

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

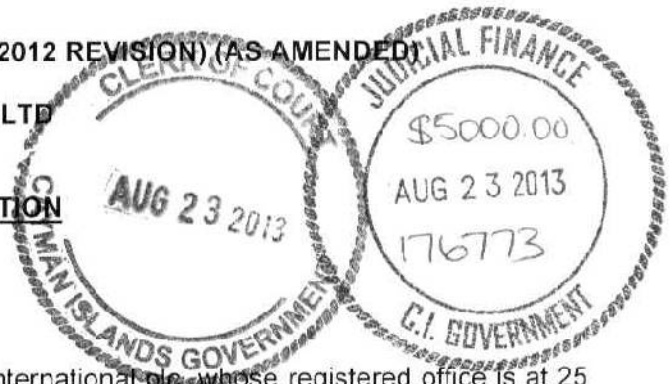
CAUSE NO: 115 OF 2013 -

IN THE MATTER OF THE COMPANIES LAW (2012 REVISION) (AS AMENDED)

AND IN THE MATTER OF SRT CAPITAL SPC LTD

PETITION

TO THE GRAND COURT



The humble petition of Morgan Stanley & Co. International plc, whose registered office is at 25 Cabot Square, Canary Wharf, London, E14 4QA (the "**Petitioner**") shows that:

Preamble

1. The Petitioner presents this petition for the winding up of SRT Capital SPC Ltd (the "**Company**") and the appointment of joint official liquidators.
2. The Petitioner is a creditor of the Company and seeks the winding up of the Company pursuant to Section 93 of the Companies Law (2012 Revision) (as amended) (the "**Companies Law**") on the grounds that the Company is unable to pay its debts.

Background

3. The Company is an exempted segregated portfolio company limited by shares under the Companies Law. The Company was assigned company number 234679 and registered with the Cayman Islands Registrar of Companies on 14 December 2009. The Company engages in the business of trading and dealing in, directly and indirectly through investments in other investment funds, securities and commodities. The Company is not registered as a mutual fund.
4. The registered office of the Company is situated at Maricorp Services Ltd, PO Box 2075 GT, #31 The Strand, 46 Canal Point Road, West Bay Road, Grand Cayman, Cayman Islands. The Company's sole director is Mr Oya Okay.

5. The Petitioner is a company incorporated in England and Wales, with its registered office at 25 Cabot Square, Canary Wharf, London, E14 4QA. The Petitioner is authorised by the United Kingdom Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority. The Petitioner's immediate parent undertaking is Morgan Stanley UK Group, and its ultimate parent undertaking and controlling entity is Morgan Stanley, which is incorporated in Delaware, the United States of America.

The Debt

6. The Petitioner and the Company entered into an ISDA Confirmation dated 16 April 2013 (the "**Confirmation**") regarding a partially funded equity swap transaction in respect of the ordinary shares of Gitanjali Gems Ltd (listed on the National Stock Exchange India) (the "**Shares**"). The Confirmation was entered into and approved by the Company for the account of the general assets of the Company and not for the account of any segregated portfolio's assets.
7. The Confirmation supplements, forms a part of, and is subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Master Agreement**") as if the parties had executed an agreement in such form. The Confirmation adopts the definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**") and the 2006 ISDA Definitions (other than Articles 10 through 17) (the "**Swap Definitions**"). In the event of inconsistency between the Equity Definitions and the Swap Definitions, the Equity Definitions would prevail. Save as otherwise defined, abbreviations and/or terms used in this Petition refer to the definitions and provisions in the Confirmation, Master Agreement, Swap Definitions and Equity Definitions.
8. In essence, the partially funded equity swap transaction between the Company and the Petitioner was one whereby the Company would gain exposure to the Shares without having to own the Shares. In the swap, the party receiving the total return (i.e. the Company) will receive any income generated by the Shares as well as any appreciation or depreciation of the price of the Shares over the life of the swap. In return, the total return receiver (i.e. the Company) must pay the swap counterparty (i.e. the Petitioner) a floating amount over the life of the swap. If the price of the Shares falls over the swap's life, the total return receiver will be required to pay the swap counterparty the amount by

which the Shares has fallen in price. The swap could be settled either in cash or by physical delivery of the Shares.

9. Under the terms of the Confirmation:

- (a) Upon the occurrence of a Variation Margin Event (i.e. when the Leverage Ratio exceeds the top-up leverage ratio of 61.1%), the Calculation Agent (i.e. the Petitioner) will deliver a written Margin Notice to the Company, and the Company shall transfer a cash amount of no less than the Variable Margin Demand Amount to the Petitioner no later than 5pm on the first Currency Business Day following the delivery of the Margin Notice.
- (b) If a Release Event occurs (i.e. when the Leverage Ratio is less than the release leverage ratio of 40% for 10 consecutive Exchange Business Days), the Petitioner will be obliged to return such excess portion of the Cash Margin Amount to the Company on a date selected by the Company which falls on a date not less than 3 Business Days after Petitioner's receipt of such demand.
- (c) The Petitioner is entitled to exercise its right to Party A Optional Early Termination on or after the occurrence of a Party A Optional Early Termination Event, which includes a scenario where the Leverage Ratio becomes equal to or greater than 72.5% under the Confirmation. If the Petitioner exercises its right to Party A Optional Early Termination, the default mode of settlement will be in the form of Cash Settlement.
- (d) To exercise its right to Party A Optional Early Termination, the Petitioner may give notice to the Company prior to the Expiration Date to designate an Optional Early Termination Date (being a date not earlier than the date such notice is given). Either the Petitioner or the Company (as the case may be) shall then pay to the other an amount determined by the Calculation Agent as if it were determining the net amount payable in respect of all obligations of both the parties on a Cash Settlement Payment Date and as if the date of the notice from the Petitioner to the Company designating an Optional Early Termination Date is effective were the Initial Averaging Date, and the Cash Settlement Payment Date for the purposes of the Party A Optional Early Termination will be the day that would be 3 Currency Business Days following the final Valuation Date.

- (e) The Company is also entitled to exercise its right to Party B Optional Early Termination, and the mode of settlement will be in the form of Cash Settlement unless (i) the Company elects for Physical Settlement in its notice relating to the exercise of the Party B Optional Early Termination and (ii) is able to fulfil the applicable conditions regarding Physical Settlement.
 - (f) If the Company exercises its right to Party B Optional Early Termination and elects for Cash Settlement, either the Petitioner or the Company (as the case may be) shall pay to the other an amount representing the sum of (i) the Optional Early Termination Fee payable by the Company and (ii) an amount determined by the Calculation Agent as if it were determining the net amount payable in respect of all obligations of both the parties on a Cash Settlement Payment Date, and the Cash Settlement Payment Date for the purposes of the Optional Early Termination will be the day that would be 3 Currency Business Days following the final Valuation Date.
 - (g) The Optional Early Termination Fee is payable if the Exercise Date falls on a date prior to the sixth month anniversary of the Effective Date, and is an amount equal to the product of (i) the number of calendar days to the six month anniversary of the Effective Date divided by 360; (ii) the Spread to the Floating Amount; and (iii) an amount equal to the exercised Equity Notional Amount.
10. The partially funded equity swap transaction pursuant to the Confirmation was entered into on 16 April 2013.
 11. On 10 June 2013, the Petitioner issued the 1st Margin Call Notice for USD1,315,860.39, which was paid in due course.
 12. On 20 June 2013, the Petitioner issued the 2nd Margin Call Notice for USD1,269,806.55, which was paid in due course. Part of the payment was received by the Petitioner from Emerging Markets Intrinsic.
 13. On 24 June 2013, the Petitioner issued the 3rd Margin Call Notice for USD1,811,589.02, which the Company failed to pay.

14. On 25 June 2013 at 6:31am (China Standard Time), the Company exercised the Party B Optional Early Termination in relation to 430,000 Shares in an attempt to reduce the leverage ratio.
15. On 25 June 2013 at 11:58am (China Standard Time), the Petitioner exercised the Party A Optional Early Termination in relation to all remaining 1,428,009 Shares because the liquidity ratio was equal to or greater than 72.5%. The designated Optional Early Termination Date was 25 June 2013.
16. From 25 to 27 June 2013, the Company and the Petitioner entered into discussions and correspondence about a commercial restructuring of the transaction but the Company failed to confirm its agreement to the Petitioner's proposal.
17. On 2 July 2013, the Petitioner gave the Company written notice of its failure to pay the USD1,811,589.02 pursuant to section 5 of the Master Agreement and stated that if the failure continued and was not remedied on or before 1 business day from the date of the notice, there would be an Event of Default.
18. On 8 July 2013, the Petitioner's lawyers, Ashurst LLP issued a demand letter to the Company seeking payment of USD1,811,589.02.
19. On 10 July 2013, the Petitioner issued the 4th Margin Call Notice for the total outstanding margin call amount of USD6,058,664.38 (including the third margin call of USD1,811,589.02), which the Company failed to pay.
20. On 19 July 2013, the Petitioner confirmed to the Company that it had failed to pay the 1st Floating Amount of USD117,901.92 that became due on 16 July 2013.
21. On 8 August 2013, the Petitioner informed the Company that the swap trade has been unwound and USD6,802,558.13 (the "**Net Cash Settlement Amount**") was due from the Company. As 8 August 2013 was the Valuation Date, the Cash Settlement Payment Date was 13 August 2013.
22. The Company failed to make payment of the Net Cash Settlement Amount by the deadline of 13 August 2013.

23. On 14 August 2013, the Petitioner's lawyers, Walkers issued a demand letter to the Company seeking payment of USD6,825,132.5 (consisting of the Net Cash Settlement Amount of USD6,802,558.13 and default interest of USD22,574.37) (the "**Debt**").
24. To date, the Company has neglected to pay or satisfy the Debt to the Petitioner or to make any satisfactory offer to the Petitioner to serve or compound the same.
25. Based on the Company's failure to pay the Debt (together with applicable interest), it is clear that the Company is unable to pay its debts, and is therefore insolvent.
26. In the circumstances, it is just and equitable that the Company should be wound up.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

- (1) The Company be wound up in accordance with the Companies Law.
- (2) Mr Kris Beighton of KPMG of P.O. Box 493, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1106, Cayman Islands, and Mr Edward Simon Middleton and Ms Yee Man Lui, both of KPMG, 27th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, be appointed as joint official liquidators of the Company (the "**JOLs**").
- (3) The JOLs be authorised to exercise any of the powers listed in the Third Schedule to the Companies Law without further sanction or intervention of the Court.
- (4) The JOLs be authorised to do any act or thing considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding up of its affairs.
- (5) The JOLs do file with the Clerk of the Court a report in writing of the position of the Company and the progress which the liquidators have made with the winding up of the Company, with the realisation of its assets and in relation to any other matters connected to the winding up of the Company, at such time and in such manner as the Court may direct.
- (6) The JOLs be at liberty to appoint such counsel, attorneys, professional advisors, whether in the Cayman Islands or elsewhere, as they may consider necessary to advise

and assist them in the performance of their duties and on such terms as they may think fit and to remunerate them out of the assets of the Company.

- (7) No disposition of the Company's property by or with the authority of the JOLs in carrying out their duties and functions and exercise of their powers under this Order shall be voided by virtue of section 99 of the Companies Law.
- (8) The JOLs and their staff be remunerated for their professional services and time in accordance with Part III of the Insolvency Practitioners Regulations 2008 (as amended).
- (9) The JOLs be at liberty to apply generally.
- (10) The costs of the Petition and the Petitioner be paid forthwith out of the assets of the Company on the indemnity basis.

27. Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

DATED this 20th day of August 2013.

FILED this day of August 2013.

Walkers

WALKERS
Attorneys at Law for the Petitioner

NOTE: This petition is intended to be served on the Company at its registered office.

THIS PETITION was presented by WALKERS of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, Attorneys at Law for and on behalf of the Petitioner whose address for service is that of its said Attorneys.

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on *25 Sept 2013* at *10:00am/pm*.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone no. 349 949 4296.