACCOUNT TYPE	CUSTODIAN	DEPOSITORY	DESCRIPTION
<b>INR funding</b>	T+0	Permitted non-resident INR account (SNRR)	Kotak Mahindra Bank	—	Investor funds a permitted non-resident INR account; funds made available for equity settlement.
<b>Equity purchase</b>	T+1	DEMAT Account (FPI)	Kotak Mahindra Bank	NSDL / CDSL	Eligible Indian equities purchased on local exchange via authorised broker; shares credited to DEMAT custody.
<b>Pricing &amp; FX cover</b>	T+1	Internal	Kotak Mahindra Bank	—	ADR price and FX rate established at point of conversion confirmation; SSC hedges exposure via forwards or swaps.
<b>Custodian transfer</b>	T+1	DEMAT Account (FPI)	Kotak Mahindra Bank	NSDL / CDSL	Underlying shares transferred or blocked with the authorised Domestic Custodian for DR issuance.
<b>ADR conversion</b>	T+4	DTC Participant Account	JPM, Citi, DB, BNY	DTC	Depository bank issues ADRs under approved DR programme; credited via DTC to designated participant account.
<b>Trading &amp; custody</b>	>T+4	Investor brokerage account	Investor broker	DTC	ADRs may be held, traded, or reverse-converted into underlying Indian shares on instruction.

SNRR — Special Non-Resident Rupee account. DR Programme — under the approved Depository Receipt scheme. DTC — Depository Trust Company (US).

— — STRUCTURE

# Master / sub-account structure with *compliance reliance*.



STONE STREET CAPITAL SERVICES

## *Coordinating the structure*

- Stock research and general consultancy
- Onboarding support and trade organisation
- FX risk mitigation via hedging
- Power of attorney where elected
- Counterparty coordination
- Compliance reliance via Beneficent omnibus

*Beneficent maintains an omnibus account at Kotak with a compliance-reliance arrangement; individual clients are onboarded to Beneficent, not Kotak. Accounts are INR SNRR. Power of attorney is optional and elected per client.*

## — — FEE SCHEME

# Transparent, *transaction-based* economics.

Client pays a gross conversion fee of 6–8% of converted ADR value. Beneficent collects centrally, settles costs and taxes, retains its fee, and remits the balance to Stone Street Capital.

REFERENCE	COMPONENT	FEE / RATE	PAID TO	NOTES
IND-01	Client gross fee	6 – 8 %	Beneficent	Of converted ADR value — gross of all costs
IND-02	Conversion fee	5 c / share	Depository bank	JPM, Citi, DB or BNY
IND-03	Conversion cost	0.0050 %	Domestic custodian	Authorised under DR scheme
IND-04	STT (local tax)	0.0010 %	State tax account	Securities Transaction Tax
IND-05	Stamp duty	0.0015 %	State tax account	Local stamp duty
IND-06	SSC commission	Net residual	Stone Street Capital	Gross fee less all costs above

*Third-party introducers maintain direct economic agreements with introduced clients; introducer fees of approximately 1% (where applicable) are paid by the client directly. Fees finalised at onboarding and documented in the fee schedule.*

## — — BUSINESS MODEL

# Attractive, *transaction-based* economics.

## CLIENT FEE

## 6 – 8%

of converted ADR value

Clients pay a gross conversion fee directly to Beneficent at point of conversion. The fee is the single client-facing economic line.

## COST DISTRIBUTION

## Centralised

collection & settlement

Beneficent acts as collector. All operational costs — custody, brokerage, conversion, depository, local taxes — are settled centrally.

## SSC ECONOMICS

## Net residual

plus structuring economics

After all costs are settled, Beneficent retains its fee and remits the residual to Stone Street Capital. Introducers economics are separate.

Cost components included in the gross fee: custody and brokerage, conversion and depository fees, local taxes (STT, stamp duty). All settled by Beneficent before residual remittance to SSC.

## — — RISK FRAMEWORK

# Managed within a *structured* framework.

Every operational and market risk vector is contained within defined institutional processes — from regulatory exposure to execution complexity.

## 01 — REGULATORY RISK

### *Mitigated through FPI & DR frameworks*

All structuring conducted within established Indian, UK and US securities regulation, with depository bank oversight.

## 02 — OPERATIONAL RISK

### *Institutional custodians, defined processes*

Custody, settlement and conversion routed through tier-one global counterparties with documented controls.

## 03 — FX RISK

### *Managed through hedging strategies*

Currency exposure addressed at the structural level — INR / GBP / USD movement is contained, not transferred.

## 04 — EXECUTION COMPLEXITY

### *Centralised in a single structure*

One coordinated workflow eliminates the multi-counterparty handoffs that introduce timing and reconciliation risk.

## — — PROPOSITION

# Institutional access. *Operational simplicity.*

## VALUE PROPOSITION

## Efficient access at institutional scale

### ■ Currency optimisation

Transition from local-currency exposure to USD instruments with FX risk managed inside the structure.

### ■ Operational simplicity

Full outsourcing of execution, custody and conversion — one counterparty, one workflow.

### ■ Market access

Exposure via US-listed securities with access to deeper liquidity pools and US time-zone execution.

### ■ Scalable solution

Architected for sovereign and large institutional capital — fee-aligned, transaction-based economics.

## COMPETITIVE ADVANTAGE

## Navigating complexity as a core capability

### ■ Regulatory expertise

Structuring within Indian, UK and US frameworks — FPI, DR, FEMA, RBI, SEC, FCA.

### ■ Integrated execution

Coordination across multiple counterparties centralised within a single coordinated structure.

### ■ FX management capability

Hedging strategies embedded directly within the conversion process — no third-party overlay.

### ■ Institutional infrastructure

Established counterparties with depository banks, prime brokers and global custodians.

## — — COUNTERPARTIES

# Institutional infrastructure.

The counterparties through which the conversion programme is structured and operated.

#	LEGAL ENTITY	ROLE	JURISDICTION	FUNCTION
01	Stone Street Capital FZ-LLC	Introducer · Structurer	UAE (Dubai)	Client relationship, structuring, FX hedging, coordination
02	Beneficent	Broker · FPI Master	United States	FPI master account holder; collects fees; settles costs
03	Kotak Mahindra Bank Ltd.	Bank · Custodian	India	INR custody, FPI custodian bank, DEMAT account, brokerage
04	JPM · Citi · DB · BNY	Depository Bank	United States	ADR issuance under approved DR programme
05	NSDL / CDSL	Depository	India	Local securities depository for DEMAT settlement
06	DTC	Depository	United States	Central securities depository for US ADR settlement
07	Sovereign Wealth Fund / LP	Client	Various	Eligible offshore investor under the FPI route

*Beneficent operates an omnibus account with Kotak under a compliance-reliance arrangement, removing the requirement for each client to be separately onboarded with Kotak. Depository bank assigned per transaction.*

# Contact.

*Speak with the team.*

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