



# INDIA FUND

INDIA FUND LIMITED

ABN 22 603 338 969

## PROSPECTUS

Anticipated ASX Code: INF

**Offer to raise \$16 million to \$50 million** by an issue of Shares at \$1.00 each together with 1 Option per Share



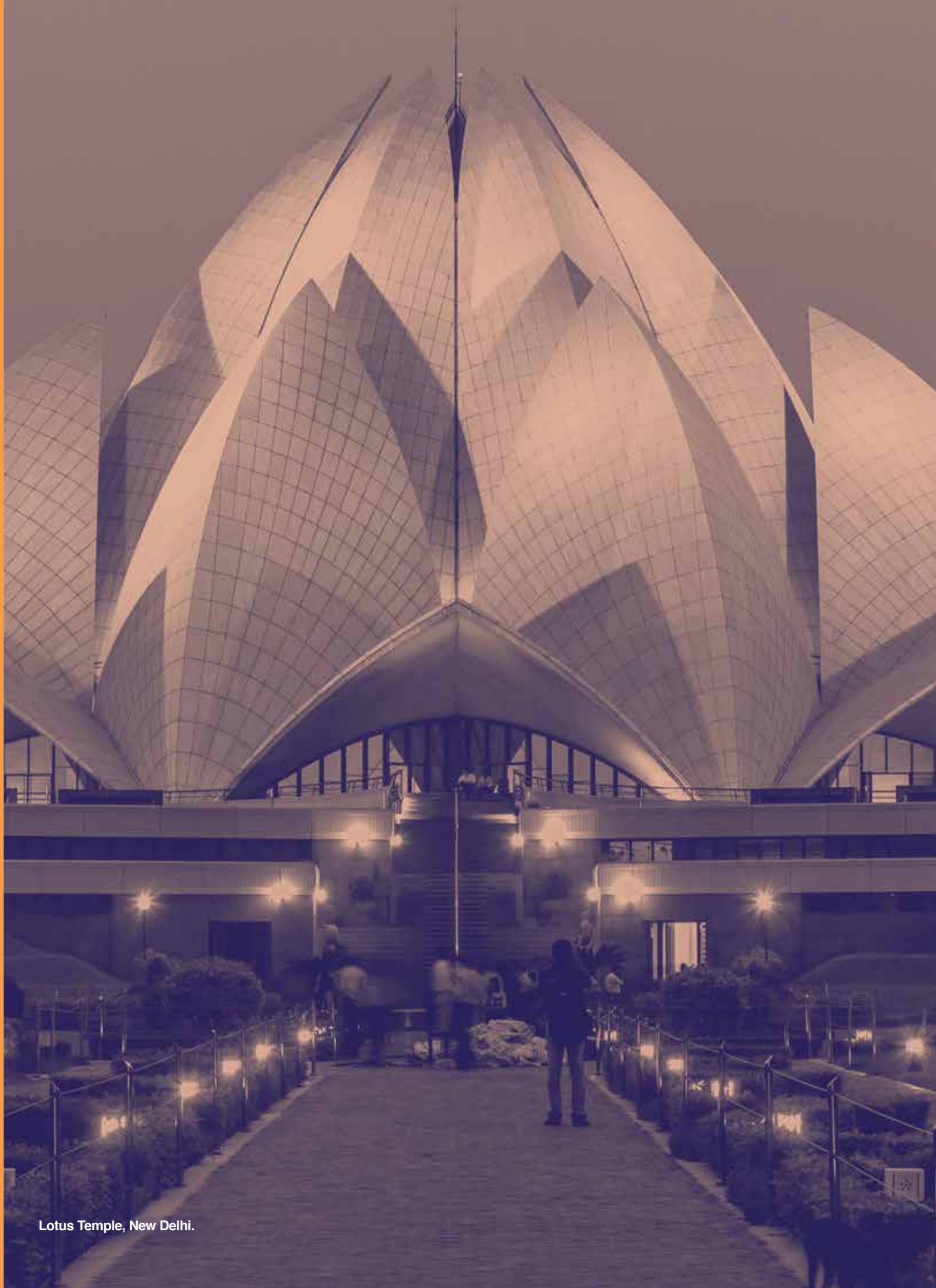
**SEQUOIA ASSET MANAGEMENT  
PTY LIMITED**  
Lead Manager  
AFS Licence 341506



**TRISTAR CAPITAL PTY LIMITED**  
Fund Administrator  
AFS Licence 285503



**KOTAK MAHINDRA (UK) LIMITED**  
Portfolio Manager  
Licensed by FCA UK  
Firm Reference Number 171837



Lotus Temple, New Delhi.

# Important Information

This is an important document which should be read in its entirety before making any investment decision. **You should obtain independent advice if you have any questions about any of the matters contained in this Prospectus.**

## Lodgement and Listing

This Prospectus is issued by India Fund Limited (ACN 603 338 969), the Company, for the purposes of Chapter 6D of the Corporations Act. It is dated 19 July 2016. The Prospectus has been lodged with the Australian Securities and Investments Commission (ASIC). This Prospectus expires on 18 August 2017. No Securities will be allotted, issued, transferred or sold on the basis of this Prospectus after that date.

The Company will apply to the Australian Stock Exchange Limited (ASX) within 7 days after the date of this Prospectus for admission to the Official List of ASX and for quotation of the Shares and Options on issue at the date of this Prospectus and the Shares and Options issued under the Offer.

Neither ASX nor ASIC takes any responsibility for the content of this Prospectus. Admission to the Official List is in no way an indication of the merits of the Offer or the Company.

## Offer

This Prospectus contains an invitation to apply for Shares together with one Option for every one Share issued to each Applicant.

Each Option is exercisable at \$1.00 until 5.00pm on the Expiry Date.

The Minimum Subscription is \$16 million. However, the Company reserves the right to accept additional subscriptions for Shares to raise up to an aggregate \$50 million. No Shares will be issued until the Minimum Subscription has been received.

No person is authorised to provide any information about the Company, or make any representation about the Company or the Offer that is not contained in this Prospectus. Potential investors should only rely on the information contained in this Prospectus. Any information or representation not contained in the Prospectus may not be relied upon as having been authorised by the Company in connection with the Offer. Except as required by law and only to the extent required by such law, neither the Company nor any other person associated with the Company guarantees or warrants the future performance of the Company, the return on investment made under the Prospectus, the repayment of capital or the payment of dividends on the Shares.

Before deciding to invest in the Company, investors should read the entire Prospectus. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Shares offered under the Prospectus. The Offer does not take into account the investment objectives, financial situation or particular needs of individual investors. An investment in the Company should be considered speculative. You should carefully consider the risks (including those set out in section 9) that impact on the Company in the context of your personal requirements

(including your financial and taxation position) and, if required, seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser prior to deciding to invest in the Company. No cooling-off regime (whether provided for by law or otherwise) applies in respect of the acquisition of Shares under this Prospectus.

## Forward-looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of past and present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and management.

Although the Company believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of the Company, its Directors or officers, or any person named in this Prospectus, can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will provide to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

Except to the extent required by law, the Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

The forward looking statements contained in this Prospectus are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in the Company are set out in Section 9 of this Prospectus.

## Important Information for New Zealand investors

The Offer to New Zealand investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the *Corporations Regulations 2001* (Cth) (Regulations). In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This Offer and contents of this Prospectus are principally

governed by Australian rather than New Zealand law. The Corporations Act and Regulations set out how the Offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements relating to investments in New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities. If you are uncertain as to whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency of the Securities is not the same as New Zealand dollars. The value of the Securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the Securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand, in New Zealand Dollars.

If the Securities are able to be traded on a securities market and you wish to trade the Securities through that market, you will have to make arrangements for a participant in that market to sell Securities on your behalf. If the Securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the Securities and trading may differ from securities markets that operate in New Zealand.

A copy of this Prospectus and other documents relating to the Offer have been, or will be, lodged with the New Zealand Companies Office under the mutual recognition scheme.

While the Offer is being extended to New Zealand Investors under the mutual recognition scheme, no application for listing and quotation is being made to NZX Limited.

## Exposure Period

Pursuant to the Corporations Act, this Prospectus is subject to an exposure period of seven days. By notice in writing to the Company, ASIC may extend the exposure period for a further period of seven days.

The Exposure Period enables this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, the Company will:

- return any Application Monies that the Company has received;
- provide each Applicant with a supplementary or replacement Prospectus that corrects the deficiency, and give each Applicant the option to withdraw their Application within one month and be repaid the Application Monies; and
- issue to each Applicant the Shares and Options applied for in the Application, and provide each Applicant with a supplementary or replacement Prospectus that corrects the deficiency and give each Applicant the option to withdraw the Application within one month and be repaid

the Application Monies.

Application Forms received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period.

No preference will be given to Application Forms received during the Exposure Period and all Application Forms received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

## Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://events.miraqle.com/INF-IPO>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

Any person accessing the electronic version of this Prospectus, for the purposes of making an investment in the Company, must only access the Prospectus from Australia or any jurisdiction outside Australia where distribution of the electronic version of the Prospectus is not restricted by law.

Shares and Options to which this Prospectus relates will only be issued on receipt of an Application Form issued together with the Prospectus.

Applications must be made by the Application Form that forms part of, or is attached to or accompanies this Prospectus or applying online at <https://events.miraqle.com/INF-IPO>. Application Forms must be completed in accordance with the accompanying instructions.

Applicants may apply online for the Shares and Options. Any Applicants applying online must personally complete the online Application Form and pay the Application Monies. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).

The Corporations Act prohibits any person passing onto another person an Application Form unless it accompanies a complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## Foreign Investors

Please refer to Section 2.20 in relation to the ability of foreign investors to participate as Applicants in the Offer.

## Information about the Fund Administrator and Portfolio Manager

This Prospectus contains certain information about the Fund Administrator and Portfolio Manager, their directors, senior executives and business.

It also contains details of the investment approach, strategy and philosophy of the Fund Administrator and the Portfolio Manager. To the extent that the Prospectus includes statements by the Fund Administrator and the Portfolio Manager or includes statements based on any statement of, or information provided by, either the Fund Administrator or the Portfolio Manager, the Fund Administrator and the Portfolio Manager consent to each such statement being included in the Prospectus in the form and context in which it is included and neither has withdrawn that consent at any time prior to lodgement of this Prospectus.

## Authorised Intermediary

The issuer of the Prospectus is the Company. Offers of Securities under this Prospectus will be made under an arrangement between the Company and Sequoia Asset Management Pty Limited (Authorised Intermediary), a holder of Australian Financial Services Licence no. 341506, under section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of Shares and Options under the Prospectus and the Company will only issue the Securities in accordance with those offers and no others.

## Privacy statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry and brokers involved in the Offer, and agents, contractors and third party service providers of the foregoing (Collecting Parties). The Collecting Parties collect, hold and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (Personal Information) to the Collecting Parties where necessary, for any purpose in connection with the Offer, including processing your acceptance of the Offer and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any public authority.

If you do not provide the information required in the Application Form, the Company may not be able to accept or process your acceptance of the Offer. If the Offer is successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your Shares or Options in the context of takeovers, public authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any public authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory of this Prospectus. A fee may be charged for access.

## Currency

Unless otherwise stated, references in this Prospectus to currency are references to Australian dollars.

## Time

All references in this Prospectus are to the time in Melbourne, Australia (AEST).

## Glossary

Certain terms and abbreviations in this Prospectus have defined meanings that are explained in the Glossary to this Prospectus.

Defined terms are generally identifiable by the use of an upper case first letter.

## Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

## Applications

By lodging an Application Form, you declare that you were given access to the entire Prospectus, together with an Application Form. The Company will not accept a completed Application Form if it has reason to believe that an Application Form lodged by an Applicant was not accompanied by, or attached to, the Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

Detailed instructions on completing the Application Form can be found on the back of the Application Form. The acceptance of an Application Form and the allocation of Shares are at the discretion of the Company.

## Company Website

Any reference to documents included on the Company, Fund Administrator or Portfolio Manager's website are provided for convenience only, and none of the documents or other information on the websites is incorporated by reference into this Prospectus.



The Bandra-Worli Sea Link in South Mumbai.

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# Important Dates

<b>Date of Prospectus</b>	19 July 2016
<b>Opening Date</b>	27 July 2016*
<b>Closing Date</b>	15 August 2016
<b>Proposed issue date of Shares and Options</b>	22 August 2016
<b>Despatch of Holding Statements</b>	25 August 2016
<b>Trading of Shares on ASX to commence</b>	31 August 2016

These dates are indicative only.

\* Unless the exposure period is extended. See Important Information.

The Company (in consultation with the Lead Manager) reserve the right to:

1. close the Offer early without prior notice; or
2. vary, subject to the Corporations Act, any of the dates set out in this Prospectus, including extending the Closing Date.

# Key Offer Information

<b>Offer</b>	16,000,000 to 50,000,000 Shares and Options
<b>Offer Price</b>	\$1.00
<b>Offer Proceeds</b>	\$16,000,000 to \$50,000,000*
<b>Option</b>	1 Option per Share
<b>Option Terms</b>	Exercise Price: \$1.00 Expiry Date: 31 May 2018**
<b>Investment Objective</b>	The Company seeks long-term capital appreciation, outperformance of the Benchmark CNX 500 Index
<b>Principal Investments***</b>	Indian listed Equities
<b>Fund Administrator</b>	Tristar Capital Pty Ltd (AFSL 285503) <ul style="list-style-type: none"><li>• Investment Services</li><li>• Strategic Advisory Services</li><li>• Operational Management Services</li></ul>
<b>Portfolio Manager</b>	Kotak Mahindra (UK) Limited (Licenced by FCA UK Firm Reference Number 171837)

\* Before the costs of the Offer

\*\* Refer to section 13.4 for full terms of Options

\*\*\* Refer to section 7.4 for details of the Investment Parameters

Financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

# Board of Directors

## India Fund Limited



**JOHN P PEREIRA,**  
B.Juris, LLB,  
Age 56  
Executive Chairman



**DAVID CARRUTHERS**  
B.Comm, ACA, CFTP (Snr),  
MAICD Dip,  
Age 68  
Non-Executive Director



**SAM KAVOURAKIS**  
B.Sc, AIA, Advanced  
Management Program, Harvard  
Business School,  
Age 71  
Non-Executive Director



**CLIFFORD CLAYTON,**  
AACI, SA Fin,  
Age 72  
Non-Executive Director

# Chairman's Letter

Dear Investor,

I have great pleasure in inviting you to become a shareholder of India Fund Limited.

India has recently undergone a dramatic political transformation in the wake of the election in 2014 of the government led by Prime Minister Narendra Modi. The Modi government was elected on the basis that it would deliver reforms to accelerate economic expansion and growth in financial markets. The Government is in the process of implementing its reform agenda aimed at re-invigorating the Indian economy.

India's GDP exceeded US \$2 trillion in 2014 with a growth rate averaging 7.5%pa over the past 10 years. The GDP growth forecast for 2015-19 is projected to increase from 7.5%pa to 7.7%pa, an increase from the 6.4%pa to 6.7%pa projected in April 2015.

India Fund Limited will be the only ASX Listed Investment Company solely focussed on Indian listed Equities.

The Company's primary objective will be to deliver capital growth and to outperform the Benchmark Index for Shareholders by offering an efficient way in which to invest in the long-term growth potential of India.

Tristar Capital Pty Ltd as the Fund Administrator has appointed Kotak Mahindra (UK) Limited to manage the Portfolio within agreed parameters. As a subsidiary of one of India's leading diversified financial services groups, it manages Indian securities for a range of global institutions and high net worth investors. Kotak Mahindra Bank is one of the largest private sector banks in India with a market capitalisation of approximately AUD\$27bn. It manages and advises on assets of over AUD\$20bn.

India Fund Limited will be investing in listed Indian companies assessed by the Portfolio Manager as having strong business fundamentals, experienced management and attractive growth prospects. This will enable investors to diversify their exposure into an emerging market that is well placed for capital growth in one of the world's fastest growing economies.

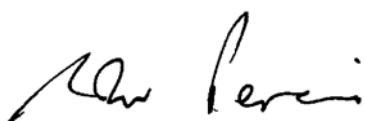
This Prospectus provides detailed information about the Company, the Fund Administrator and the Portfolio Manager, as well as important information about the specific risks associated with an investment in the Company, including the risks associated with investing in Indian equity markets.

These risks include the potential inability of the Government to deliver on its reform agenda; the risk of the future underperformance of the Indian economy and stock markets; economic and market risks; exposure to exchange rates and currency fluctuation; regulatory and sovereign risks and the Company's reliance on the Fund Administrator and Portfolio Manager's ability to achieve the stated investment objectives. Refer to Section 9 for further details of these risks.

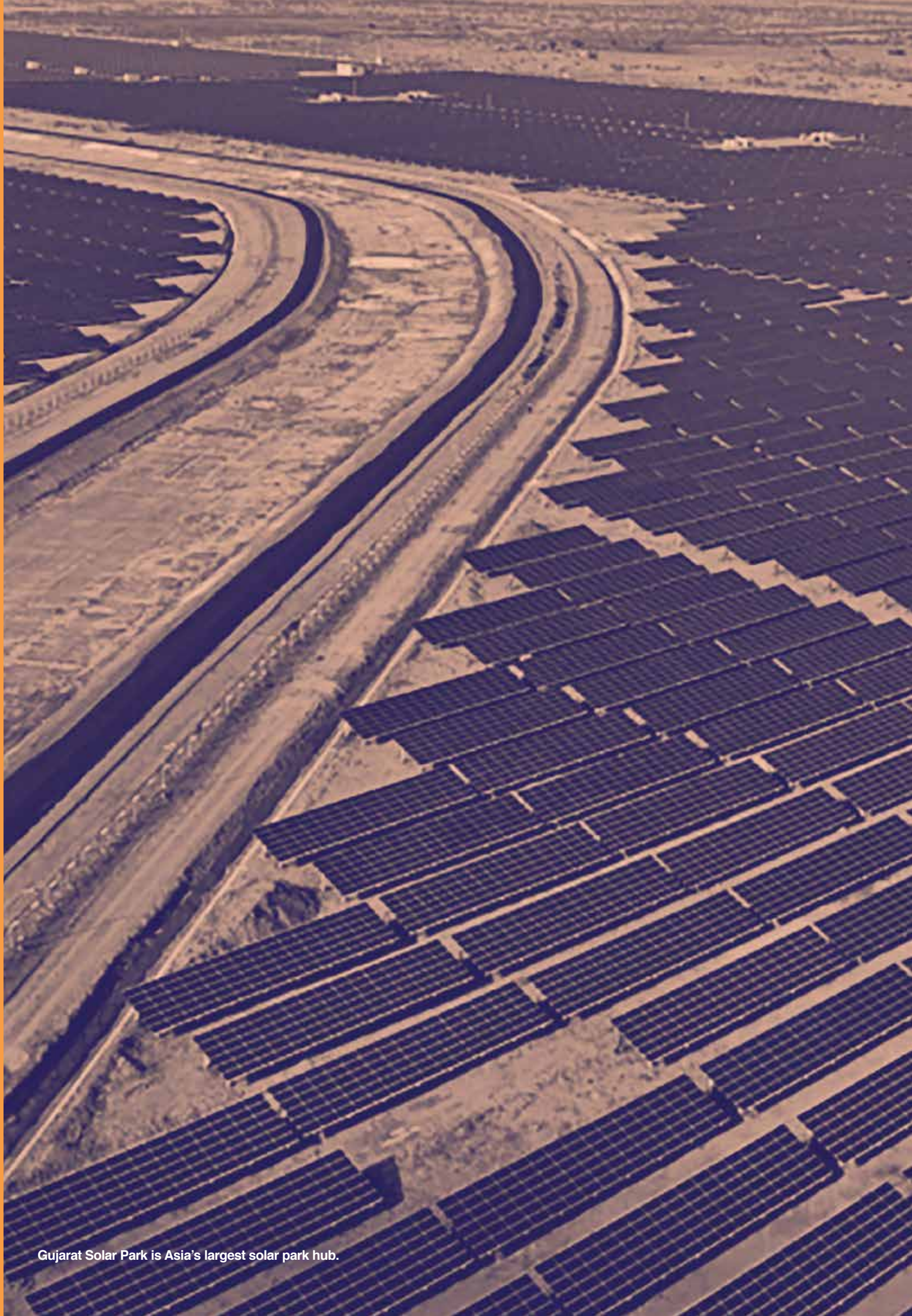
Please read the Prospectus in full before deciding whether to apply for shares.

I look forward to welcoming you as a Shareholder.

Yours faithfully



**John P Pereira**  
Executive Chairman



Gujarat Solar Park is Asia's largest solar park hub.

# 1 Investment Overview

Topic	Summary	For More Information
<b>Overview of the Company's business</b>		
<b>What is the business of the Company?</b>	<p>The Company was incorporated on 12 December 2014. Upon completion of the Offer and admission of the Company to the Official List of ASX, the Company anticipates that it will be treated as a Listed Investment Company and will invest in Indian listed Equities.</p> <p>The Company's investment Portfolio will be managed by the Portfolio Manager. An investment in the Company will provide Shareholders with an opportunity to gain access to the Indian securities market.</p>	Section 4
<b>What is the Company's investment strategy and mandate?</b>	<p>The investment objective of the Company is to seek long-term capital appreciation from growth of Indian listed Equities.</p> <p>The Company believes that these benefits are best achieved by:</p> <ul style="list-style-type: none"> <li>• appointing a Portfolio Manager who has extensive knowledge of the Indian economy, market dynamics and the securities issued and traded by Indian companies; and</li> <li>• implementing investment strategies that the Fund Administrator believes have the potential to maximise shareholder returns.</li> </ul> <p>The Portfolio Manager will manage the Portfolio in accordance with the agreed Investment Parameters.</p> <p>Authorised Equity Investments are securities listed on the BSE or NSE of India.</p> <p>Further details of the Investment Parameters are set out in section 7.4.</p>	Section 7
<b>What are the key highlights of the Offer?</b>	<p>Purchasing Shares and Options under this Offer will enable investors to:</p> <ul style="list-style-type: none"> <li>• gain access and exposure to Indian listed Equities ;</li> <li>• increase the international diversification of their investment portfolios;</li> <li>• benefit from the experience of the Fund Administrator in establishing structures that operate effectively in the Indian equities markets;</li> <li>• benefit from the proven track record of Kotak Mahindra (UK) Limited as a specialist provider of Indian funds management services to international investors;</li> <li>• obtain additional Shares at the Offer Price through the exercise of Options;</li> <li>• receive future dividends paid by the Company in accordance with its dividend policy; and</li> <li>• acquire or dispose of Securities of the Company through the ASX.</li> </ul>	Sections 3, 4, 5, 6 and 7

Continued over page ►

Topic	Summary	For More Information
<p><b>What are the risks associated with the Offer and the Shares?</b></p>	<p>An investment in the Company contains inherent risk. You should give careful consideration to this section and the detailed discussion of risks set out in section 9 of the Prospectus.</p> <p>The key risks associated with an investment in the Company include:</p> <ul style="list-style-type: none"> <li>the successful delivery of the reformist policies of the Government is an important element in the expected economic growth of India. If the Government is unable, for whatever reason, to implement its reform agenda, there is a risk that the country will not be able to deliver the expected economic returns causing a negative impact on international capital flows and the performance of the Indian financial markets. This may materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus;</li> <li>the market price of Indian securities is likely to rise and fall in accordance with general Indian market conditions and the performance of the Indian economy generally. In particular, a reduction in the rate of growth of the Indian economy, or significant adverse world, regional or local events may result in a loss of value in or a slowing of growth rates for Indian securities;</li> <li>A substantial proportion (greater than 90%; exact amount dependent on amount raised) of the funds raised under this Prospectus will be converted into Rupees following the issue of Shares and Options for the purposes of investment by the Portfolio Manager. It is not the current policy of the Company or the Fund Administrator to hedge the foreign exchange exposure of having the investments being denominated in Rupees. As the Company's financial performance is reported in Australian dollars, the value of the Portfolio as an asset of the Company will be affected by fluctuations in the exchange rate for Australian Dollars and Rupees. The value of the Portfolio may rise or fall as a result of such fluctuations notwithstanding any increase or decrease in value of the underlying assets when denominated in Rupees. Transfers of funds between Australia and India will also be affected by exchange rates. In particular, a strengthening of the Australian dollar against the Rupee would adversely affect the value of the Company's investments;</li> <li>the ability of a Shareholder to sell their Shares and Options on ASX will be a function of the turnover or liquidity of the Shares and Options at the time of sale. Given the nature of the Company, it is likely that there will be a low level of liquidity in trading of the Shares and Options. As a result, Shareholders may not be able to buy or sell their Shares at the time and in the volumes or at a price they desire;</li> <li>the Company is subject to a range of regulatory controls imposed by government and regulatory authorities, including in India, the United Kingdom, Singapore and Australia which may change and have a negative effect on the Company, its investments and/or returns to Shareholders;</li> <li>some Indian securities may not be accessible to the Company due to foreign investment limits imposed in India, and therefore the return of the Portfolio may be less than if an investment in these securities was available;</li> <li>there are certain sovereign risks involved in an investment in overseas markets including in India. These include the possibility that political or social changes in India may result in restrictions on repatriating income or capital or losses being incurred as a result of such change.</li> <li>the returns to the Company and investors will be affected by the quality of stock selection, and management of the Portfolio by the Portfolio Manager. The Investment Parameters that underpin the basis for the Portfolio Manager's share selection may prove to be inappropriate for future market circumstances and accordingly may impair the performance of the Company. Whilst past performance was a factor in selecting the Portfolio Manager, there is no guarantee that the past performance of the Portfolio Manager can be reproduced in future years.</li> <li>the Fund Administrator or Portfolio Manager may no longer be willing or able to provide services to the Company and the Company would need to find a replacement Fund Administrator and/or Portfolio Manager;</li> <li>the Performance Fees payable to the Fund Administrator and Portfolio Manager may create an incentive for the Fund Administrator and/or the Portfolio Manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Portfolio; and</li> </ul> <p style="text-align: right;"><i>Continued over page ►</i></p>	<p>Section 9</p>

Topic	Summary	For More Information
	<ul style="list-style-type: none"> <li>the Company's Shares and Options may decline in value. Investors in the Company are exposed to this risk through their holding of the Shares and Options. In addition, the Shares may trade at a discount to the net asset value of the Portfolio on a per Share basis and the performance of the Shares and Options may not necessarily be related to the performance of the Portfolio.</li> </ul> <p><b>Additional Risks</b></p> <p>There are a number of additional risks which may adversely affect the Company, including in the following:</p> <ul style="list-style-type: none"> <li>risks inherent in entrenchment of Fund Administrator and Portfolio Manager over a period of time;</li> <li>counterparty and credit risk;</li> <li>risks in relation to the use of derivatives;</li> <li>absence of a long operating history of the Company;</li> <li>dependence on service providers and key management personnel;</li> <li>taxation risks;</li> <li>the Company's anticipated ongoing classification as a LIC;</li> <li>risks in relation to future payment of dividends;</li> <li>future capital requirements of the Company;</li> <li>operational costs as a proportion of assets; and</li> <li>possible effect of wars and terrorist attacks, globally and in India on the Company.</li> </ul>	
<p><b>What is the financial position of the Company?</b></p>	<p>Other than the entry into certain contracts for the provision of management and investment services, preparing for the Offer and incidental administrative activities, the Company has not traded since incorporation.</p> <p>The Company has no outstanding liabilities in respect of costs incurred in its initial public offering under a Prospectus dated 25 May 2015, which was withdrawn on 24 June 2015.</p>	<p>Section 10</p>
<p><b>What benefits will be given to the Company's Related Parties?</b></p>	<p>Mr Pereira, Executive Chairman of the Company, is also the sole director of the Fund Administrator. The Fund Administrator is 43.5% owned by a company controlled by Mr Pereira.</p> <p>Details relating to fees payable to the Fund Administrator for ongoing strategic and investment advice to the Company and operational management pursuant to the Fund Administration Agreement are set out in section 7.3.</p> <p>Other than as set out above, there are no existing arrangements or agreements nor any currently proposed transactions in which the Company was, or is to be, a participant and in which any related party of the Company has or will have a direct or indirect interest in the Company or the Offer.</p>	<p>Sections 8.3 and 7.3 in relation to fees payable to the Fund Administrator</p>
<p><b>Who manages the Portfolio?</b></p>	<p>The Portfolio is managed by the Portfolio Manager, Kotak Mahindra (UK) Limited.</p>	<p>Section 6</p>
<p><b>Who is the Fund Administrator and what is its track record?</b></p>	<p>The Fund Administrator is Tristar Capital Pty Ltd (ACN 112 516 846). The Fund Administrator was incorporated on 17 January 2005 and has provided corporate advisory and capital raising services to a broad range of clients.</p> <p>The Fund Administrator is 43.5% owned by a company controlled by Mr John Pereira, Executive Chairman of the Company.</p>	<p>Section 5</p>
<p><b>Who is the Portfolio Manager and what is its track record?</b></p>	<p>The Portfolio Manager is Kotak Mahindra (UK) Limited. The Portfolio Manager is part of Kotak Mahindra Bank Limited. As at 31 March 2016, the Kotak Mahindra Group's total net worth was US\$5.0 billion, and the group had over 40,000 employees servicing customers throughout India, the United States, United Kingdom, United Arab Emirates and Singapore. The Kotak Mahindra Group has one of the largest asset management and research teams in India, with coverage across approximately 21 sectors and 220 companies.</p> <p>As at 31 March 2016, the Portfolio Manager had a diverse international client base for whom it managed approximately \$2.44 billion in funds.</p>	<p>Section 6</p>

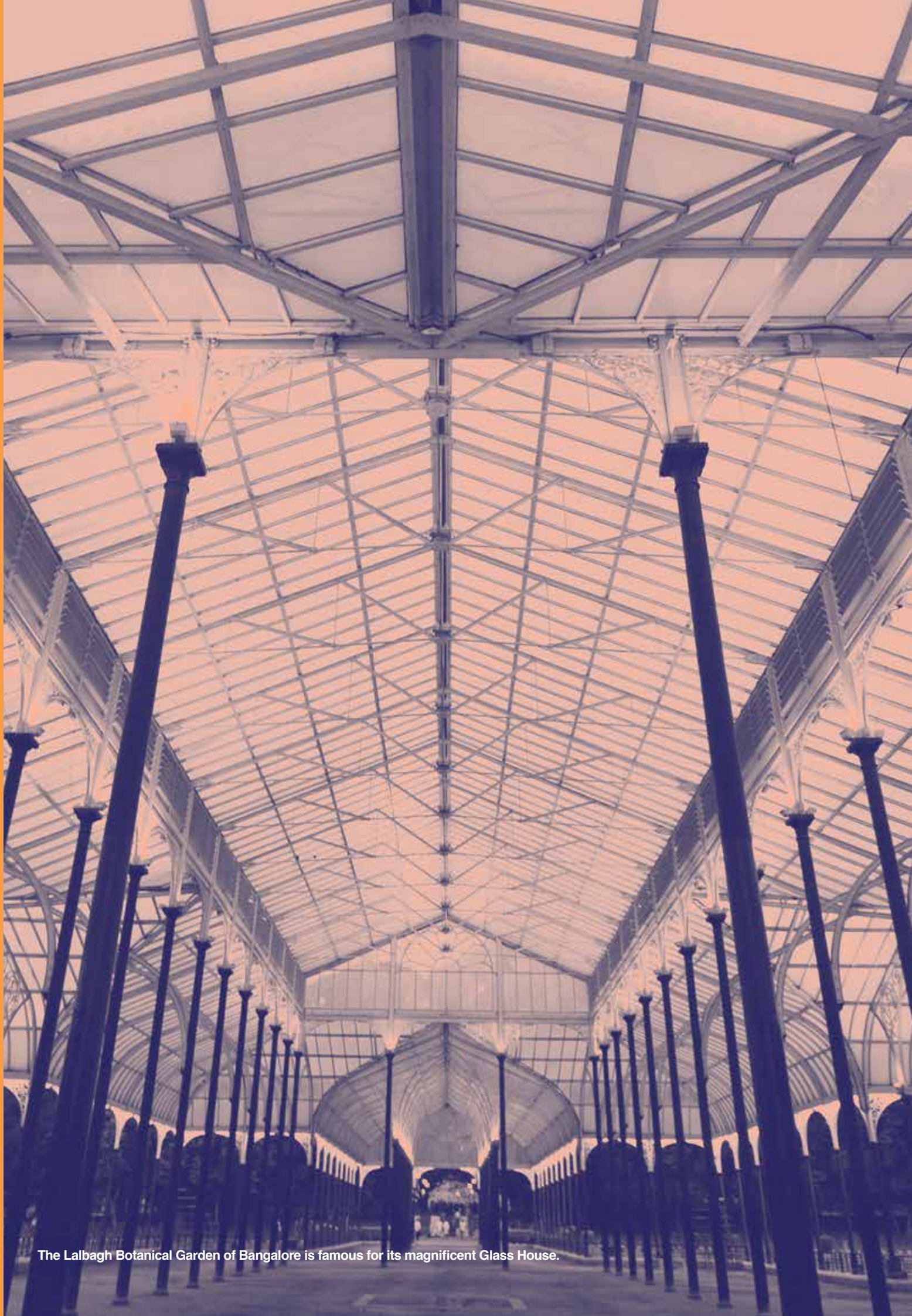
Topic	Summary	For More Information
<p><b>What are the key terms of the Fund Administration Agreement?</b></p>	<p>The Fund Administrator has entered into a Fund Administration Agreement with the Company for provision of investment management and strategic management services to the Company. In addition, the Fund Administrator may provide operational management services to the Company (at the Company's cost). Further details of services to be provided by the Fund Administrator to the Company are set out in section 13.1.1.</p> <p>The Fund Administrator is entitled to a Management Fee of 1.25% per annum of the Net Asset Value (NAV) of the Portfolio as calculated on the last Business Day of each calendar month. All direct and indirect costs of operating the Company as a separate listed entity, including ASX listing and corporate costs, will be borne by the Company. The Management Fee is inclusive of all usual business and operating expenses of the Fund Administrator, including remuneration of key executives, travel and accommodation. The Management Fee payable to the Portfolio Manager is payable out of the Management Fee payable to the Fund Administrator.</p> <p>The Fund Administrator is also entitled to a Performance Fee of 15% of the increase of the Net Asset Value of the Portfolio over the S&amp;P CNX 500 Index between the beginning and the end of each month. Past underperformance of the Portfolio is recovered before any fee is payable. The Performance Fee payable to the Portfolio Manager, if any, is payable out of any Performance Fee payable to the Fund Administrator.</p> <p>The Fund Administration Agreement will be for an initial term of 10 years. Upon expiration of the initial term, the Fund Administration Agreement will continue for rolling 5 year periods, until terminated by either party in accordance with the terms of the Fund Administration Agreement.</p>	<p>Sections 7.2.1 and 13.1.1</p>
<p><b>What are the key terms of the Portfolio Management Agreement?</b></p>	<p>The Portfolio Manager will be responsible for managing the Portfolio, in accordance with Company's investment strategy set out in section 13.1.2.</p> <p>The Portfolio Manager is entitled to a Management Fee of 40% of the Management Fee payable to the Fund Administrator calculated on the last Business Day of each month.</p> <p>In addition, the Portfolio Manager is entitled to a Performance Fee of 60% of the Performance Fee payable to the Fund Administrator calculated on the last Business Day of each month.</p> <p>The Portfolio Management Agreement is for the same term as the Fund Administrator's term under the Fund Administration Agreement being, an initial term of 10 years. Upon expiration of the initial 10 year term, and subject to the continuation of the Fund Administration Agreement, the Portfolio Management Agreement will continue for rolling 5 year periods, until terminated by either party in accordance with the terms of the Portfolio Management Agreement or until the Fund Administration Agreement is terminated.</p>	<p>Section 13.1.2</p>
<p><b>Does the Board approve investments?</b></p>	<p>Board approval is not required for investments undertaken by the Portfolio Manager but investment decisions will be made in accordance with the Company's investment objectives, strategies, guidelines and permitted investments. Any proposed investments outside of the pre-determined parameters must be approved by the Board of the Company in consultation with the Fund Administrator prior to the investment being entered into by the Portfolio Manager.</p>	<p>Section 13</p>
<p><b>What is the Company's dividend policy?</b></p>	<p>The Company intends to pay dividends from realised capital profits received from its investments and dividends received on shares held in the Portfolio, to the extent that it is considered prudent and appropriate to do so.</p> <p>The Company intends to pay dividends twice annually (franked to the extent of available franking credits). However, to the extent the Directors consider it prudent and appropriate to do so, the payment of any dividends is dependent on a number of factors including distributable earnings, the Company's franking credit position, operating results, cash flow, financial and taxation positions, anticipated future capital requirements and other relevant factors.</p> <p>The Board cannot give any assurance as to payment of future dividends or the level of franking of such dividends.</p>	<p>Section 2.17</p>
<p><b>Does the Company have any other material contracts?</b></p>	<p>In addition to the Fund Administration Agreement and the Portfolio Management Agreement, the Company has entered into a Custodian Agreement with Kotak Mahindra Bank Limited and a Mandate Agreement with Sequoia Asset Management Pty Limited.</p> <p>The Custodian Agreement between the Company and Kotak Mahindra Bank Limited governs the provision of custodian services to the Company by Kotak Mahindra Bank</p>	<p>Section 13</p>

Continued over page ►

Topic	Summary	For More Information									
	<p>Limited in relation to the Company's investments deposited with the Custodian.</p> <p>The Mandate Agreement governs Sequoia Asset Management Pty Limited's appointment as Lead Manager of the Offer.</p> <p>The Authorised Intermediary Agreement includes provisions governing the Lead Manager's authorisation as the Authorised Intermediary.</p> <p>Further details of all material contracts can be found in section 13.</p>										
<b>Overview of the Offer</b>											
<b>What is the Offer?</b>	<p>The Company is offering fully paid ordinary Shares together with one Option for every Share subscribed for under the Offer to raise a minimum of \$16 million and up to \$50 million.</p> <p>The Options are exercisable at a price of \$1 per Share on or before the Expiry Date of 31 May 2018.</p>	Section 2.1									
<b>Who is the issuer?</b>	India Fund Limited [ACN 603 338 969], a public company limited by shares, registered in Victoria.	Section 4									
<b>Why is the Offer being conducted?</b>	The Company is offering Shares and Options to raise funds to undertake the investments in Indian listed Equities as set out in this Prospectus, as well as to pay the costs of the Offer and obtain listing on ASX.	Sections 2.4 and 7									
<b>What is the minimum application size?</b>	Applications must be for a minimum of 2,000 Shares or \$2,000. Applications may be made for additional Shares in multiples of 500 Shares or \$500. For every Share you apply for you will receive one Option.	Section 2.8									
<b>How can I apply?</b>	<p>Applicants under the Broker Firm Offer should contact their broker for instructions on how to complete the Broker Firm Offer Application Form accompanying this Prospectus.</p> <p>Applicants who are applying for Shares under the General Public Offer may apply for Shares by completing the Application Form accompanying or included in this Prospectus or online at <a href="https://events.miraqle.com/INF-IPO">https://events.miraqle.com/INF-IPO</a>. Any Applicants applying online must personally complete an online Application Form. Application Forms completed online must not be completed by third parties, including authorised third parties (eg. the Applicant's broker).</p>	Section 2.8									
<b>What is the capital structure of the Company following completion of the Offer?</b>	<p>On completion of the Offer, the capital structure of the Company will be as set out below:</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th></th> <th>Minimum Subscription \$16,000,000</th> <th>Maximum Subscription \$50,000,000</th> </tr> </thead> <tbody> <tr> <td>Shares</td> <td>16,125,000</td> <td>50,125,000</td> </tr> <tr> <td>Options</td> <td>16,125,000</td> <td>50,125,000</td> </tr> </tbody> </table>		Minimum Subscription \$16,000,000	Maximum Subscription \$50,000,000	Shares	16,125,000	50,125,000	Options	16,125,000	50,125,000	Section 2.3
	Minimum Subscription \$16,000,000	Maximum Subscription \$50,000,000									
Shares	16,125,000	50,125,000									
Options	16,125,000	50,125,000									
<b>How is the Offer structured?</b>	<p>The Offer comprises the:</p> <ul style="list-style-type: none"> <li>• Broker Firm Offer; and</li> <li>• General Public Offer.</li> </ul>	Section 2.1									
<b>Who can participate in the Offer?</b>	<p>Investors that have a registered address in Australia or New Zealand can participate in the General Public Offer.</p> <p>The Broker Firm Offer is open to persons who have received a firm allocation from their broker and who are Applicants who have a registered address in Australia or New Zealand.</p>	Section 2.8									

Topic	Summary	For More Information
<b>Who is the Lead Manager to the Offer?</b>	The Lead Manager to the Offer is Sequoia Asset Management Pty Limited (ACN 135 907 550) (AFSL 341506).	Section 2.15
<b>Is the Offer underwritten?</b>	The Offer is not underwritten.	Section 2.16
<b>What do Applicant's pay when applying under the Offer?</b>	All Applicants under both the Broker Firm Offer and the General Public Offer pay \$1.00 for each Share subscribed for under this Prospectus.	Section 2.8
<b>What is the allocation policy?</b>	Allocation of Shares under the Offer is at the absolute discretion of the Lead Manager, in consultation with the Company.  In allocating Shares, it is the intention of the Board to ensure that the Company has an adequate spread of Shareholders.	Section 2.10
<b>What fees and costs are payable to the Lead Manager to the Offer?</b>	The Company will pay the Lead Manager: <ul style="list-style-type: none"> <li>a selling fee of 3.25% (plus GST) of the IPO Proceeds from which all broker firm fees and other selling fees will be deducted.</li> </ul>	Sections 2.9 and 13.1
<b>Will the Shares and Options be listed?</b>	The Company will apply to ASX to be admitted to the Official List and for the Shares and Options offered under this Prospectus (as well as existing Shares and Options) to be admitted to ASX for quotation.	Section 2.13
<b>What are the tax implications of investing in Shares?</b>	The tax consequences for an investor in the Shares and Options offered by this Prospectus will depend on the investor's particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest in the Securities.  An Independent Taxation Report has been prepared by ShineWing Australia Pty Ltd for general information purposes only and to provide a summary of the various income tax issues affecting the Company and its Shareholders.  The Independent Taxation Report is not intended to be a substitute for investors obtaining their own independent taxation advice in relation to their personal circumstances.	Sections 2.11 and 12
<b>What are the consequences of the Company's status as a LIC?</b>	On the payment of a dividend to investors (and if that dividend is attributable to a LIC capital gain), that dividend may attract concessional tax treatment in the hands of Shareholders similar to those benefits conferred by discount capital gains.	Sections 2.12 and 11
<b>When will I receive confirmation that my Application has been successful?</b>	The Company expects that holding statements will be sent to Shareholders on or around 25 August 2016.  If you apply for Securities through the Broker Firm Offer, you should contact your Broker to confirm your allocation.	Section 2.7
<b>Can the Offer be withdrawn?</b>	The Company reserves the right not to proceed with the Offer at any time before the issue of Shares and Options.  If the Offer does not proceed, Application Monies will be refunded in full without interest.	Section 2.8
<b>Is there a cooling-off period?</b>	No.	Important Notices

Topic	Summary	For More Information
<p><b>Where can I find key financial information relating to the Company?</b></p>	<p>The Company was incorporated on 12 December 2014.</p> <p>The Company has no outstanding liabilities in respect of costs incurred in its initial public offering under a Prospectus dated 25 May 2015, which was withdrawn on 24 June 2015.</p> <p>Pro forma statements indicating the expected financial position of the Company under a range of assumptions are set out in Section 10.</p>	<p>Sections 10 and 11</p>
<p><b>How can I obtain further information?</b></p>	<p>If you would like more information or have any questions relating to the Offer, please call the Share Registrar's offer information line on 1300 788 598 (within Australia) or +61 2 8767 1348 (outside Australia).</p> <p>If you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant, solicitor or independent financial adviser.</p>	<p>Important Notices</p>
<p><b>Key information on the experience and background of the Directors, the Fund Administrator and the Portfolio Manager</b></p>		
<p><b>Who are the Directors and what is their experience?</b></p>	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> <li>• John Pereira – Executive Chairman</li> <li>• David Carruthers – Non-Executive Director</li> <li>• Sam Kavourakis – Non-Executive Director</li> <li>• Clifford Clayton – Non-Executive Director</li> </ul> <p>Please refer to section 8.1 for further details regarding the background of the Directors.</p>	<p>Section 8.1</p>
<p><b>What are the Directors to be paid?</b></p>	<p>It is proposed that the Directors will receive the following fees (exclusive of superannuation) for the year commencing when the Company is admitted to the Official List of ASX:</p> <ul style="list-style-type: none"> <li>• John Pereira – Nil</li> <li>• David Carruthers – \$25,000</li> <li>• Sam Kavourakis – \$25,000</li> <li>• Clifford Clayton – \$25,000</li> </ul> <p><b>All Directors' fees shall be paid by the Fund Administrator.</b></p>	<p>Section 8.2</p>



The Lalbagh Botanical Garden of Bangalore is famous for its magnificent Glass House.

# 2 Details of the Offer

## 2.1 Description of the Offer

The Company is seeking to raise up to \$50,000,000 by issuing up to 50,000,000 Shares at \$1.00 per Share.

For each Share issued, subscribers will receive one Option. The Option will only be issued in conjunction with an application for Shares based on a 1:1 entitlement.

Each Option will be exercisable at \$1.00, and may be exercised at any time from the Date of Listing until the Expiry Date. Full details and conditions of the Options are set out in Section 13.4.

The Company will apply to ASX within 7 days after the date of this Prospectus for admission to the Official List of ASX and for quotation of the Shares and Options issued under the Offer.

All of the Shares offered under this Prospectus are fully paid ordinary shares and will rank equally with all Shares currently on issue in the Company. The rights and liabilities attaching to Shares are described further in Section 13.3.

### The Offer comprises:

- the Broker Firm Offer, which is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand. Applicants who have been offered a firm allocation by a Broker will be treated as Applicants under the Broker Firm Offer in respect of that allocation. Applicants should contact their Broker to determine whether they may be allocated Securities under the Broker Firm Offer.  
(see Section 2.8.2 for information on how to apply); and
- the General Public Offer, open to investors who have a registered address in Australia or New Zealand.  
(see Section 2.8.3 for information on how to apply).

## 2.2 Minimum Subscription

The Minimum Subscription for the Offer is 16,000,000 Shares each with one Option per Share to raise \$16,000,000. No Shares or Options will be issued pursuant to this Prospectus unless the Minimum Subscription amount is received.

If the Minimum Subscription is not received within four months after the date of this Prospectus, the Company will either repay the Application Monies to Applicants without interest or (subject to any necessary ASIC or ASX waivers or consents being obtained) issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their application and be repaid their Application Monies. Interest will not be paid on Application Monies refunded.

The Company reserves the right to place Shares and Options up to the maximum number referred to in this Prospectus after the Closing Date (but before the Company is admitted to the Official List of ASX) in consultation with the Lead Manager.

## 2.3 Capital Structure

The tables below set out the proposed capital structure of the Company.

Shares	Minimum Number	\$	Maximum Number	\$
Shares currently on issue	125,000	100,400	125,000	100,400
New Shares offered under this Prospectus	16,000,000	16,000,000	50,000,000	50,000,000
<b>TOTAL SHARES ON ISSUE ON COMPLETION OF THE OFFER</b>	<b>16,125,000</b>	<b>16,100,400</b>	<b>50,125,000</b>	<b>50,100,400</b>

Options	Minimum Number	Maximum Number
Options currently on issue	125,000	125,000
New Options offered under this Prospectus	16,000,000	50,000,000
<b>TOTAL OPTIONS ON ISSUE ON COMPLETION OF THE OFFER</b>	<b>16,125,000</b>	<b>50,125,000</b>

## 2.4 Use of Proceeds

The Company will use funds received from the Offer to purchase a Portfolio of Indian listed Equities, pay expenses of the Offer and for working capital.

The proposed use of the proceeds of the Offer is:

Subscription Amount	\$16,000,000 (Minimum) \$	\$50,000,000 (Maximum) \$
Investment in Indian Equities Portfolio	\$14,344,960	\$47,174,935
Working capital (Maximum) <sup>1</sup>	\$875,000	\$875,000
Expenses of the Offer <sup>2</sup>	\$780,040	\$1,950,065
<b>Total Proceeds</b>	<b>\$16,000,000</b>	<b>\$50,000,000</b>

1. Refer Section 7.7 for further details

2. Refer Section 13.8 for further details

## 2.5 Working Capital Adequacy

The Directors are satisfied that upon completion of the Offer, the Company will have sufficient funds to carry out its stated objectives. Working capital will be retained in Australia, see details in Section 7.7. Further funding, if required, may be sourced from cash generated by distributions from the Portfolio or, where appropriate and available to the Company, further equity raisings or borrowings.

## 2.6 Restricted Securities

The ASX may classify some or all of the existing issued Shares and Options as being subject to the restricted securities provisions of the ASX Listing Rules. If applicable, those securities will be required to be held in escrow for a period determined by the ASX.

The Company expects that of the 125,000 Shares issued to an entity controlled by Mr John Pereira, 100,000 will be free trading and 25,000 will be subject to a two year restriction period imposed by ASX from the date of quotation.

## 2.7 Opening and Closing Date of the Offer

The Opening Date of the Offer will be 27 July 2016 at 9.00am (Melbourne, Victoria time) and the Closing Date of the Offer to the public will be 15 August 2016 at 5.00pm (Melbourne, Victoria time).

The Directors of the Company reserve the right to:

- (1) close the Offer early without prior notice; or
- (2) vary, subject to the Corporations Act, any of the dates set out in this Prospectus, including extending the Closing Date.

Date of Prospectus	19 July 2016
Opening Date	27 July 2016*
Closing Date	15 August 2016
Proposed issue date of Shares and Options	22 August 2016
Despatch of Holding Statements	25 August 2016
Trading of Shares on ASX expected to commence	31 August 2016

\* Unless the Exposure Period is extended for a further 7 days.

The above dates are indicative only and may vary subject to the requirements of the Listing Rules and the Corporations Act. The Company reserves the right to accept late applications.

## 2.8 How to Apply

Applications under this Offer can only be made by completing and lodging the Application Form forming part of or accompanying this Prospectus. The Application Form contains detailed instructions on how it is to be completed.

### 2.8.1 Minimum Application Amount

Applications must be for a minimum of 2,000 Shares or \$2,000. Applications may be made for additional Shares in multiples of 500 Shares or \$500. For every Share you apply for you will receive one Option.

There is no maximum amount that may be applied for under the Offer.

The Company reserves the right to reject any Application or to allocate a lesser number of Shares than was applied for, refer Section 2.10 for a detailed description of the Company's allocation policy.

### 2.8.2 How to apply: Broker Firm Offer

#### Who can apply

The Broker Firm Offer is open only to Australian and New Zealand residents who have received a Broker Firm Offer allocation of Shares and Options from their broker.

#### How to apply

To apply for Shares and Options under the Broker Firm Offer, you must complete the Application Form attached to, or accompanying, this Prospectus and return it, along with your application payment to your broker who has given you your Broker Firm Offer allocation. Your broker will provide you with details about how and when to submit your Application Form and Application Monies.

#### **Applications made under the Broker Firm Offer should not be submitted through the Share Registrar**

If you elect to participate in the Broker Firm Offer, your broker will act as your agent in submitting your Application Form and Application Monies to the Share Registrar. It will be your broker's responsibility to ensure that your Application Form and Application Monies are received by the Share Registrar by the Closing Date.

The Company, the Share Registrar and the Lead Manager take no responsibility for any acts or omissions by your broker in connection with your Application, Application Form or Application Monies (including, without limitation, failure to submit Application Forms by the close of the Broker Firm Offer).

Please contact your broker if you have any questions.

### 2.8.3 How to apply: General Public Offer

#### Who can apply

The General Public Offer is open only to Australian and New Zealand residents.

#### How to apply

To apply under the General Public Offer, you should complete the Application Form provided in this Prospectus and submit it to the Share Registrar, along with the Application Monies. Alternatively you may apply online at <https://events.miraqle.com/INF-IPO> and pay via BPAY®. Please note that Application Monies must be paid in full at the Offer Price in Australian Dollars. Applicants under the General Public Offer must apply for a minimum of 2,000 Shares or \$2,000. Applications may be made for additional Shares in multiples of 500 Shares or \$500. For every Share you apply for you will receive one Option. There is no maximum value of Shares that may be applied for under the General Public Offer. However, the Lead Manager, in consultation with the Company, reserves the right to reject or scale back any Applications in the General Public Offer (refer to the Company's allocation policy at Section 2.10).

Completed Application Forms and Application Monies should be forwarded to reach the Share Registrar by 5.00pm (Melbourne, Victoria time) on 15 August 2016.

#### Share Registrar delivery addresses

##### By post to:

India Fund Limited  
c/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

##### or by hand delivery to:

India Fund Limited  
c/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

General Public Offer Application Forms and Application Monies will not be accepted at any other address.

### **2.8.4 Application Monies**

Application Monies may be paid by BPAY® (see below), personal cheque or bank cheque. Cheques must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed 'Not Negotiable' and made payable:
  - o for Applicants under the General Public Offer, to: India Fund Limited; or
  - o for Applicants in the Broker Firm Offer, in accordance with the instructions of the broker from whom you have received an allocation.

Applicants should ensure that sufficient funds are held in their relevant accounts to ensure that cheques are cleared. If the amount of cheques and/or bank drafts for Application Monies is insufficient to pay for the amount you have applied for in your Application Form, you will be taken to have applied for such lower amount as your cleared Application Monies will pay for.

Applications which do not meet these requirements may be refused at the discretion of the Lead Manager, in consultation with the Directors.

### **2.8.5 Paying your Application Monies by BPAY®**

Australian Applicants may apply for Shares and Options online and pay their Application Monies by BPAY®. Australian investors wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of the Prospectus which is available at <https://events.miraql.com/INF-IPO> and follow the instructions on the online Application Form (which includes the biller code and your unique customer reference number).

Any Applicant applying online must personally complete the online Application Form and pay Application Monies via BPAY® only. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions.

When completing your BPAY® payment, please make sure you use the specific biller code and your unique customer reference number provided on the online Application Form. If you do not use the correct customer reference number, your Application may not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies or payments by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

### **2.8.6 Withdrawal of the Offer**

The Company reserves the right not to proceed with the Offer or any part of it at any time before issuing of the Shares and Options. If the Offer or any part of it does not proceed or is cancelled, all Application Monies will be refunded in full to Applicants without interest.

## **2.9 Brokerage, Stamp Duty and Commission**

No brokerage or stamp duty is payable by Applicants for the acquisition of Shares and Options under the Offer.

The Company will pay the Lead Manager:

- a selling fee of 3.25% (plus GST) of the total IPO Proceeds from which all broker firm fees and other selling fees, if any are to be provided.

## **2.10 Allocation and Issue**

Application Forms received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be given to Application Forms received during the Exposure Period and all Application Forms received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

The basis of allocation of Securities under the Offer will be determined by the Lead Manager in consultation with the Company.

Existing Shareholders, Directors and employees of the Company and the Fund Administrator are permitted to participate in the Offer.

Shares and Options applied for under this Prospectus will be allocated as soon as practicable after the Closing Date. Application Monies will be held on trust in an offer subscription account in accordance with the Corporations Act until Shares and Options are issued.

Interest on Application Monies will be for the benefit of the Company and will be retained by the Company, irrespective of whether Shares and Options are issued.

No allotment of Shares or Options will be made until the Minimum Subscription for the Offer has been received and permission has been granted by ASX for admission to quotation of the Shares on terms acceptable to the Directors.

The Directors of the Company reserve the right, in respect of the General Public Offer, to accept any General Public Offer application in full, accept Applications for any lesser number of Shares and Options or decline any Application. Applicants must not assume that the Shares and Options they apply for, or any number of Shares and Options, will be issued to them in response to their application. Before

dealing in any Shares and Options, Applicants must satisfy themselves as to their actual holding of Shares and Options.

The Directors may treat incomplete Application Forms as valid and may make corrections reasonably required to give effect to an Application Form, provided that no Application will be treated as an Application for more than the number of Shares and Options represented by the Application Monies accompanying the Application. If cleared funds are not received before issuing Securities, or if a cheque is dishonoured, the Application may be rejected by the Directors, or the Company may issue the Shares and Options and sue for the Application Monies as a debt.

If any Application is unsuccessful, in whole or in part, the relevant Application Monies will be repaid to the Applicant without interest. Where the number of Shares and Options issued is less than the number applied for by the Applicant, the surplus Application Monies will be returned by cheque to the Applicant. Where no Shares are issued, the Application Monies will be returned in full by cheque. Irrespective of whether allotment of Shares and Options takes place any interest earned on the Application Monies will not be refunded.

## 2.11 Tax implications of investing in the Company

The taxation consequences of any investment in the Securities will depend on investors' particular circumstances. It is each investor's responsibility to make their own enquiries concerning the taxation consequences of an investment in the Company.

An Independent Taxation Report has been prepared by ShineWing Australia Pty Ltd to provide a general summary of the income tax issued affecting the Company and Shareholders and is included in this Prospectus at Section 12. The information contained in Section 12 is not intended as a substitute for investors obtaining their own independent taxation advice in relation to their personal circumstances.

## 2.12 Listed Investment Company Issues

### 2.12.1 Regulatory Issues

While Shareholders in the Company will hold shares in an ASX Listed Investment Company regulated by, and their rights and remedies will be governed by, the Australian legislative and regulatory regime, the investments made by the Company will be subject to, and the Company's rights and remedies as a shareholder in companies domiciled in India will be governed by, the Indian legislative and regulatory regime.

The relevant Indian legislation and regulations governing the proposed investment activities of the Company are detailed in section 3.4 while the specific limitations on the Company's proposed investment activities are detailed in section 3.5.

To invest in Indian listed Equities the Company must be registered as a Foreign Portfolio Investor and comply with the SEBI (Foreign Portfolio Investors) Regulations, 2014 which provide the framework under which FPIs can participate in the Indian securities market (refer to section 3.4.1).

### 2.12.2 Tax Issues

On the basis of the current investment strategy, the Directors expect that the Company will be considered to hold its investments on capital account for Australian taxation purposes.

It is a question of fact whether the Shares are held on capital account. The following factors would generally lead to the conclusion that the Shares are held on capital rather than revenue account:

- A low average annual turnover;
- A lack of regularity in sale activity;
- A high proportion of shares sold have been held for a significant number of years;
- A low level of sales transactions compared to the number of shares in the portfolio;
- Profits on sale normally constitute a small percentage of total income; and
- Significant percentage of 'aged' stocks remains in the portfolio.

Therefore, if the Company's investment objectives depart from the above parameters, then this could increase the likelihood that investments are held as trading stock or on revenue account.

When investments are held on capital account, the profits made from its share activities will not form part of its ordinary income but are considered to be statutory capital profits subject to the capital gains tax regime. The capital gain will be taxable at 30%, but be reduced by foreign tax credit.

On the payment of a dividend to its investors (where some or all of that dividend is attributable to a LIC capital gain), then that dividend may attract concessional tax treatment in the hands of Shareholders similar to those benefits conferred by discount capital gains.

## 2.13 ASX Listing

The Company will apply for the Shares and Options offered by this Prospectus to be admitted to ASX for quotation as separate classes of securities within seven days of the date of this Prospectus.

The fact that ASX may admit the Company to the Official List or admit its Securities to quotation is not to be taken in any way as an indication of the merits of the Company or of the Securities offered by this Prospectus. Normal settlement trading of the Shares and Options, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

If ASX does not admit the Shares and Options to quotation within three months after the date of issue of this Prospectus, the Company will either repay the Application Monies to Applicants without interest or (subject to any necessary ASIC or ASX waivers or consents being obtained) issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their application and be repaid their Application Monies. Interest will not be paid on Application Monies refunded.

## 2.14 CHESS and Issuer Sponsored Register

The Company will apply to participate in CHESS, in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

The Company will operate an issuer sponsored subregister through Link Market Services Limited. CHESS and the issuer sponsored sub-register will together make up the Company's registers of Securities.

The Company will not issue Share or Option certificates to holders but as soon as practicable after allocation, successful Applicants will receive Statements of Holding (similar to bank account statements) which set out the number of Shares and Options issued to them pursuant to this Prospectus. The statements will also set out each Shareholder's unique Security Holder Identification Number (HIN) (in the case of a holding on the CHESS subregister), or Security Holder Reference Number (SRN) (in the case of a holding on the issuer sponsored sub-register).

Investors will be provided with periodic statements from the Company's Share Registrar showing changes in their holdings of securities for periods in which changes occur. Investors may request a statement at any time. An administration fee may be charged for additional statements.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive confirmation of their allotment will do so at their own risk.

## 2.15 Lead Manager

Sequoia Asset Management Pty Limited has agreed with the Company to be Lead Manager to the Issue. They will use their best endeavours to successfully place the Shares and Options on Offer under this Prospectus.

## 2.16 Underwriting

The Offer is not underwritten.

## 2.17 Dividend Policy

The payment of dividends is subject to the Company's Constitution which has been lodged with ASIC.

The Company will, to the extent it is considered prudent and appropriate, pay dividends from realised capital profits and dividends it receives from its investments. Dividends will be franked to the extent that available franking credits permit. The Company intends to pay dividends twice a year provided sufficient profits are available for distribution.

The Board cannot give any assurance as to future dividend policy, the payment of future dividends or the level of franking of such dividends. The payment of dividends by the Company will be dependent on a number of factors including availability of distributable earnings, the Company's franking credit position, operating results, cash flow, financial and taxation positions, anticipated future capital requirements and any other factors considered relevant by the Board.

## 2.18 Dividend Reinvestment Plan

The Company has adopted a Dividend Reinvestment Plan to enable Shareholders to automatically reinvest dividends and receive new Shares. This will enable Shareholders to increase their holdings of Shares over the long term by reinvesting dividends payable to them in the Company.

Details of the Dividend Reinvestment Plan are set out in Section 13.5.

An invitation to participate in the Dividend Reinvestment Plan will be sent to Shareholders before the payment of the first dividend.

## 2.19 Reports to Shareholders

To assist Shareholders assess the value of the Company's Shares and Options, and to comply with the Listing Rules, within 14 days of the end of each month after Listing the Company will release to Shareholders through the ASX a statement of net tangible asset backing of its Shares as at the end of the preceding month. The calculation of the net tangible asset backing will be made in accordance with the Listing Rules.

## 2.20 Overseas Shareholders

This Offer is open only to Australian and New Zealand residents. No action has been taken to register or qualify the Shares of the Offer, or otherwise permit a public offering of Shares in any jurisdiction outside Australia and New Zealand.

The Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

It is the responsibility of all Applicants to ensure compliance with all laws of any relevant country. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by the Applicant to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

### **United States Residents**

The Securities being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor will there be any sale of these Securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging

transactions involving those securities may not be conducted unless in compliance with the US Securities Act.

## **2.21 Enquiries in Relation to the Offer**

This Prospectus provides information for potential investors in India Fund Limited and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in India Fund Limited, please contact your stockbroker, accountant or independent financial adviser.

Any investor participating in the Broker Firm Offer should contact their broker who has given them their Broker Firm Allocation if they have any questions about the Offer or how to complete the Application Form, or if they require additional copies of the Prospectus or Application Form.

Other investors with questions on how to complete the Application Form or who require additional copies of the Prospectus or Application Form should contact 1300 788 598 or refer to the Company's website at [www.indiafund.com.au](http://www.indiafund.com.au)

Application Forms cannot be passed on to any other person unless accompanied by a complete and unaltered copy of this Prospectus.



On June 18, 2016 India successfully set a record with launch of 20 satellites in a single payload, one being a satellite from Google.

# 3 India in Perspective

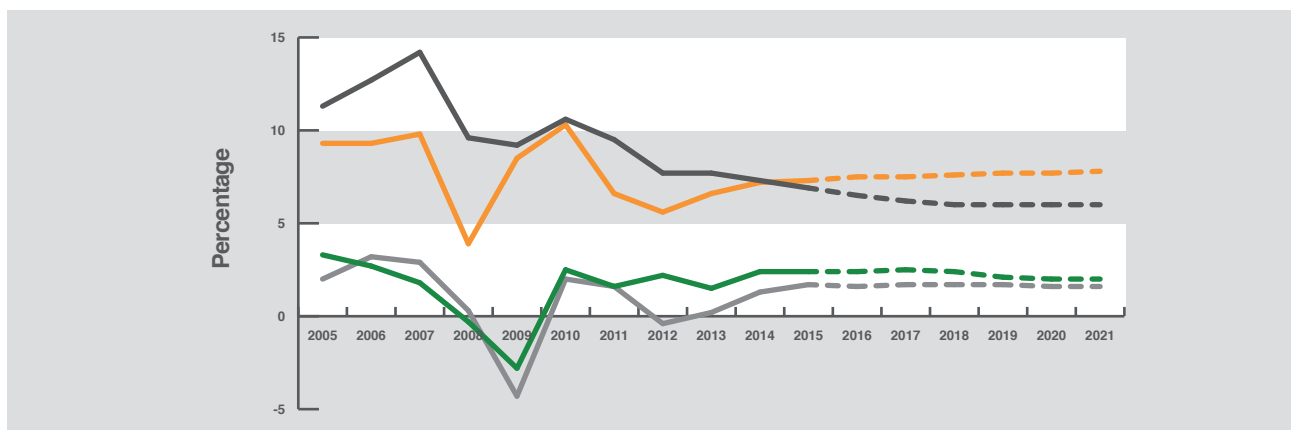
## 3.1 Market Overview

### 3.1.1 Economic Growth

India is the largest democracy in the world, and is well positioned for economic growth over the next three years.

#### GDP Growth

Source: IMF World Economic Outlook, April 2016



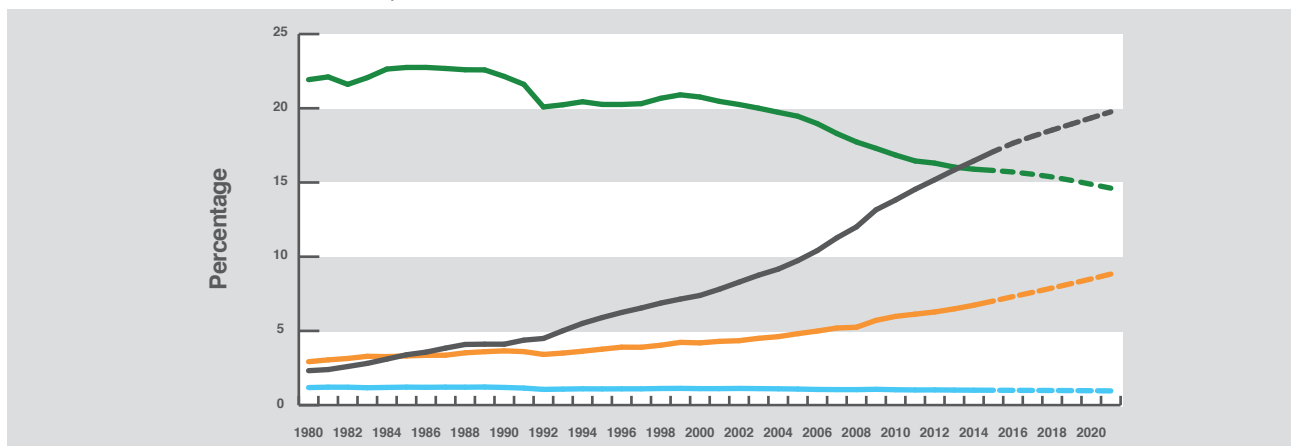
India China United States Western Europe

India's GDP exceeded US \$2 trillion in 2014 with a growth rate averaging 7.5%pa over the past 10 years. The GDP growth forecast for 2015-19 is projected to increase from 7.5%pa to 7.7%pa, an increase from the 6.4%pa to 6.7%pa projected in April 2015. (Source: International Monetary Fund ("IMF"))

The relatively high GDP growth in India is increasing its proportion of global GDP, such that it now accounts for over 7% of the world economy in comparison to Australia's 1% share.

#### Share of the World GDP (based on purchasing power parity)

Source: IMF World Economic Outlook, April 2016



United States China India Australia

With a vast pool of young skilled, English speaking manpower and extensive resources, India became the world's third largest economy in 2008 in terms of GDP at purchasing power parity, which is defined by the IMF as the rate at which the currency of one country would have to be converted into that of another country to buy the same amount of goods and services in each country.

### International Ranking of GDP

Source: IMF World Economic Outlook, April 2016

Country	2015 Int. \$ bn	2015 Rank (Actual)
China	19392.4	1
United States	17,947.0	2
<b>India</b>	<b>7,965.2</b>	<b>3</b>
Japan	4,830.1	4
Germany	3,840.6	5
Russian Federation	3,717.6	6
Brazil	3,192.4	7
United Kingdom	2,679.3	8
France	2,646.9	9
Italy	2,170.9	10
Canada	1,631.9	11
Australia	1,138.1	12

Int. \$ bn - "An international dollar would buy in the cited country a comparable amount of goods and services a U.S. dollar would buy in the United States. This term is often used in conjunction with Purchasing Power Parity (PPP) data." (Source: World Bank)

### 3.1.2 Inflation

#### Average CPI

Source: IMF World Economic Outlook, April 2016



## 3.2 Key Growth Drivers

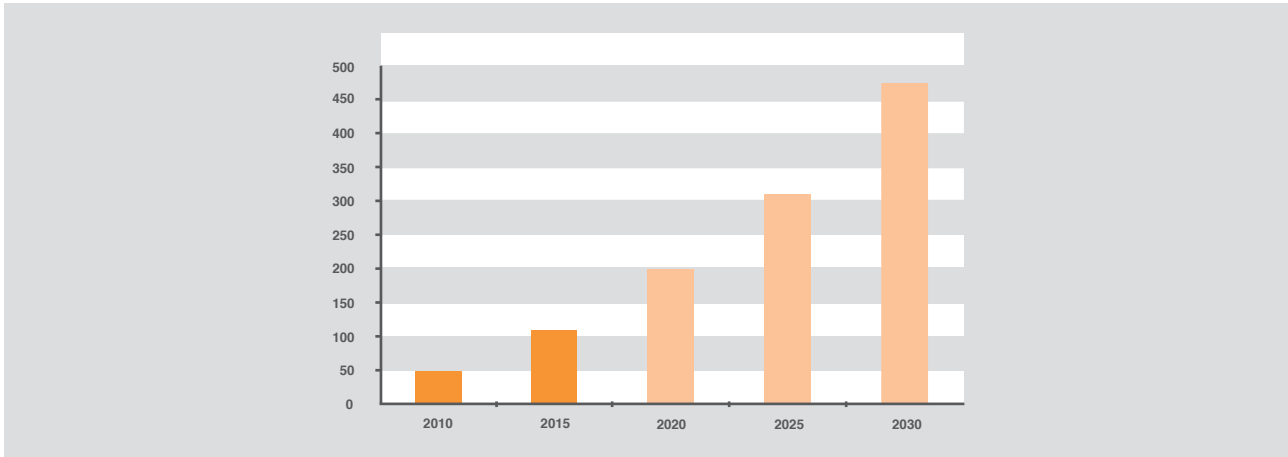
### 3.2.1 Economic Reform Agenda

India has been on a strong economic growth path relative to major advanced economies (G7) since reforms were introduced in 1991.

These have provided an environment that has substantially improved the economic welfare of the population and increased the middle class proportion of the population.

This transformation is supported by the decline in poverty levels and the growth, both actual and projected, of the middle class.

#### India's Global Middle Class (million of people)



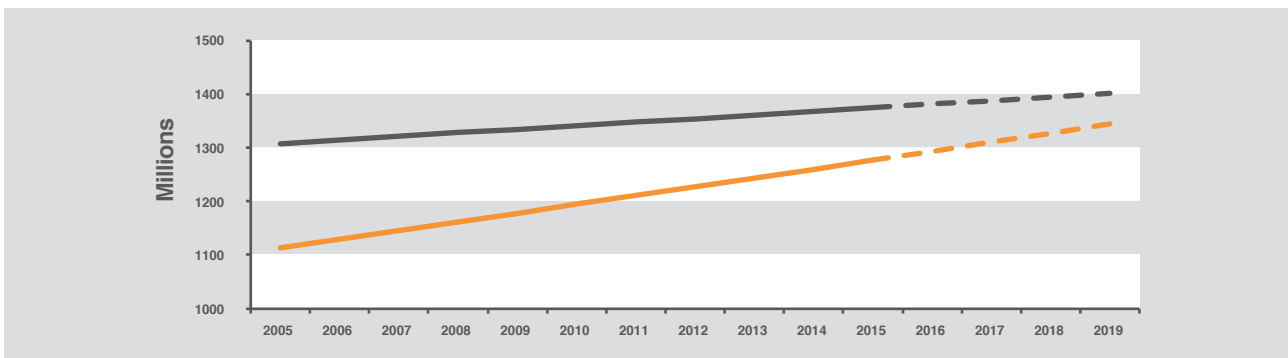
Source: Ernst & Young – Hitting the Sweet Spot

### 3.2.2 Demographics

With a current population of over 1.25 billion, India is the second most populated country in the world and is rapidly closing the gap on China as shown below:

#### Population

Source: IMF World Economic Outlook, April 2016



India China

This trend is underpinned by the comparatively low median age in India. The steady increase in affluence has driven growth through a high proportion of domestic demand (the proportion of GDP by domestic consumers):

#### Median Age/Private Domestic Spend

Source: United Nations/ Household Final Consumption Expenditure

Country	Median Age	Private Domestic Spend
India	26.9	60.4%
China	35.9	34.1%
Australia	38.3	55.0%

### 3.2.3 Key Investment Themes

Source: Kotak Mahindra Bank

#### Demographics led consumption



- Rising per capita income, media/internet foreign travel, post-liberalisation policies – driving aspirations
- Niche markets have become mass markets
- Large working age population ( 50% of population)
- Urbanization (33% of people live in urban areas)
- Robust rural economy

#### Financial Services



- A play on India's growing GDP and rising penetration of financial services
- Low household leverage
- Well regulated financial markets
- NPA recovery: An opportunity

#### Infrastructure



- Government focused on execution bottlenecks
- Monetary policy likely to be supportive
- Indian companies show capability to build large projects
- Private sector share in investments on the rise
- High savings rate at over 31% of GDP to fund growth

#### Outsourcing



- India has strong intellectual capital – amongst preferred destinations for outsourcing
- A win-win value proposition for customer and Indian service providers
- Proposition moving away from cost arbitrage to skill arbitrage with opportunities across the value chain
- Companies globally competitive

Refer to Section 9 for specific information about the key risks associated with an investment in the Company, including the risks arising from exposure to Indian financial markets; the potential inability of the Government to deliver on its reform agenda (refer section 9.2.1); the potential risk of the future underperformance of the Indian economy and stock markets; economic and market risks; and regulatory and sovereign risks associated with investing in India.

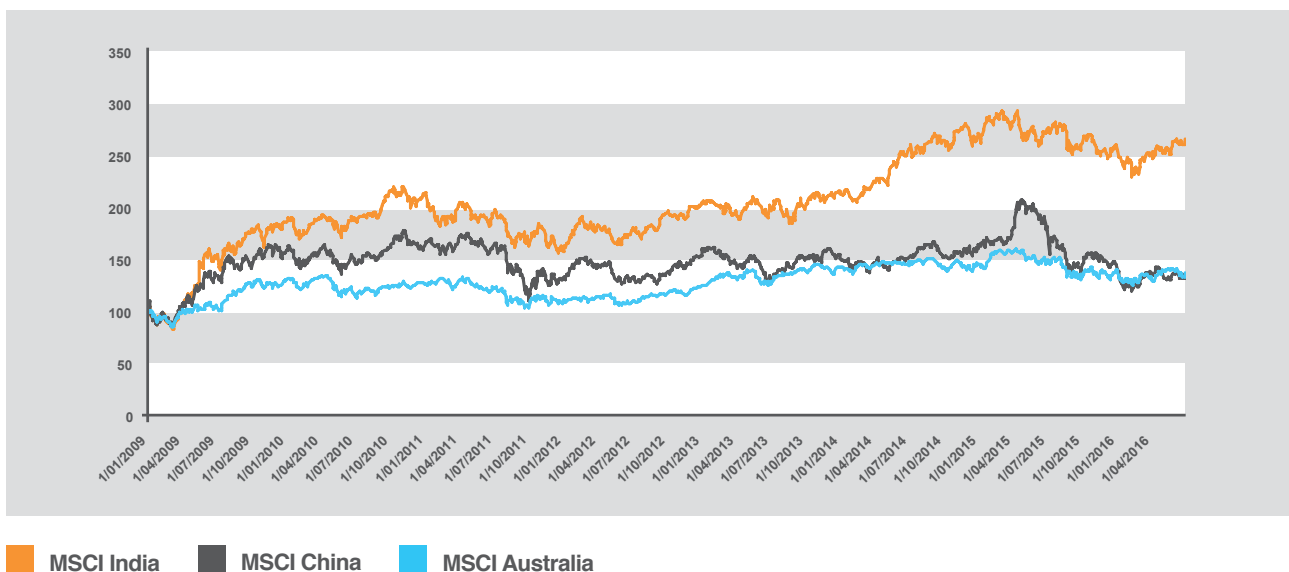
## 3.3 Securities Market

The Indian capital market is significant in terms of the degree of development, volume of trading and its growth potential.

### 3.3.1 Equities Market Growth

#### MSCI Index Performance

Source: Kotak Mahindra Bank, June 2016



NOTE: Rebased to 100 at 1 January 2009. All indices are total return and in their respective local currency.

### 3.3.2 Equities Markets in India

India has two principal stock exchanges, the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) both operating in Mumbai (Bombay). Whilst the NSE commenced equity trading in 1994, BSE's history dates back over 130 years, making it the oldest exchange in Asia. More than 90% of the top 50 Indian companies are listed on both exchanges.

Source: NSE, BSE, World Federation of Exchange members

	BSE	NSE
No. of companies listed	4,692	1,786
Market cap (A\$ bn)	2,067	2,037
Monthly turnover (Dec 15) (A\$ bn)	11.4	76.9
Settlement period	T+2	T+2
Financial reporting	Quarterly	Quarterly

All figures as at 31 December 2015

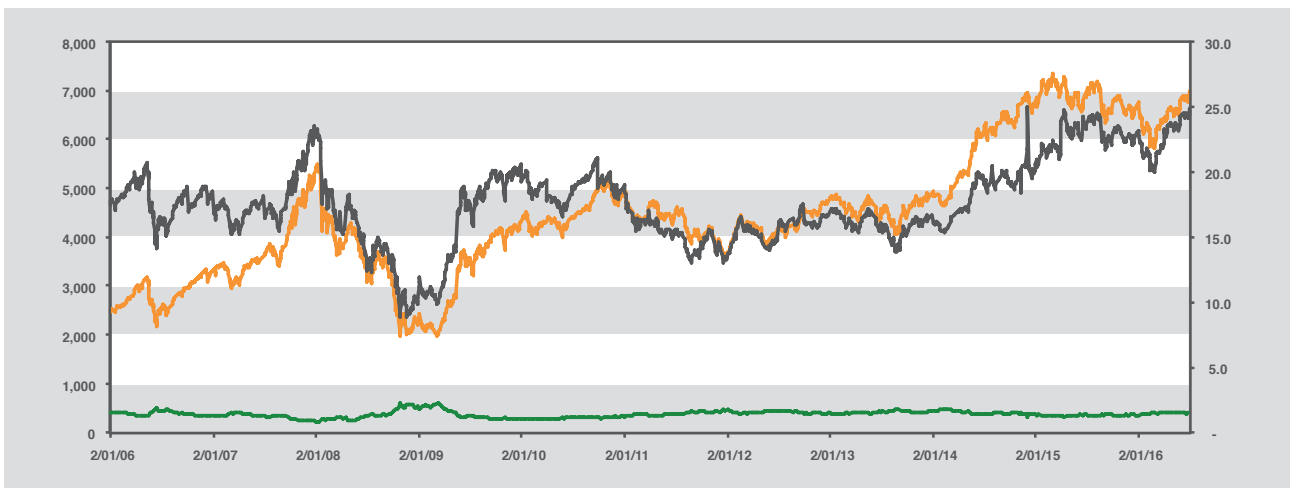
The BSE and NSE operate fully automated screen based trading systems and are open Monday to Friday, from 9.15 am to 3.30 pm IST. In addition, admission criteria consistent with global standards are in place and monitored through the Securities Contract (Regulations) Act 1956.

### 3.3.3 Equities Market Characteristics

The CNX 500 Index, represents a selection of the 500 largest and most liquid stocks determined by the National Stock Exchange and provides a reflection of the performance of the total market. This index has witnessed significant growth over the past decade.

#### NSE 500 Index, P/E Ratio and Dividend Yield

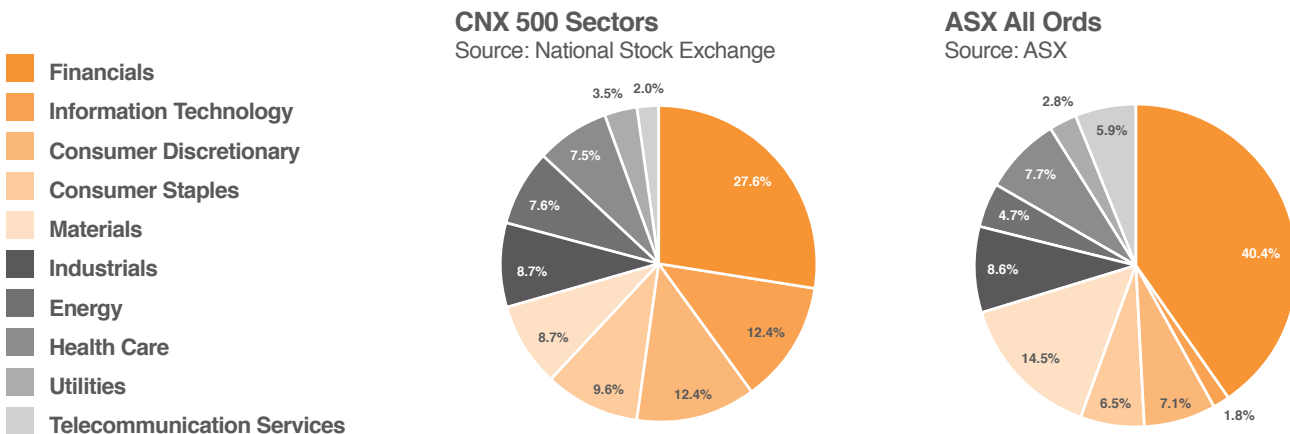
Source: Bloomberg June 2016



■ NSE 500 Index ■ Price Earnings Ratio (P/E) (RHS) ■ Dividend 12 Month Yld (RHS)

The P/E Ratio of the CNX 500 Index averaged 19.2 times over the past 5 years.  
The Dividend Yield of the CNX 500 Index averaged 1.5% over the past 5 years.

Unlike Australia's ASX All Ords Index, the constituent companies of the CNX 500 Index provide a broad exposure to all sectors of the Indian market.



The largest companies in the S & P CNX 500 index are as follows:

### Top 20 stocks by Market Cap Ticker - 30 June 2016

Source: National Stock Exchange

Company Name	Sector	Market Cap (AUD Bn)
Tata Consulting Services Ltd	Information Technology	74.5
Reliance Industries Ltd	Energy	46.5
HDFC Bank Ltd	Financials	44.1
ITC Ltd	Consumer Staples	43.9
Infosys Ltd	Information Technology	39.8
Coal India Ltd	Energy	29.3
Housing Development Finance Co	Financials	29.3
Oil & Natural Gas Corporation	Energy	27.4
Hindustan Unilever Ltd	Consumer Staples	28.8
Sun Pharmaceutical Industries	Health Care	27.2
State Bank of India	Financials	25.2
Tata Motors Ltd	Consumer Discretionary	21.8
Bharti Airtel Ltd	Telecommunications Services	21.7
Larsen & Toubro Ltd	Industrials	20.7
ICICI Bank Ltd	Financials	20.7
Wipro Ltd	Information Technology	20.4
Kotak Mahindra Bank Ltd	Financials	20.7
Axis Bank Ltd	Financials	18.9
NTPC Ltd	Utilities	19.1
Maruti Suzuki India Ltd	Consumer Discretionary	18.7

**Note:** The Company's Portfolio may from time to time include investments in one or more of the above companies, but will not necessarily include investments in any of these companies in particular amounts or proportions, or at all.

## 3.4 Indian Regulatory Framework

The responsibility for regulating the securities market in India is shared by the Department of Economic Affairs, Department of Company Affairs, Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI).

The main Indian legislation governing the securities markets are the:

- SEBI (Foreign Portfolio Investors) Regulations 2014;
- Foreign Direct Investment Policy of India issued on April 17, 2014;
- SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- SEBI (Prohibition of Insider Trading) Regulations, 1992;
- SEBI Act, 1992;
- Companies Act, 2013;
- Securities Contract (Regulations) Act, 1956;
- Depositories Act, 1996; and
- Taxation in India (as set out in the Independent Taxation Report in Section 12).

### 3.4.1 SEBI (Foreign Portfolio Investors) Regulations, 2014

The SEBI (Foreign Portfolio Investors) Regulations, 2014 provide the framework under which FPIs can participate in the Indian securities market and replaced the earlier regime of Foreign Institutional Investors. In order to invest in India as a FPI, the Company must be registered as a Category II or Category III FPI under the Regulations. The Regulations prescribe eligibility criteria for registration as a FPI, which *inter alia* includes financial soundness, sufficient experience, good track record and professional competence of the applicant. The applicant must also be categorised as a fit and proper person as per Schedule II of the SEBI (Intermediaries) Regulations, 2008. The Regulations also set out investment conditions and list down the securities in which a FPI is eligible to make investments and the limits thereof. Under the Regulations a FPI may *inter alia* invest in securities in primary and secondary markets including shares, debentures and warrants of listed or to be Indian listed companies, units of schemes floated by domestic mutual funds, whether or not listed on a recognised stock exchange, derivatives traded on a recognised stock exchange, treasury bills and dated government securities amongst others.

The Regulations also set out certain investment conditions for FPI investments such as that an individual FPI must hold below 10% shares in an Indian listed company. FPIs can transact in securities by taking and giving delivery of securities purchased and sold. Transactions on the stock exchanges will not be carried forward and will be made only through registered stock brokers. The Regulations prescribe certain obligations and responsibilities for FPIs which *inter alia* include informing SEBI of any material change in information, obtaining a permanent account number in India and obtaining an account with the depository.

### 3.4.2 Foreign Direct Investment Policy of India issued in April, 2014

Foreign direct investments in India are required to comply with the sectoral caps and conditions set out in the Foreign Direct Investment Policy. In sectors where foreign portfolio investment is allowed, the holding of an individual FPI is required to be capped below 10% of the capital of the Indian listed company. Further, the aggregate limit for all investments by FPIs, Foreign Institutional Investors and Qualified Institutions in an Indian listed company is required to be capped at 24% of the capital of the company. The aggregate limit of 24% can, however, be increased to the sectoral cap or statutory ceiling if the increase is approved by the board of directors and shareholders (through a special resolution) of the Indian listed company.

### **3.4.3 SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**

The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 issued under the Securities and Exchange Board of India Act, 1992 provide investors of an Indian listed company with an opportunity to exit in case of a change in control of the company. As per the provisions of the Regulations, an acquirer who seeks to acquire over 25% of shares or voting rights in an Indian listed company is required to make a mandatory open offer for the purchase of a minimum of 26% of shares of other investors of the company. The Regulations also prescribe a disclosure requirement in cases where an investor acquires over 5% of shares or voting rights in an Indian listed company. Further, investors holding over 5% of shares or voting rights are also required to disclose the purchase or sale of 2% or more of the shares or voting rights in the company in a financial year.

### **3.4.4 SEBI (Prohibition of Insider Trading) Regulations, 1992**

The SEBI (Prohibition of Insider Trading) Regulations, 1992 were issued under the SEBI Act, 1992 with the objective of preventing insider trading in respect of shares of Indian listed companies. The Regulations prescribe that an investor acquiring over 5% of shares or voting rights in an Indian listed company must disclose the same to the stock exchange (through the company). Further, an investor who holds 5% or more of shares or voting rights in the company, needs to disclose any purchase or sale of 2% or more of the shares or voting rights to the stock exchange (through the company). With effect from May, 2015, the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be replaced by the SEBI (Prohibition of Insider Trading) Regulations, 2015 (2015 Regulations). Therefore, investments by the Company will be governed by the 2015 Regulations. It is pertinent to note that the disclosure requirements under the 2015 Regulations are limited to “insiders” (i.e. persons having access to unpublished price sensitive information of the Indian listed company). Therefore, a FPI acquiring over 5% of shares or voting rights, or FPIs holding over 5% of shares or voting rights in an Indian listed company will not be required to make disclosures for the purchase or sale of 2% or more of the shares or voting rights in the company as long as the FPI is not an “insider”.

### **3.4.5 SEBI Act, 1992**

This Act was enacted to empower SEBI with statutory powers for:

- a. protecting the interests of investors in securities;
- b. promoting the development of the securities market; and
- c. regulating the securities market.

Its regulatory jurisdiction extends over corporates in the issuance of capital and transfer of securities, in addition to all intermediaries and persons associated with the securities market in India.

### **3.4.6 Companies Act, 2013**

This Act deals with the issue, allotment and transfer of securities and various aspects relating to company management. It also regulates underwriting, the use of premiums and discounts on issues, rights and bonus issues, payment of interest and dividends, supply of annual report and other information. Even though the Companies Act, 2013 has been notified in India to replace the Companies Act, 1956, certain provisions of the Companies Act, 1956 such as provisions relating to winding up, compromises and arrangements, continue to be effective until further notification

### **3.4.7 Securities Contracts (Regulation) Act, 1956**

This Act provides for direct and indirect control of virtually all aspects of securities trading including running of stock exchanges, and aims to prevent undesirable transactions in securities. It gives the Government regulatory jurisdiction over: (a) stock exchanges through a process of recognition and continued supervision; (b) contracts in securities; and (c) listing of securities on stock exchanges.

### **3.4.8 Depositories Act, 1996**

This Act provides for the establishment of depositories of securities to ensure transferability of securities with speed, accuracy and security. For this, these provisions have been made: (a) making securities of public limited companies freely transferable subject to certain exceptions; (b) dematerialising the securities in the depository mode; and (c) providing for maintenance of ownership records in a book entry form.

## **3.5 Foreign Portfolio Investor**

Participation by foreign investors in the Indian equity markets is restricted by the Government to Foreign Portfolio Investors.

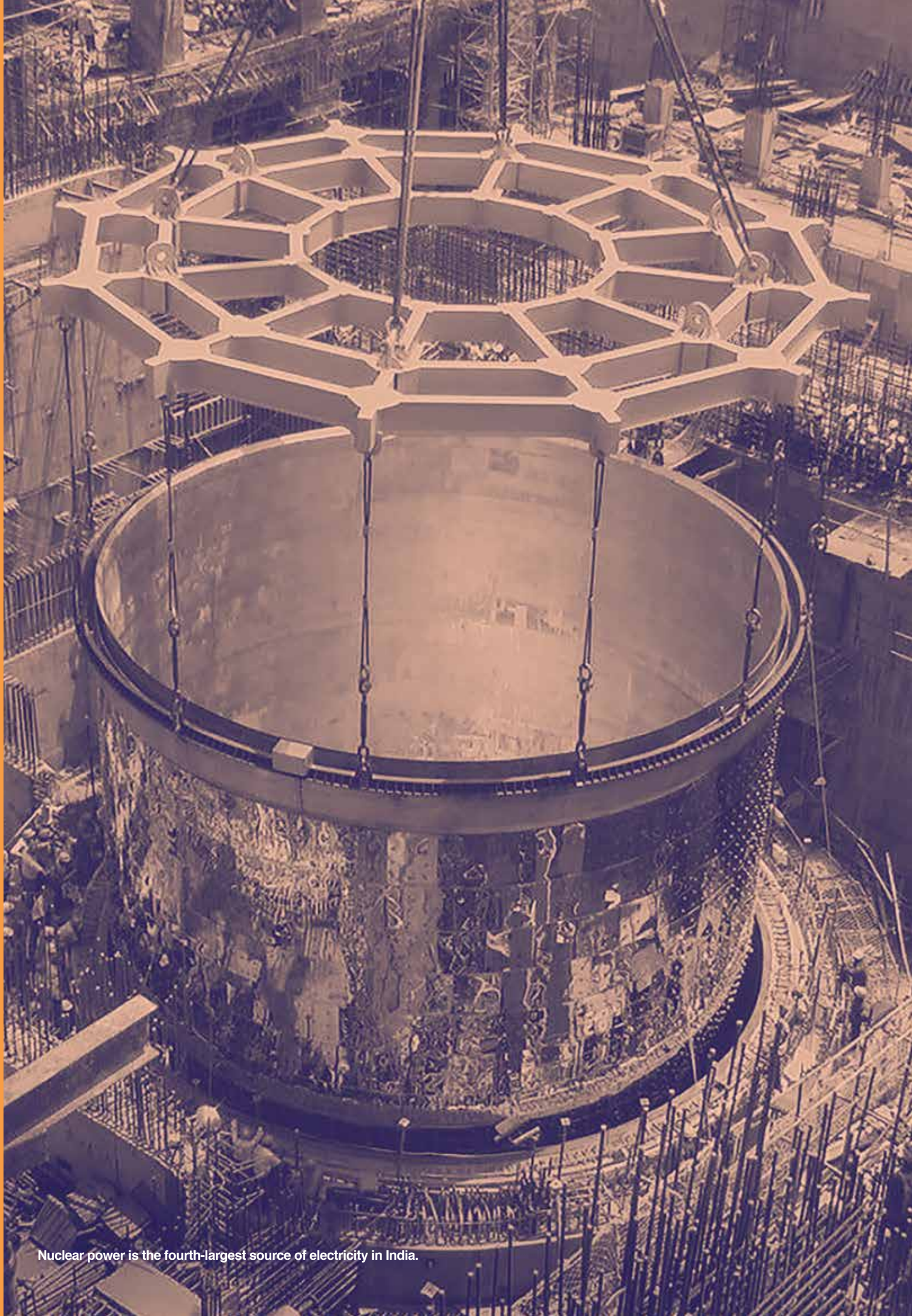
The Company was registered as a Foreign Portfolio Investor by Kotak Mahindra Bank on behalf of the Securities and Exchange Board of India in May 2015.

With respect to participation in the Indian equity market, a number of companies listed on the NSE and BSE have defined limits on the aggregate percentage of ownership that is permitted to be held by foreign investors (including Foreign Portfolio Investors). These ownership limits range from 20% to 74% and are monitored on a daily basis by the Reserve Bank of India. When foreign ownership reaches 2% less than the specified limit, the Reserve Bank of India place a caution on all future foreign transactions necessitating their approval on a first-come-first-served basis until the formal limit is reached. A secondary market operates for the transfer of ownership between foreign investors within these limits.

An acquirer is required to disclose to the company and to the stock exchanges, the acquisition of shares or voting rights entitling him to 5% or more shares in relevant company. Any acquirer who holds shares or voting rights in a target company aggregating to 5% or more, needs to disclose any purchase or sale of 2% or more of the shares or voting rights to the target company, and the stock exchanges where shares of the company are listed. For the purposes of disclosure reporting, the acquisition and holding of any convertible security will also be regarded as shares, and disclosures of such acquisitions and holdings is required to be made accordingly. In the event that shares or voting rights entitling an acquirer to exercise 25 % or more of voting rights are acquired, an open offer may be mandated to the other shareholders of the company.

At 30 May 2016, there were 61 companies on the BSE and NSE with Foreign Portfolio Investor restrictions in place, compared with 349 companies at 31 January 2015.

While foreign investment limits, and the restriction under Foreign Portfolio Investor rules of entities such as the Company owning more than 9.99% of Indian companies, may potentially limit the ability of the Portfolio Manager to acquire securities for the Portfolio, the Portfolio Manager has the discretion to create further exposure to these companies through the use of market traded derivative instruments.



Nuclear power is the fourth-largest source of electricity in India.

# 4 The Company

## 4.1 Overview

India Fund Limited has been formed to provide Shareholders with the opportunity to invest in a proposed Portfolio of Indian listed Equities issued by the Government and major Indian corporations.

The Company will retain sufficient funds in Australian Dollars for anticipated working capital requirements. (see Section 7.7).

The Company will apply for admission to the Official List of ASX as an investment entity. The Company anticipates that it will be treated as a Listed Investment Company for the purposes of the Income Tax Assessment Act 1936. Satisfying the requirements for being classed as a Listed Investment Company will depend upon the Company being admitted to and remaining on the Official List of the ASX, and the ability of the Company to maintain the required proportion of its assets in categories which satisfy the requirements of the Australian Taxation Office.

India Fund Limited intends to utilise the skills and experience of:

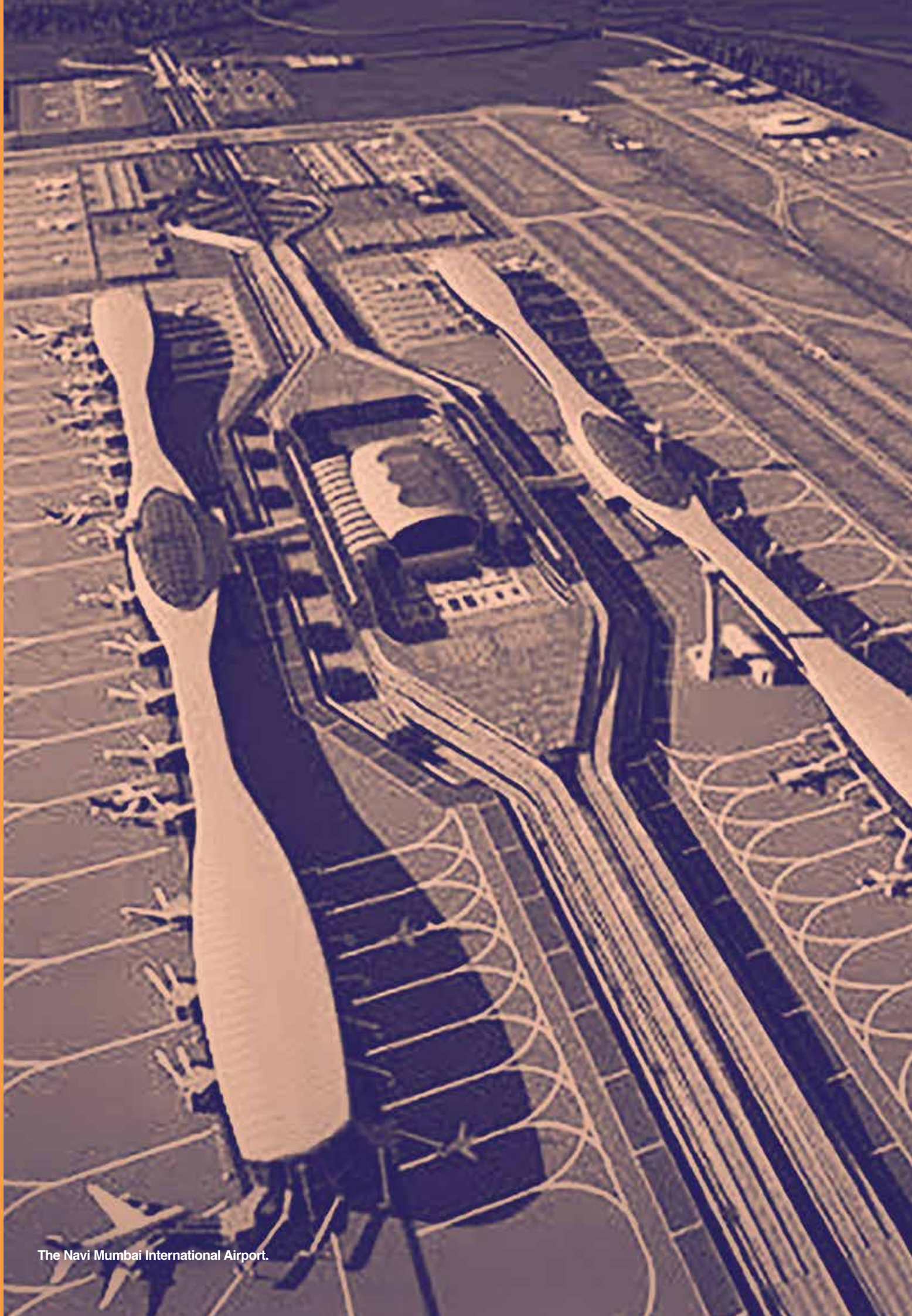
- Tristar Capital Pty Limited – AFSL 285503; and
- Kotak Mahindra (UK) Limited – Licensed by FCA UK, firm reference number 171837.

to deliver a practical and efficient way for Australian investors to gain exposure to Indian listed Equities.

The Fund Administrator, on behalf of the Company, undertook an evaluation of potential portfolio managers operating in India based primarily on their track record and regulatory capability to meet the strategic objectives of the Company. This analysis has led to the selection and appointment of Kotak Mahindra (UK) Limited to manage a portfolio of investments within agreed guidelines. In delivering services to its clients, Kotak Mahindra (UK) Limited may utilise services from other entities in the Kotak Mahindra Group, as appropriate.

## 4.2 Investment Objective

The objective of the Company is to seek long term capital appreciation from the growth of Indian listed Equities. Refer to Section 7 for further detail of the Company's investment philosophy.



The Navi Mumbai International Airport.

# 5 Fund Administrator

## 5.1 Business

Tristar Capital Pty Limited (formerly Tristar Corporate Advisors Pty Ltd), ABN 86 112 516 846 (Fund Administrator) was incorporated on 17 January 2005 to provide corporate advisory and capital raising services for a broad range of clients.

### The Fund Administrator has to date:

- identified the opportunity to establish a Listed Investment Company through which investors can gain exposure to Indian listed Equities;
- developed the strategic plan for the Company to take advantage of this opportunity;
- evaluated relevant potential Portfolio Managers based on their track record and regulatory capability to meet the strategic objectives of the Company;
- negotiated the Portfolio Management Agreement between the Fund Administrator and the Portfolio Manager; and
- managed, on behalf of the Company, other service providers to support the operations of the Company, including the share registry, legal advisers, accountants, tax advisers and market information systems.

The Company has entered into a Fund Administration Agreement with the Fund Administrator to provide ongoing strategic, investment and management advice and services in the following areas:

### Strategic

- development and regular review of the business model reflecting the strategic objectives of the Company;
- capital management; and
- identification of potential growth opportunities.

### Investment

- implementation of the Company's investment objectives;
- evaluation of the performance of the Portfolio Manager; and
- monitoring the Portfolio and the Indian market on a daily basis.

### Management

- provision or procurement of facilities to provide services required by the Company;
- marketing and investor relations;
- co-ordination of all third party service providers; and
- assisting with compliance with the Listing Rules and Australian laws and regulations..

The Fund Administration Agreement has an initial 10 year term with rolling 5 year extensions thereafter, subject to termination on 3 months' notice after expiration of the initial period.

Mr John Pereira and Mr David Carruthers are the Responsible Managers in respect of the Fund Administrator's Australian financial services licence.

Mr Pereira and Mr Carruthers are also Directors of the Company.

The Fund Administrator, and its Responsible Managers, will be available to devote the amount of time required to properly perform the Fund Administrator's functions in providing the services to the Company in accordance with the Fund Administration Agreement.

A detailed summary of the Fund Administration Agreement is set out in Section 13.1.1

## 5.2 Ownership

Mr Pereira is the sole director of the Fund Administrator and Executive Chairman of the Company. The Fund Administrator is 43.5% owned by a company associated with Mr Pereira.

### 5.3 History and Experience

Mr Pereira has established two previous funds management businesses other than the Fund Administrator; Olympus Funds Management Pty Ltd (Olympus) and Atlas Capital Management Pty Ltd (Atlas).

Mr Pereira and Mr Carruthers were the responsible managers of Olympus and Atlas.

In 2006, India Equities Limited (India Equities) appointed Olympus as its investment manager. India Equities was established to provide its shareholders with exposure to a portfolio of Indian listed securities and was admitted to the official list of ASX in 2007.

The initial public offering of India Equities Limited raised approximately \$75m. In 2010, after the adverse impacts of the global financial crisis (GFC) on the Indian equities market, and consequently on the share price of India Equities, India Equities realised its portfolio of Indian securities and returned those funds as a return of capital to shareholders.

In 2007, Asia Diversified Fund appointed Olympus as its investment manager. Asia Diversified Fund was established to provide its shareholders with an exposure to a leveraged swap facility holding a portfolio of Asian hedge funds. The initial public offering of Asia Diversified Fund in 2007 was withdrawn before the closure of the offer, in light of the conditions of the global financial market during the period of the offer.

In 2010, Greater Asia Investments appointed Atlas as its investment manager. Greater Asia Investments was established to provide its shareholders with an exposure to listed equities in India and China through a fund managed by Prudential Asset Management (Singapore) Limited. The initial public offering of Greater Asia Investments in 2010 was withdrawn before the closure of the offer, in light of the conditions of the global financial market during the period of the offer.

In 2015, the Company entered into a management agreement with the Fund Administrator as part of the company's initial public offering under a Prospectus dated 25 May 2015. The initial public offering of the Company in 2015 was withdrawn due to failure to reach the minimum subscription.

# 6 The Portfolio Manager

## 6.1 Overview

The Fund Administrator has appointed Kotak Mahindra (UK) Limited as the Portfolio Manager for the Portfolio.

The key terms of the Portfolio Management Agreement are:

**Parties:** Tristar Capital Pty Ltd (Fund Administrator), and Kotak Mahindra (UK) Ltd (Portfolio Manager).

**Scope:** Terms under which the Portfolio Manager will manage funds for the Company on a discretionary basis.

**Term:** 10 years with rolling 5 year terms thereafter.

A detailed summary of the Portfolio Management Agreement is set out in Section 13.1.2.

Kotak Mahindra (UK) Limited is incorporated in the United Kingdom and is regulated by the Financial Conduct Authority of the United Kingdom. Kotak Mahindra (UK) Limited is exempt from the requirement to hold an AFSL to provide the portfolio management services pursuant to ASIC Class Order 03/1099. Day to day portfolio management will be provided by the Portfolio Manager's Singapore branch office.

Kotak Mahindra (UK) Limited has advised that its parent company Kotak Mahindra Bank Limited has established a subsidiary in Singapore which received a Capital Markets License under the Securities and Futures Act from the Monetary Authority of Singapore on 14 March 2016 to conduct fund management activities. The Singapore subsidiary is not expected to commence its business activity prior to the proposed listing of the Company.

The Portfolio Management Agreement provides that Tristar will consent to the assignment of the Portfolio Management Agreement from Kotak Mahindra (UK) Limited to such subsidiary in Singapore, subject to the Monetary Authority of Singapore granting that licence, ASIC granting that company's application to be exempted from the requirement to hold an AFSL to provide the portfolio management services pursuant to Class Order 03/1102, and the parties entering into an agreement to provide the portfolio management services on the same terms with any changes necessary to substitute references in the existing Portfolio Management Agreement to the United Kingdom financial services regulatory regime to that of Singapore.

Until any such assignment, the Portfolio Manager will be required to provide the portfolio management services in accordance with the terms of the Portfolio Management Agreement.

## 6.2 Kotak Mahindra Group

### 6.2.1 Background

The Kotak Mahindra Group is a leading financial services conglomerate in India, offering a wide range of financial products and services, including commercial banking, investment banking, securities brokerage, mutual funds, life insurance and alternate assets such as private equity funds and real estate funds.

The origins of the Kotak Mahindra Group date back to 1985 when it commenced operations as a non-banking finance company named Kotak Mahindra Finance Limited providing trade finance services. Kotak Mahindra Finance Limited changed its name to Kotak Mahindra Bank Limited and commenced commercial banking operations in March 2003. Kotak Mahindra Bank Limited is authorised and regulated by the Reserve Bank of India. Kotak Mahindra Bank Limited is the flagship entity of the Kotak Mahindra Group and all the Kotak Mahindra Group companies are its subsidiaries, through direct and indirect holdings.

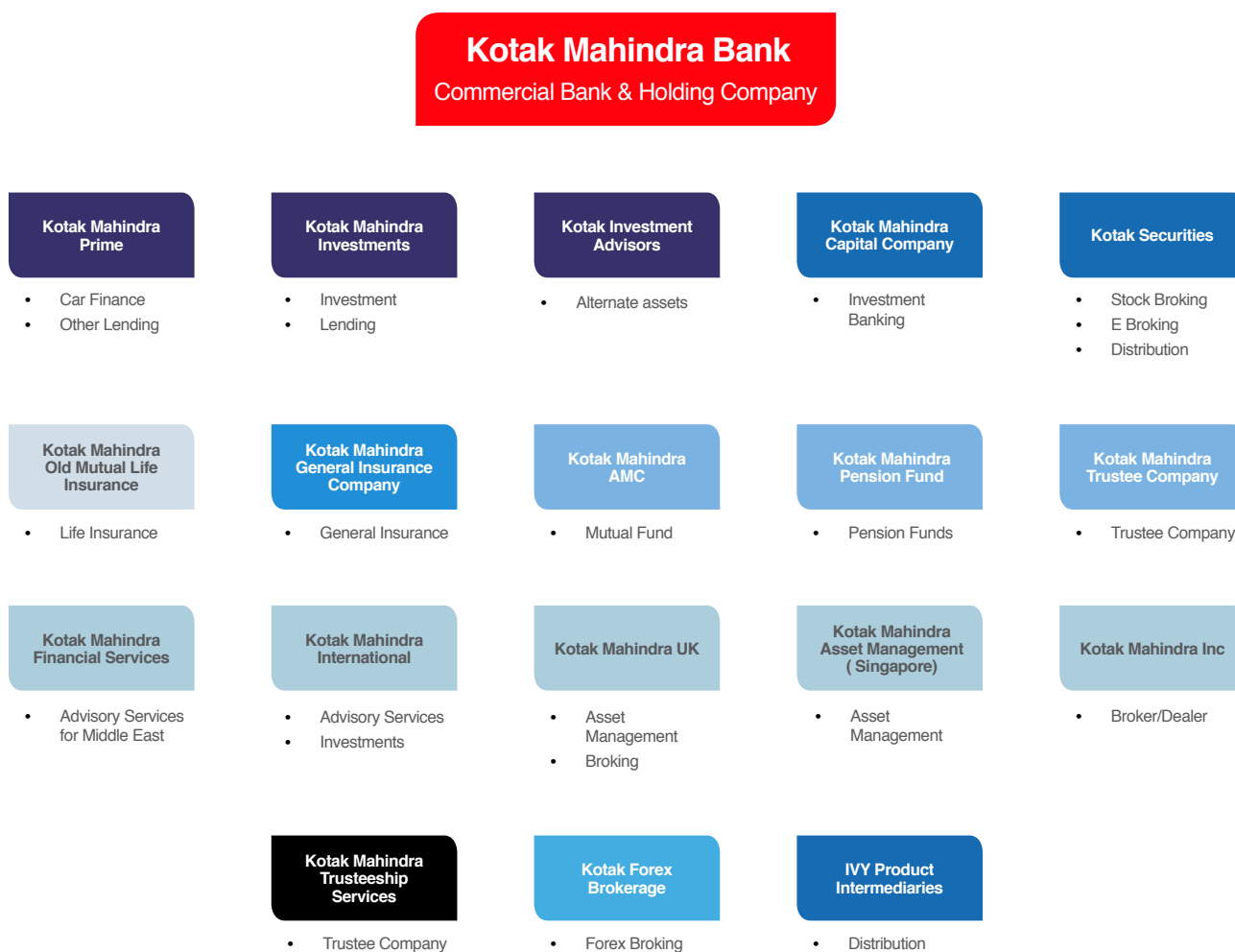
The Bank is managed by its Board and has been adjudged one of the "Best Managed Boards" in the Aon Hewitt-Mint study of 2012. It received the Best Private Bank in India award from Euromoney Awards for Excellence 2015, FinanceAsia Country Awards 2015 and Asia and Global Private Banking Awards 2015. The Bank also received the Best Retail Growth Performance Dun & Bradstreet Awards 2015.

Mr Uday Kotak, the founder of the Kotak Mahindra Group, was the recipient of the Global Entrepreneur of the Year award from Ernst & Young in 2014. He was also awarded the accolade of the Entrepreneur of the Year by Business World in November 2014, Business Leader of the Year by ET Awards 2015, Entrepreneur of the Year by Forbes India Leadership awards 2015 and Best Transformational Leader Award 2015 by Asian Centre for Corporate governance & sustainability in 2016.

The Kotak Mahindra Group consists of Kotak Mahindra Bank Limited, which is a private sector bank in India, and its 18 subsidiaries

as set out in the Group's organisation structure at section 6.2.2. As of 31 March 2016, the Group's total net worth was US\$ 5.0bn and the Group had over 40,000 employees, servicing customer accounts through its branches, franchisees, and distribution outlets across India, as well as through offices in the United States, UK, UAE and Singapore.

## 6.2.2 Group organisation structure



## 6.2.3 Group vision

The Kotak Mahindra Group has adopted the common 'Kotak' brand across all its companies and its vision is to:

- be the global Indian financial services brand;
- be the most preferred employer in financial services;
- be the most trusted financial services company; and
- create value.

## 6.2.4 Group business strategy

The Kotak Mahindra Group's goal is to be a world class financial services conglomerate, servicing corporations including public sector undertakings, high net worth and mass affluent customers in India by providing a comprehensive range of products and services delivered at competitive prices. The key aspects of its strategy are set out below:

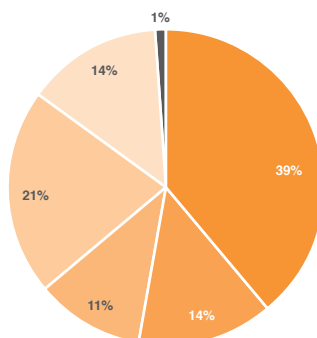
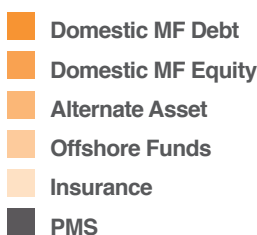
- leverage its established reputation and significant customer base to enhance cross-selling opportunities;
- increase its market share in India's expanding banking and financial services industry;
- expand its customer base;
- maintain high standards for asset quality through disciplined credit risk management;
- expand its international operations;
- focus on its asset recovery business; and
- develop into a diversified conglomerate in the financial services industry.

## 6.2.5 Group assets under management

Total assets under management for the Kotak Mahindra Group stand at US\$ 15.4 bn (A\$ 20.1bn) as at 31 March 2016, as set out below:

### Assets Under Management (US\$15.4bn)

Source: Kotak



## 6.3 Kotak Mahindra (UK) Limited

The Portfolio Manager, based in London, was established in 1994 to manage funds of international clients seeking exposure to the Indian financial markets utilising the resources of the Kotak Mahindra Group.

As at 31 March 2016, it had a diverse international client base for whom it managed approximately A\$2.4bn.

The key people within the Portfolio Manager implementing the selection of securities and other assets to include in the Portfolio are:

<p><b>Mr. Nitin Jain</b> Principal Fund Manager – Equity Strategy</p>	<p><b>Current Role:</b></p> <ul style="list-style-type: none"> <li>• Head of Offshore long-only equities asset management.</li> <li>• Primarily responsible for managing the large cap strategy.</li> <li>• +20 years in the Indian equity markets. Joined Kotak Group in 2005.</li> </ul> <p><b>Prior Assignments:</b></p> <ul style="list-style-type: none"> <li>• Fund Manager - Equities at Kotak Mahindra Asset Management Company (KMAMC).</li> <li>• Worked with SBI Mutual Fund as Fund Manager - Equities.</li> <li>• Worked in equity sales and equity research from 1995 - 2003 in broking firms.</li> </ul> <p><b>Educational Background:</b></p> <ul style="list-style-type: none"> <li>• Chartered Financial Analyst, CFA and Masters in Management Studies.</li> <li>• Bachelors degree in Engineering.</li> </ul>
<p><b>Mr Ankit Sancheti</b> Fund Manager – Equity Strategy</p>	<p><b>Current Role:</b></p> <ul style="list-style-type: none"> <li>• Primarily responsible for managing the mid cap and thematic strategy.</li> <li>• +15 years in the Indian equity markets. Joined Kotak Group in 2011.</li> </ul> <p><b>Prior Assignments:</b></p> <ul style="list-style-type: none"> <li>• Worked with Birla Sunlife Mutual Fund, ING Investment Management, Development Credit bank, and Anand Rathi Securities, in various capacities.</li> </ul> <p><b>Educational Background:</b></p> <ul style="list-style-type: none"> <li>• CFA charter holder and a Chartered Accountant (1988 batch).</li> <li>• Bachelors degree in commerce (Hons) from the JNV University, Jodhpur.</li> </ul>



The Hyderabad Metro project comprises 72kms of elevated track.

# 7 Investment Structure

## 7.1 Investment Philosophy

The investment objective of the Portfolio is to seek long-term capital appreciation from growth of Indian listed Equities and outperform the Benchmark Index.

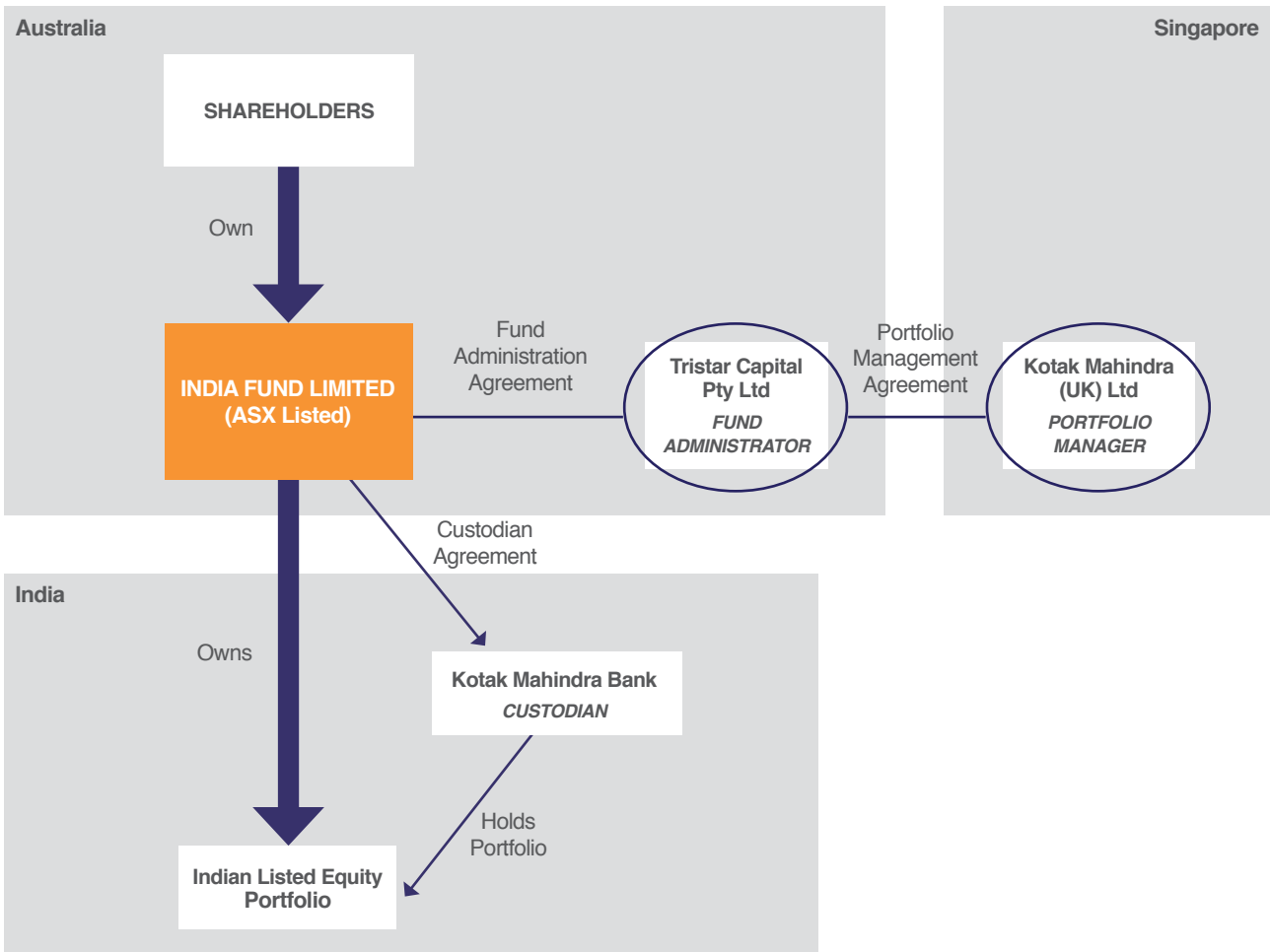
The Company believes that these benefits are best captured by:

- appointing a Portfolio Manager who has extensive knowledge of the Indian economy, market dynamics and the securities issued and traded by Indian companies; and
- implementing investment strategies that the Portfolio Manager believes have the potential to maximise shareholder returns.

The investment style and process of the Portfolio Manager is further detailed in Section 7.5.

## 7.2 The Participants

The following table shows how the participants relate to the Company to support the achievement of its investment objectives.



## 7.2.1 The Fund Administrator – Arrangements and Role

Mr John Pereira is sole director of the Fund Administrator, and Executive Chairman of the Company. The Fund Administrator is 43.5% owned by a company associated with Mr Pereira.

The Fund Administrator holds an Australian Financial Services Licence with authorisations, amongst others, to provide financial product advice in respect of, and to arrange for another to deal in, the Australian financial products equivalent to the Indian financial products which will be included in the Portfolio.

Mr John Pereira and Mr David Carruthers are the Responsible Managers in respect of the Fund Administrator's Australian financial services licence.

Mr Pereira and Mr Carruthers are also Directors of the Company.

As at the date of the Prospectus, the Fund Administrator does not provide management services to any other entities.

The Fund Administrator will receive management fees, and if eligible, performance fees. Details of the fees and other amounts to be paid to the Fund Administrator under the Fund Administration Agreement are set out in Section 7.3.

The Fund Administrator will provide investment and strategic advisory services, to the Company in the following areas:

### Investment Services:

- the Fund Administrator will arrange for the investment and management of the segregated Portfolio by the Portfolio Manager in accordance with the Investment Parameters and otherwise on the terms set out in the Fund Administration Agreement;
- negotiate the participation of third party providers (including Portfolio Manager, designated bank, stockbrokers and Fund Administrator's agents);
- monitor the Portfolio and the Indian financial and equities market on a daily basis; and
- evaluate and advise the Company on the performance of all third party providers.

### Strategic Advisory Services:

- development and regular review of a business model reflecting the strategic objectives;
- capital management; and
- identification of potential growth opportunities.

In addition, the Fund Administrator may provide the following operational management services to the Company, at the Company's cost.

### Operational Management Services:

- provide ASX listed company requirements;
- ensure appropriate corporate governance procedures and compliance;
- manage investor relations activities; and
- manage and co-ordinate the delivery of services including information technology services, human resources, Company performance reporting, accounting, financial management, taxation compliance, legal, external audit and risk management compliance and insurance.

A copy of the Fund Administration Agreement has been lodged with ASIC. The Company will give a copy of the Fund Administration Agreement to any person who requests it during the Offer period of this Prospectus, free of charge.

A detailed summary of the Fund Administration Agreement is set out in Section 13.1.

## 7.2.2 The Portfolio Manager – Arrangements and Role

The Fund Administrator has selected Kotak Mahindra (UK) Limited as the Portfolio Manager to invest and manage the Company's Portfolio of Indian listed Equities on the terms set out in the Portfolio Management Agreement.

Kotak Mahindra (UK) Limited will provide services to the Company (as a wholesale client) pursuant to ASIC Class Order CO 03/1099 which permits it to provide services to an Australian wholesale client as an entity regulated by the Financial Conduct Authority of the United Kingdom.

Authorised investments and the parameters for managing the Portfolio are set out in Section 7.4

The Portfolio Management Agreement establishes the terms under which the Portfolio Manager will act and regulates the relationship between the Fund Administrator and the Portfolio Manager. The Portfolio Manager's authority to arrange purchases or sales of securities comprising the Portfolio, and to deal or make arrangements on behalf of the Company, is governed by the Portfolio Management Agreement.

The Portfolio Manager will receive fees (including management, performance and transaction fees) and other payments for those services. Details of the fees and other amounts to be paid to the Portfolio Manager under the Portfolio Management Agreement are set out in Section 7.3.

The Portfolio Management Agreement has been lodged with ASIC. The Company will give a copy of the Portfolio Management Agreement to any person who requests it during the Offer period of this Prospectus, free of charge.

A detailed summary of the Portfolio Management Agreement is set out in Section 13.1.2.

### ***Portfolio Manager Internal Compliance and Risk Management***

The Portfolio Manager will be subject to its own internal risk management policies and procedures which have been adopted in accordance with the Portfolio Manager's applicable regulatory obligations.

There is to be a process of regular review and monitoring of the Portfolio. The Portfolio's anticipated construction is to operate within the overall parameters of the investment objectives and investment restrictions of the Portfolio. An investment committee comprising members of the senior management of the Kotak Mahindra Group and representatives of the Portfolio Manager are to monitor and review the performance achieved against the benchmark and performance objectives on a monthly basis. A detailed monthly attribution analysis is to be carried out on the Portfolio.

Equity transactions are made through the Portfolio Manager's in-house dealing team through various Indian brokers. Transactions are recorded and reported daily to members of the Portfolio Manager's investment team.

The Portfolio Manager's controls are to be subject to audit by an independent firm.

In addition, the Fund Administrator will, on behalf of the Company, undertake a formal annual review of the relationship with the Portfolio Manager including an evaluation of the performance, compliance, communications and other responsibilities of the Portfolio Manager under the Portfolio Management Agreement.

### **7.2.3 Custodian – Arrangements and Role**

The Company has also appointed Kotak Mahindra Bank Limited, based in Mumbai, India, to provide custodial and administrative support services in relation to the Portfolio.

The Custodian has approval from SEBI to provide custodial and administrative support services in India to Foreign Portfolio Investors. There is no requirement for approval of these services under the Australian financial regulatory regime.

A Custodian Agreement has been entered into with Kotak Mahindra Bank Limited, the Custodian, to hold and report on the investments in the Portfolio.

The Custodian will be paid fees for its services to the Company. Details of these fees are set out in Section 7.3.

The Custodian Agreement has been lodged with ASIC.

The Company will give a copy of the Custodian Agreement and Supplemental Custodian Agreement to any person who requests it during the Offer period of this Prospectus, free of charge.

A detailed summary of the Custodian Agreement is set out in Section 13.1.3.

## **7.3 Portfolio Fees, Expenses and Taxes**

The following fees and expenses will apply to the management and operation of the Portfolio. Factors such as market conditions and the size and frequency of transactions (purchases and sales of Indian securities) will influence the actual costs incurred for transaction based fees and taxes.

<b>Fee, Expense or Tax:</b>	<b>Payable to:</b>	<b>Amount or basis of calculation</b>
Management Fee	Fund Administrator (60%) and Portfolio Manager (40%)	1.25% pa payable monthly in AUD. Refer to Section 7.3.1, below.
Performance Fee	Portfolio Manager (60%) and Fund Administrator (40%)	The fee payable is 15% of the amount by which the Portfolio Return exceeds the Benchmark, after adjusting for any deficit from the previous period. Calculated and payable monthly. Refer to Section 7.3.2, below.
Transaction Fees	The Custodian	\$13 per transaction (purchase or sale of Indian equities).
Brokerage	Indian Brokers	Typically between 0.1% and 0.15% of the amount of each transaction (purchase or sale of Indian securities). This range is indicative and will vary depending on the size of individual transactions and the broker used.
Securities Transaction Tax	Indian Government	0.1% of the amount of each transaction (purchase or sale of Indian Equities).
Taxes on capital gains	Indian Government	Listed securities held for up to 12 months: up to 16.22%. Listed securities held for more than 12 months: Nil. Refer to part 2.4.1 of the Independent Taxation Report in Section 12.
Taxes on dividends	Indian Government	No tax payable by the Company. Dividends paid by Indian companies are subjected to an Indian dividend distribution tax paid by the Indian company. Therefore no tax in India is required to be paid by the Company as the shareholder. Refer to part 2.3 of the Independent Taxation Report in Section 12

Fee, Expense or Tax:	Payable to:	Amount or basis of calculation
Taxes on interest	Indian Government	15% withholding tax (for which a foreign tax credit may apply in Australia). Refer to part 2.3 of the Independent Taxation Report in Section 12.
Determination and certification of tax liability (if any) on transactions (purchase or sale of Indian securities other than shares converted from depository receipts)	Indian accountants	Approximately US\$150 per transaction (purchase or sale of Indian securities).
Determination and certification of tax liability (if any) on purchase or sale in India of shares converted from depository receipts	Indian accountants	Approximately US\$150 per transaction (purchase or sale of depository receipts in India).
Determination and certification of tax liability on interest	Indian accountants	Approximately US\$150 per receipt.
Annual income tax return (India)	Indian accountants	Approximately US\$4,000 per annum.
Custodial and Administration Services	Custodian	Custody – 0.02% p.a. of Assets under Custody Accounting – 0.06% p.a. of Assets under management Minimum \$13,000 per annum.

Where applicable, GST will be payable in addition to payments described above.

Australian taxes are, subject to double taxation relief under double taxation treaties, payable in addition to the above, depending on the returns generated by the Company. Reference should be made to the Independent Taxation Report in Section 12 of this Prospectus for further information about Australian and Indian taxes.

### 7.3.1 Management Fees

The Company will pay a Management Fee of 1.25% per annum of the Portfolio Net Asset Value calculated on the last Business Day of each month. The fee is payable in Australian Dollars to the Fund Administrator and the Portfolio Manager monthly in arrears and apportioned 60% to the Fund Administrator and 40% to the Portfolio Manager.

### 7.3.2 Performance Fees

The Performance Fee is 15% of the amount by which the Portfolio Return exceeds the Benchmark Return calculated on a monthly basis. Specifically, for each Performance Fee Calculation Period the Performance Fee is calculated in accordance with the following formula:

$$PF = (15/100 (A*(B-C)) - D)$$

where –

- **PF** is the Performance Fee for the Performance Fee Calculation Period. If the value PF is negative, then no Performance Fee is payable.
- **A** is the Net Asset Value on the last Business Day of the previous Performance Fee Calculation Period.
- **B** is the percentage increase in the Net Asset Value between the beginning and the end of the relevant Performance Fee Calculation Period.
- **C** is the percentage increase in the Benchmark Index between the beginning and the end of the relevant Performance Fee Calculation Period.
- **D** is the amount of any under-performance from previous Performance Fee Calculation Periods carried forward. The amount of any under-performance is carried forward to accumulate with the value D for subsequent Performance Fee Calculation Periods.

Note: Where the Fund Administrator is entitled to a Performance Fee in respect of a Performance Fee Calculation Period, the value D is re-set to zero.

The first Performance Fee Calculation Period will begin on date on which the Company is admitted to the Official List and end on the last day of the month during which the Listing occurs.

When the Company transfers funds into, or withdraws funds from, the Portfolio during any month, the Performance Fee Calculation Period will begin on the first day of that month and end on the date these funds are transferred. The Performance Fee Calculation Period following that period will begin on the day following the transfer or withdrawal and end on the last day of that month.

Subject to that, each Performance Fee Calculation Period after the first (other than the last) will be one month.

The last Performance Fee Calculation Period will begin on the first day of the month immediately preceding the Termination Date and end on that date.

The Performance Fee will be calculated and paid in Australian dollars. These fees are payable 40% to the Fund Administrator and 60% to the Portfolio Manager.

Past underperformance is recovered before any Performance Fee is payable to the Fund Administrator.

## 7.4 The Portfolio

The Portfolio Manager will invest and manage the segregated Portfolio of Authorised Equity Investments in accordance with the Investment Parameters and otherwise on the terms set out in the Portfolio Management Agreement.

### 7.4.1 Authorised Equity Investments

The Authorised Equity Investments are:

- (a) securities in the primary and secondary markets including shares, debentures and warrants of companies listed or to be listed on either or both the BSE or the NSE of India;
- (b) derivatives traded on either or both the BSE or the NSE of India; and
- (c) any other equity security in which a Foreign Portfolio Investor is permitted to invest from time to time and which the Company and the Portfolio Manager have agreed in writing may be included in the Authorised Equity Investments.

### 7.4.2 Equity Investment Parameters

The Portfolio Manager will:

- invest the Portfolio in equity or equity linked securities of companies listed on BSE or NSE;
- invest around 60-100 % of the Portfolio (excluding cash) in large cap (top 100 companies listed on the NSE) listed Indian companies;
- have the flexibility to acquire up to 40% of the Portfolio (excluding cash) in mid/small caps listed Equities;
- limit investment in small cap Equities to companies smaller than the top 350 companies (listed on NSE) by market capitalisation at the time of investment to 10% of the Portfolio;
- invest in companies across sectors by holding no more than 6% above the sector weight in the benchmark in any sector at the time of investment; and
- typically hold around 50 investments with a minimum holding of 20 and a maximum holding of 70 investments once the Portfolio has been established.

The Portfolio Manager will not hold the Equities comprising the Portfolio. The Portfolio Manager's authority to arrange purchases or sales of securities comprising the Portfolio, and to deal or make arrangements on behalf of the Company, is governed by the Portfolio Management Agreement.

### 7.4.3 Investment Restrictions

The Portfolio Manager may:

- (a) convert non Rupee exposure of the Portfolio of the sub-fund to Rupees through the use of listed financial derivative instruments;
- (b) utilise a variety of listed derivative instruments on a non-leveraged basis;
- (c) hold cash as deemed to be appropriate by the Portfolio Manager; and
- (d) make short term investment in money market mutual funds for liquidity management.

The Portfolio Manager will not:

- (a) short sell securities; or
- (b) leverage the Portfolio.

The Portfolio Manager is not required to weight decisions regarding the selection, retention or realisation of investments based specifically on labour standards, environmental, social or ethical considerations.

### 7.4.4 Permitted Investments and Domestic Custodian

Under the Portfolio Management Agreement, the Portfolio Manager is permitted to undertake investments on behalf of the Company within Investment Parameters without Board approval. However, if a proposed investment is not in accordance with the Investment Parameters in the Portfolio Management Agreement or any other guideline issued by the Company from time to time, the written approval of the Board is required.

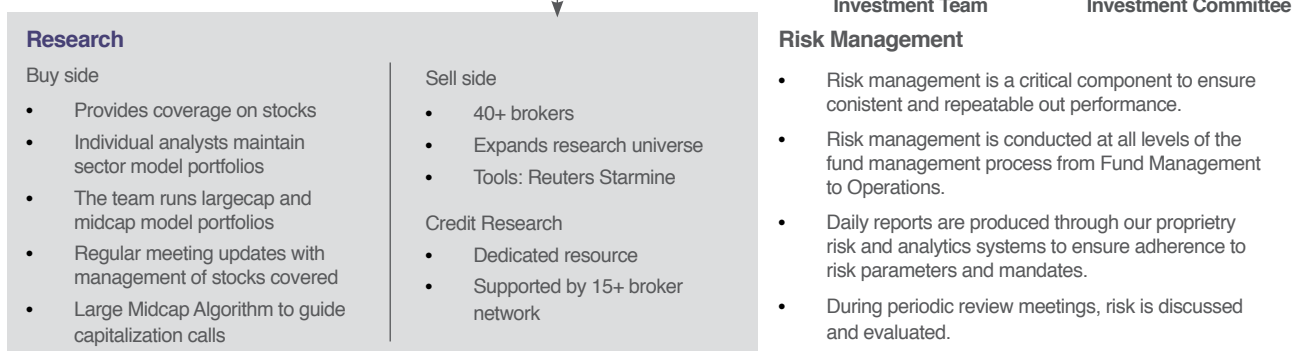
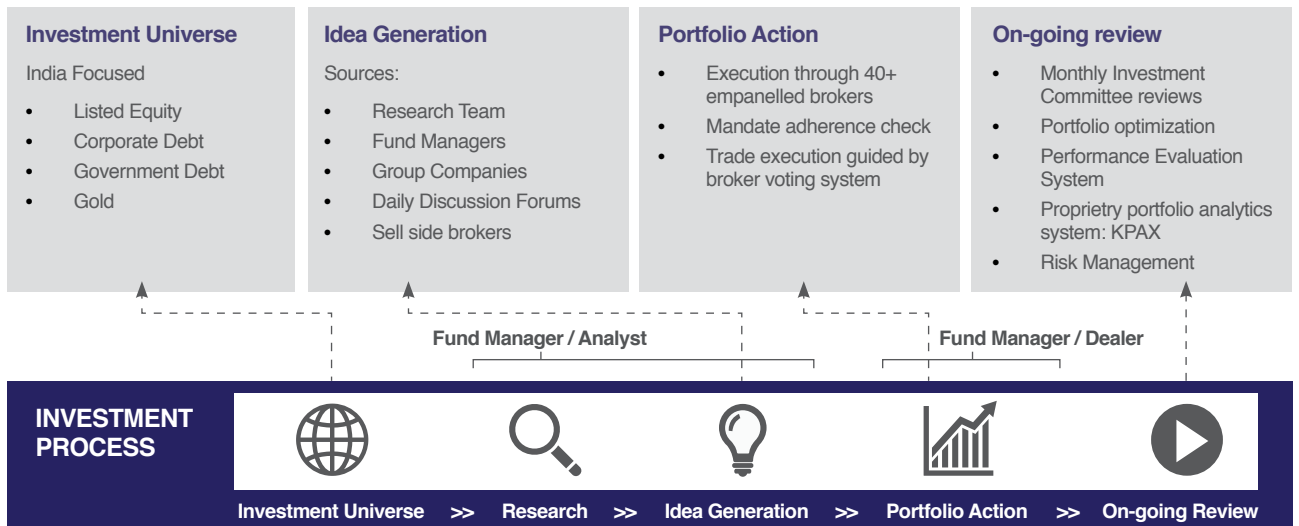
The securities comprising the Portfolio will be registered in the name of the Foreign Portfolio Investor applicant (i.e. the Company), for which the corresponding depository account will be opened via the Custodian, Kotak Mahindra Bank Limited to comply with Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. Further information about the Custodian's role is set out in Section 7.2.3.

## 7.5 Investment Style and Process

The Portfolio Manager's investment process is summarised in the chart below.

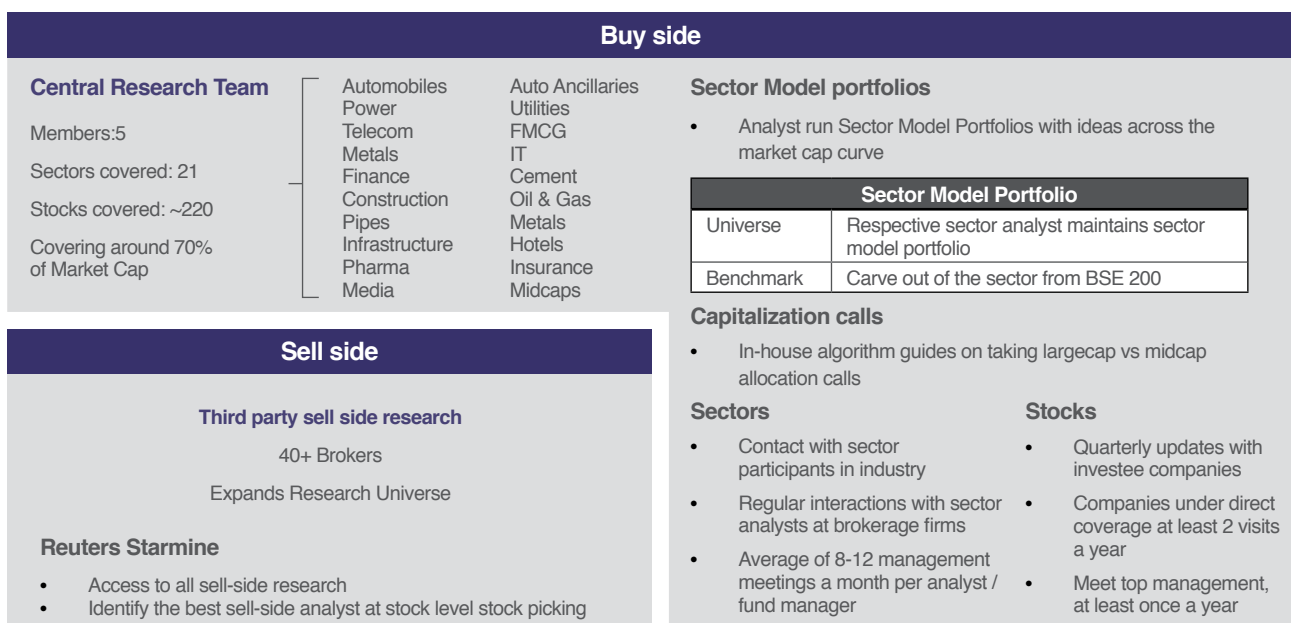
Source: Kotak Asset Management

- We focus on generating consistent out-performance across our funds
- A bottom-up approach with a top-down thematic overlay for portfolio construction to derive value from macro trends and security specific opportunities
- We lay emphasis on credit, duration & liquidity of assets in debt portfolio construction.



The Portfolio Manager deploys the all the relevant resources of the Kotak Group as summarised in the chart below.

Source: Kotak Asset Management



## 7.6 Foreign Currency

The funds raised under this Prospectus (after costs of issue and working capital) will be converted into Rupees for the purposes of investment in Indian listed Equities by the Portfolio Manager.

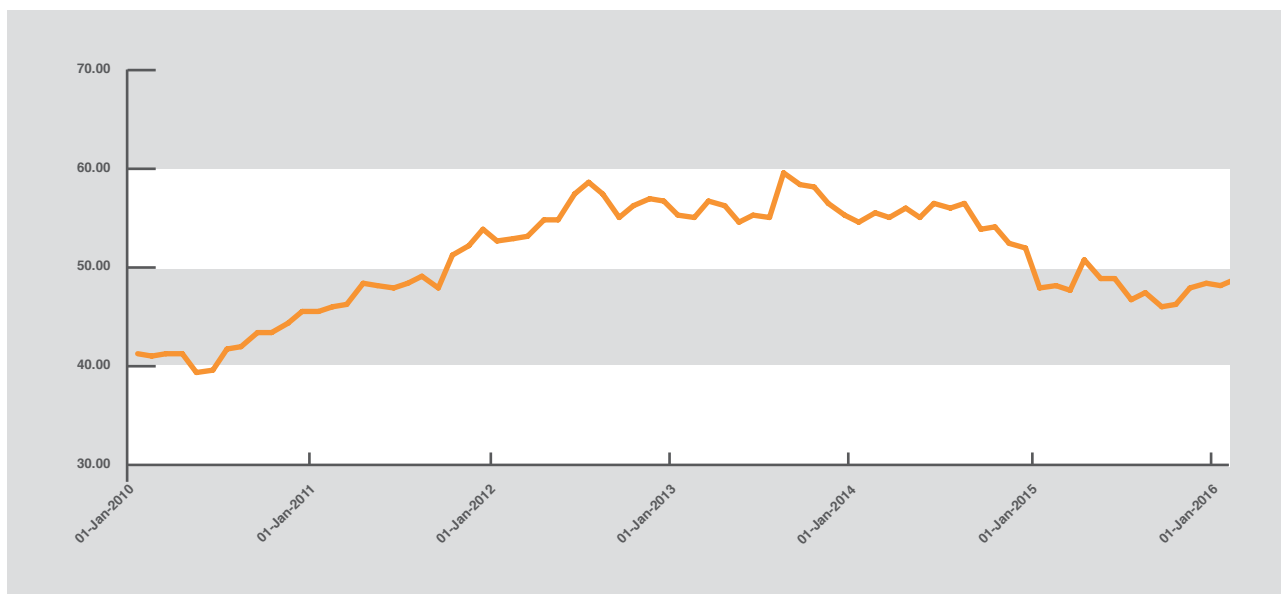
Neither the Company nor the Portfolio Manager currently propose hedging the exposure to Rupees. The value of the Portfolio will therefore be affected by fluctuations in the exchange rate for Australian Dollars and Rupees. The value of the Portfolio may rise or fall as a result of such fluctuations notwithstanding the absence of any increase or decrease in the value of the underlying assets when denominated in Rupees.

While it is not the Company's current policy to hedge cash flows and investments denominated in Rupees, the Directors reserve the right to re-evaluate this policy in the event of substantial changes from the prevailing exchange rates and economic conditions.

The historical relationship between Australian Dollars and Rupees is shown in the following chart. The Company makes no representations about the future relationship of these currencies or how this exposure may be reflected in the reported results of the Company.

### AUD/INR Exchange Rate

Source: Reserve Bank of Australia to 29 April 2016



### ■ A\$1=INR

The Net Tangible Assets of the Company will be reported monthly using the month end exchange rate.

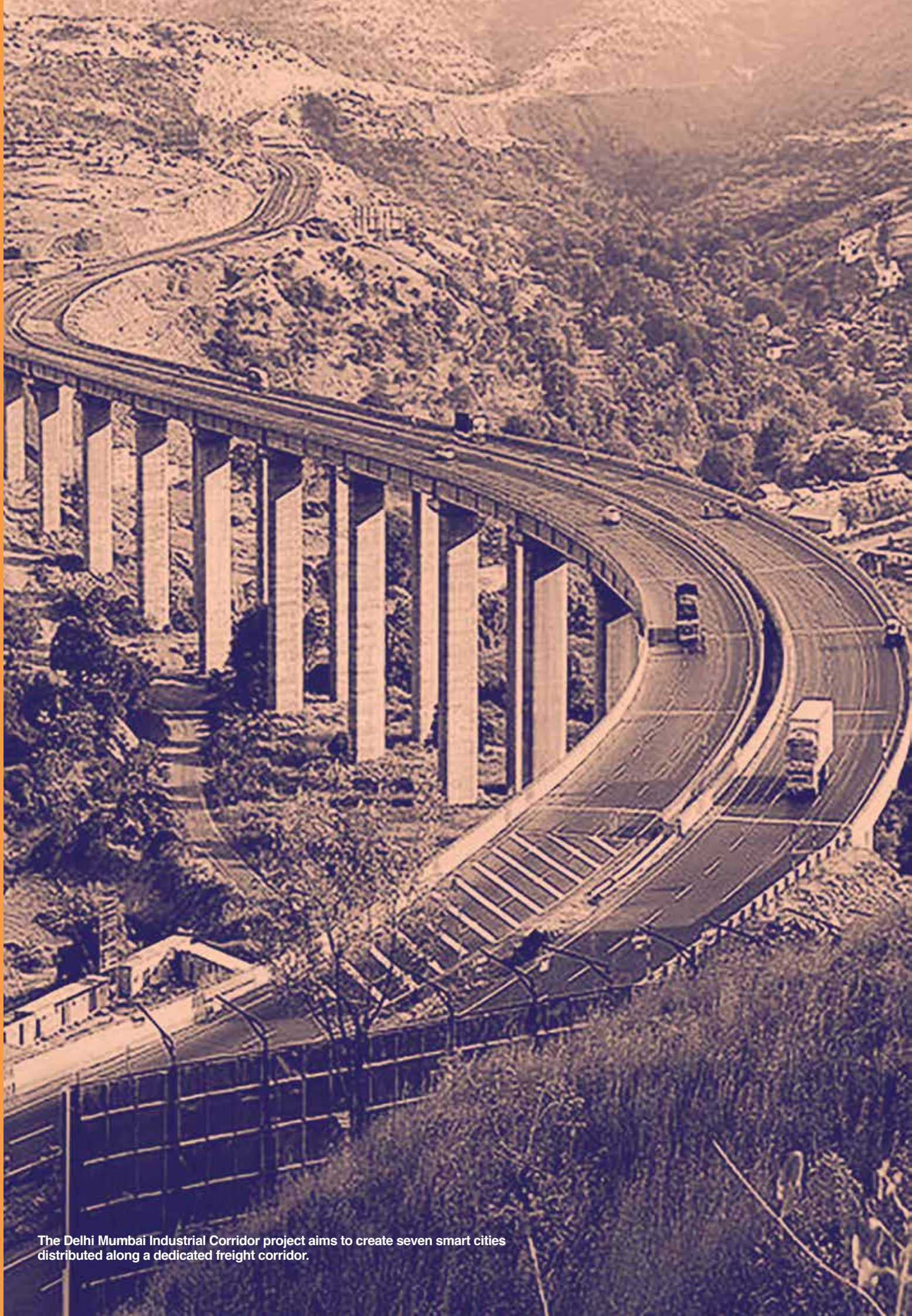
The Management Fees and Performance Fees payable to the Fund Administrator and Portfolio Manager on a monthly basis are determined based on changes in the Portfolio NAV expressed in Australian Dollars, refer Section 7.3.

## 7.7 Working Capital

The Company will maintain working capital in Australian Dollars of up to \$875,000. While these funds will be part of the Net Tangible Assets reported monthly to the ASX, they will not form part of the Portfolio invested in India and accordingly are not part of the calculation for Management Fees and Performance Fees.

It is the intention of the Company to minimise the funds held in Australia Dollars while recognising the needs to meet, as and when they fall due, the following cash outflows:

- operating costs of the Company;
- monthly Management Fees payable to the Fund Administrator and Portfolio Manager;
- monthly custodian and Indian tax accountant's fees;
- monthly Performance Fees (when applicable); and
- dividends payable to shareholders who do not elect to participate in the DRP and dividends (if any) payable before the commencement of the DRP.



The Delhi Mumbai Industrial Corridor project aims to create seven smart cities distributed along a dedicated freight corridor.

# 8 Board and Corporate Governance

## 8.1 Board of Directors

### **John P Pereira, B.Juris, LLB, Age 56 Chief Executive Chairman**

Mr Pereira has had an extensive professional career encompassing funds management, banking and law, Mr Pereira's early career was with ANZ Banking Group, Esanda Finance and other financial institutions where he was an early developer of financial products for the funds management industry. Mr Pereira jointly established Norbury Pereira Lawyers, a boutique commercial legal practice, and subsequently formed a partnership with Cornwall Stodart Lawyers where he became the Deputy Managing Partner.

Mr Pereira formed Alchemy Corporate Advisors Pty Ltd with Burdett Buckeridge Young to promote corporate advisory and capital raising for small/mid cap clients in 2001. In 2004 Mr Pereira established Tristar Corporate Advisors Pty Ltd providing corporate advice to a range of private and ASX listed companies. Mr Pereira was the Founder and CEO of India Equities Fund Limited which listed on ASX in 2007. He also created Olympus Funds Management Pty Ltd to offer a range of investment opportunities in alternative investment markets and is a Director of Eustralis Pharmaceuticals Ltd.

He has maintained a close interest in his country of birth and is a former President (Victoria) and Deputy Chairman of the Australia India Business Council. Alongside Mr Pereira's commercial activities, he has been admitted to the Supreme Courts of NSW and Victoria and has held a legal practising certificate for over 20 years.

### **David Carruthers, B.Comm, ACA, CFTP (Snr), MAICD Dip, Age 68 Non-Executive Director**

During his career with BP Finance, Mr Carruthers was CFO for the company's global operations based in London and the European Regional CEO based in Brussels. On returning to Australia he was Managing Director of Treasury Corporation of Victoria and coordinated management of A\$29 billion of privatisation proceeds.

Mr Carruthers was Head of the Sydney Office at Burdett Buckeridge Young and assisted Mr Pereira in the operation of Alchemy Corporate Advisors Pty Ltd and Tristar Corporate Advisors Pty Ltd. He was a part of the team that was involved in the listing of India Equities Fund Limited and managing its operations thereafter.

He has participated in Investment Committees with various organisations and has been a Director and member of the Audit Committee for three ASX listed companies.

### **Sam Kavourakis B.Sc, AIA, Advanced Management Program, Harvard Business School, Age 71 Non-Executive Director**

During a 30 year career with the National Mutual Group Mr Kavourakis became the head of all investment operations of the Group worldwide managing an investment team of 400 staff and assets in excess of \$40bn.

Subsequent to his career with the National Mutual Group Mr Kavourakis has acted as a Non-Executive Director for a number of ASX listed and unlisted entities including Rio Tinto Super Fund, Centro Properties, Traffic Technologies, Lachlan Partners, and Tigor.

Mr Kavourakis is currently Chairman of Family Office Connect, a consultant with Sovereign Financial and a director on the advisory board of 3H Homecare Hub.

### **Clifford Clayton, AACI, SA Fin, Age 72 Non-Executive Director**

During a 25 year career with Perpetual Trustees, Mr Clayton acquired substantial experience of operational and compliance aspects of funds management. He has subsequently applied this experience to the Compliance Committees of Affinity Funds Management, Ceramic Funds Management Ltd, Drapac Ltd, Legg Mason, Lowell Capital Ltd, Mellon Global Investments Ltd and Murray Goulburn Trust.

Mr Clayton is currently a Director of Secure Funding Pty Ltd and a former director of the Coles Employee Share Plan, Director AXA GESF Ltd, Perpetual Trustees Victoria Ltd and MacarthurCook Investment Managers Ltd, where he was also Chairman of the Due Diligence Committee. Mr Clayton is a co-founder and host of the Compliance Committee Forums in Melbourne, with regular presentations by key industry and ASIC representatives.

## 8.2 Directors' Interests in the Company

### 8.2.1 Securities

The Directors' interests in the securities of the Company, either held directly or through entities controlled by Directors, as at the date of this Prospectus are set out below:

Director	Number of Shares	Number of Options
John Pereira (held by an entity controlled by Mr Pereira)	125,000	125,000

The Directors (and directors and shareholders of the Fund Administrator) may subscribe for Securities as part of the Offer.

### 8.2.2 Fees and Benefits

Except as disclosed in this Prospectus, no Director has, or has had within two years of lodgement of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- the Offer;

and, except as disclosed in this Prospectus, no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director:

- to induce them to become, or to qualify them as, a Director of the Company; or
- for services provided by any Director in connection with the formation and promotion of the Company or in connection with the Offer.

### 8.2.3 Remuneration

In accordance with the Company's Constitution, the number of Directors of the Company is to be not less than three but no more than nine. The Company in general meeting may by resolution increase or reduce the number of Directors but the number must not be reduced below three.

Under the Company's Constitution, each Director (other than a Managing Director or an Executive Director) may be paid out remuneration for ordinary services performed as a Director.

Under ASX Listing Rules the maximum fees payable to Non-Executive Directors may not be increased without prior approval from the Company at a General Meeting. Directors will seek approval from time to time as deemed appropriate.

The maximum total remuneration of the Company's Non-Executive Directors has been fixed at \$150,000 per annum to be divided among them in such proportions as is determined by the Board.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

Where the Company requests Non-Executive Directors or their related entities to perform additional services outside the normal scope of their duties as Directors, further amounts may be paid at ordinary commercial rates for such services.

The total amounts received by or payable (exclusive of GST, if applicable) to current Directors as fees and executive service remuneration in the two year period prior to lodgement of this Prospectus is nil.

The Directors will be entitled to payment of the annual directors' fees as set out below from the date on which the Company is admitted to the Official List of ASX:

Director	Total
Mr. John Pereira Executive Chairman	Nil
Mr David Carruthers Non-Executive Director	\$25,000
Mr Sam Kavourakis Non-Executive Director	\$25,000
Mr. Clifford Clayton Non-Executive Director	\$25,000

In addition the Company will pay superannuation contributions of 9.5% of fees and salaries, as required by law.

**All Directors' fees shall be paid by the Fund Administrator.**

Details of salaries and fees paid will be included in the Remuneration Report as part of the Company's Annual Report.

## 8.3 Related Party Transactions

Chapter 2E (at section 208) of the Corporations Act provides that unless the giving of the financial benefit falls within an exception set out in the Chapter, a public company or an entity that the public company controls can only give a financial benefit to a related party of the public company if approval of the public company's members is obtained in accordance with that Chapter and the benefit is given within 15 months after that approval.

Section 210 of the Corporations Act provides:

*Member approval is not needed to give a financial benefit on terms that:*

- (a) *would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or*
- (b) *are less favourable to the related party than the terms referred to in paragraph (a).*

Mr Pereira is sole director of the Fund Administrator and Executive Chairman of the Company. The Fund Administrator is 43.5% owned by a company controlled by Mr Pereira.

As a 43.5% shareholder, and as sole director, of the Fund Administrator Mr Pereira could be considered to control the Fund Administrator and therefore, in those circumstances, would be a related party of the Company.

Mr Pereira will benefit from entry by the Fund Administrator into the Fund Administration Agreement and payment of fees to the Fund Administrator.

The Directors (excluding Mr Pereira) believe that the Fund Administration Agreement has been entered into on arm's length terms and that the remuneration payable to the Fund Administrator is reasonable in the circumstances. Accordingly, the Company has not obtained Shareholder approval for the provision of a financial benefit to a related party of the Company pursuant to the Fund Administration Agreement.

Details of fees payable to the Fund Administrator pursuant to the Fund Administration Agreement are set out in Section 7.3.1.

Other than as set out above, there are no existing agreements or arrangements nor any currently proposed transactions in which the Company was, or is to be, a participant and in which any related party of the Company has or will have a direct or indirect interest in the Company or the Offer except as disclosed in this Prospectus.

## **8.4 Deeds of Access, Indemnity and Insurance**

The Company has entered into Deeds of Access, Indemnity and Insurance with each Director which confirm each person's right of access to certain books and records of the Company for a period of seven years after the Director ceases to hold office. This seven year period can be extended where certain proceedings or investigations commence before the seven year period expires. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Pursuant to the deeds, the Company will arrange and maintain Directors' and Officers' Insurance during each Director's period of office and for a period of seven years after a director ceases to hold office. This seven year period can be extended where certain proceedings are investigations commence before the seven years expires.

The deeds are otherwise on terms and conditions considered standard for agreements of this nature.

## **8.5 Corporate Governance**

### **8.5.1 Board of Directors**

The Board consists of an Executive Chairman and three Non-Executive Directors. The Board's future intention is that it should include a majority of independent directors. Under the Company's constitution, Directors are elected for a period of three years subject to the requirements that one-third of the directors must retire at each annual general meeting. A retiring Director may offer themselves for re-election.

The Board is responsible for the overall corporate governance of the Company. Issues of substance affecting the Company are considered by the full Board, with advice from external advisers as required. Any conflict of interest must be declared by the Director(s) when it arises, and Directors do not participate in discussions or resolutions pertaining to any matter in which a material personal interest of the Director conflicts with the interests of the Company. In particular, Directors with material personal interests in the Fund Administrator do not participate in discussions, consideration or voting concerning entry into contracts with, remuneration of, review of the performance of or potential termination of contracts with the Fund Administrator.

The Board has ultimate responsibility to the Shareholders for the welfare of the Company by guiding and monitoring its business affairs. The Board delegates management of the Company's resources to the Executive Chairman, to deliver the strategic plans and goals as set by the Board.

In discharging their duties, Directors are provided with direct access to senior management of outside advisers and to the Company's auditors. Board committees and individual directors may seek, with the Chairman's approval, independent professional advice at the Company's expense for the purposes of the proper performance of their duties. The Company's policy is to execute a formal deed with each Director and the Company Secretary, to clearly set out the parties' expectations regarding access to board papers, indemnity and insurance.

### **8.6.2 Corporate Governance Policies**

The Board endorses the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASX Recommendations).

The Board has adopted detailed corporate governance policies, dealing with amongst other things management of potential conflicts of interest, securities trading policy, as summarised below.

#### **Board Charter**

The Board Charter formalises the functions and responsibilities of the Board. The Board is ultimately responsible for all matters relating to the running of the Company.

#### **Policy on Assessing Independent Directors**

In assessing a director's independence, the Board will consider the relationships which may affect independence in accordance with

the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

### **Code of Conduct**

The Code of Conduct outlines how the Company expects its Directors and employees to behave and conduct business, particularly in relation to:

- (a) commitment to employees, customers, shareholders and communities;
- (b) compliance with and respect for the law;
- (c) fair dealing;
- (d) equal opportunity and anti-discrimination;
- (e) financial and other inducements;
- (f) occupational health and safety;
- (g) use of information;
- (h) conflicts of interest;
- (i) use of Company property and assets; and
- (j) outside employment.

### **Guidelines for dealing in Securities**

These Guidelines set out the policy on the sale and purchase of the Company's securities by its Directors and employees. The Guidelines detail: prohibition on insider trading; blackout periods; exceptions and approval; and notification requirements.

### **Information Policy**

The Information Policy sets out the procedure for:

- (a) protecting confidential information from unauthorised disclosure;
- (b) identifying material price sensitive information and reporting it to the Company Secretary for review;
- (c) ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and the Listing Rules; and
- (d) ensuring the Company and individual officers do not contravene the Corporations Act or the Listing Rules.

### **Shareholder Communication Policy**

The purpose of this Policy is to promote effective communication with Shareholders and encourage Shareholder participation at General Meetings.

### **Remuneration and Nomination Committee Charter**

This Charter sets out the role, operations and responsibilities of the Committee; considerations in determining executive and non-executive Director remuneration; incentive and benefit programs; and the authority and resources of the Committee.

The functions of the Remuneration Committee are to be performed by the Board as a whole pending the size of the operations of the Company warranting a separate Committee.

### **Remuneration Policy**

The Company's Remuneration Policy provides guidance on how the Company's directors, officers and employees are to be remunerated and rewarded.

### **Audit and Compliance Committee Charter**

The purpose of the Company's Audit and Compliance Committee Charter is to ensure independent oversight of the accounting functions and internal controls of the Company, its subsidiaries and affiliates and to ensure the objectivity of the Company's financial statements and reporting to public and regulatory bodies.

The Charter outlines the Committee's functions and provisions relating to appointment of auditors; accounting standards; financial disclosure documents; internal controls; risk management; tax policies; compliance; external legal advisers and litigation; adequacy of personnel; offering of securities; oversight of directors and senior management; amendments to the Charter; and composition and operation of the Committee.

### **Risk Management Policy**

This Policy sets out the Company's approach to risk and outlines the role of the Board and delegated responsibility; role of the Executive Chairman and accountabilities; authority of the Executive Chairman; risk profile; responsibility to stakeholders; and continuous improvement.

### **Diversity Policy**

The Company and all of its related bodies corporate are committed to workplace diversity and recognises that diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Policy outlines the Company's diversity objectives; responsibilities of the Board; strategies for monitoring; and evaluation and reporting.

The Board recognises the need for the Company to operate within the highest standards of behaviour and accountability and has considered the ASX Recommendations in adopting its corporate governance policies as described above.

The Company will seek to follow the ASX Recommendations and, as required by the Listing Rules, where the Company determines that it is inappropriate to follow any of the ASX Recommendations due to its particular circumstances, it will provide reasons for not doing so in its Annual Report.

The Board will consider its corporate governance policies and procedures on an ongoing basis to ensure that they remain adequate given the nature of the Company's operations and its size.

A copy of the Company's Corporate Governance Manual has been lodged with ASIC. The Company will give a copy of the Corporate Governance Manual to any person who requests it during the Offer period of this Prospectus, free of charge. A copy of the Corporate Governance Manual may also be obtained from the Company's website, [www.indiafund.com.au](http://www.indiafund.com.au)

The Corporate Governance Manual is provided for those Applicants and their advisers who wish to obtain further detail about the Board's governance practices.

## **8.7 Reports to Shareholders**

The Company will inform Shareholders of all material developments affecting the Company's business in accordance with all applicable disclosure requirements under the Corporations Act and the Listing Rules. Information is communicated to Shareholders through the Annual General Meeting, Annual Report, half year and full year results, announcements to ASX and the Company's website at [www.indiafund.com.au](http://www.indiafund.com.au)



# 9 Risk Factors

## 9.1 Introduction

An investment in the Company involves a number of risks. The future performance of the Company and the future investment performance of the Shares and Options offered under this Prospectus may be influenced by a range of factors.

While the Company anticipates the Fund Administrator and the Portfolio Manager will use prudent management techniques to minimise risks or their effect on the Company's principal activity of investing in Indian listed Equities and managing the Portfolio, many risks and their effects which may affect the Portfolio, the Company, its operations, Shares and Shareholders are outside the control of the Board and the Company.

The risks may result in the loss of part or all of the Portfolio's value, or operational or accounting losses by the Company.

No assurances can be given by the Company as to the success or otherwise of its business. Neither the Company, its Directors, service providers nor advisers can warrant the future performance of the Company, its proposed Portfolio, or any return on an investment in the Company's Shares or Options.

Prior to making any decision to accept the Offer, Applicants should carefully consider the Prospectus as a whole and the risk factors described below.

## 9.2 Risks Particular to the Company and its Proposed Activities

Particular risks relating to the Company's proposed investment activities include, but are not limited to:

### 9.2.1 *Implementation of the Government's Reform Agenda*

The successful delivery of the reformist policies of the current Government is an important element in the expected economic growth of India. If the Government is unable, for whatever reason, to continue implementation of its reform agenda, or if events transpired to undermine the policy changes being introduced, there is a risk that the country will not be able deliver the expected economic returns. If this were to occur, there could be a negative impact on international capital flows and the performance of the Indian financial markets, which in turn may materially affect the financial performance of the Company and the value of the Shares and Options offered under this Prospectus.

### 9.2.2 *Future performance of Indian economy and stock markets*

The returns to the Company and Shareholders will be affected by the Indian stock market and economic risks in addition to the quality of stock selection by the Portfolio Manager.

Changes in the general economic climate in India may adversely affect the investment activities of the Company. Factors that may contribute to that economic climate in India include the general level of economic activity, interest rates, inflation and other economic factors.

The market price of the Indian securities in general and particular securities comprising the Portfolio can be expected to rise and fall in accordance with general Indian market conditions. This is in part dependent upon the performance of the Indian economy as a whole, sectors of the Indian economy which may have specific influences on the securities comprising the Portfolio, and the individual entities the securities of which will make up the Portfolio.

A reduction in the rate of growth of the Indian economy, or a significant adverse world, regional or local event may result in a loss of value or a slowing of growth rates for Indian securities.

A lack of liquidity in Indian securities generally or securities making up the Portfolio (or which may from time to time be intended to be added to the Portfolio) may affect the performance of the Portfolio and the ability of the Portfolio Manager to acquire or dispose of particular stocks at acceptable prices.

Liquidity risk is compounded by the risk that the Portfolio investments may become illiquid after purchase. If the Portfolio Manager is unable to sell Equities, or can only sell the Equities held at a discount, the value of the Portfolio is likely to be negatively impacted.

There can be no assurance that the Company will achieve its investment objective.

### **9.2.3 Exchange Rates and Currency Fluctuations**

A substantial proportion (greater than 90%, exact amount dependent on amount raised) of the funds raised under this Prospectus are proposed to be converted into Rupees following allotment of the Shares and Options for the purposes of investment in Indian listed Equities by the Portfolio Manager.

It is not the current policy of the Company or the Fund Administrator to hedge the exposure of having the investments being denominated in Rupees. This means changes in exchange rates would be expected to have a direct effect on the Company and its investments.

In particular, a strengthening of the Australian Dollar against the Rupee would adversely affect the value expressed in Australian Dollars of the Company's Portfolio.

The Company's financial reports will be denominated in Australian dollars. Because of timing differences between occurrences of events and reporting, where there is an intervening appreciation of the Rupee against the Australian Dollar, the reported value of receipts wholly within India or the value of assets in India may be reduced despite the receipt or asset remaining in India and the value in India remaining the same. Assets recorded in the Company's statement of financial position and revenue reported in its statement of profit or loss and other comprehensive income may not reflect the performance of the Portfolio in India. The value of the Portfolio as an asset of the Company will be affected by fluctuations in the exchange rate for Australian Dollars and Rupees. This may be the case even where there has not been a disposal of Portfolio securities.

Transfers of funds between Australia and India will also be affected by exchange rates. Depreciation of the Rupee against the Australian Dollar would decrease the amount (in Australian Dollars) received upon repatriation of funds from India to Australia.

### **9.2.4 Liquidity risk**

The Company expects to be classified as a LIC. The ability of Shareholders to sell their Shares and Options on ASX will be dependent on the turnover or liquidity of the Shares and Options of the Company at that time. Liquidity of the Shares and Options will be affected by a wide variety of factors including the size of the Company and the investment intention of the Company's existing and prospective Shareholders at that time. Given the nature of the Company, and the traditionally lower trading volumes experienced by LICs, if the Company is only able to achieve the Minimum Subscription, it is likely that there will be a low level of liquidity in trading of the Shares and Options.

In addition, the securities of some LICs and managed investment schemes trade at a discount to the net asset value or backing, which may affect demand for Shares and Options and subsequently their liquidity.

In the event that a Shareholder wished to dispose of their investment in the Company, this can be achieved through a sale on the ASX. However the Directors can give no assurance that there will be sufficient liquidity in the trading of the Shares and Options nor whether the price of Shares and Options will reflect the underlying net asset value of the Company. The price at which the Company's Shares and Options trade on ASX may be below the net asset value or backing of the Shares and Options. There is no requirement under the Constitution of the Company for the Board to undertake a buy-back of Shares and Options, to implement a capital reconstruction or to take other action where the price is below the net asset value or backing of the Shares and Options.

Regulatory changes which affect the LIC sector or the market for shares of listed Australian companies in general may affect the market for the Company's securities, or may increase the costs faced by the Company and other LICs or their costs and ability to carry out their operations, which may be detrimental to the market for the Company's shares or investor sentiment to shares in the LIC sector generally.

### **9.2.5 Regulatory risk**

Changes in government financial regulations and policies in India, the United Kingdom, Singapore or Australia may adversely affect the ability of the Company to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs or complexity in managing investments, and accordingly may adversely affect the financial performance of the Company.

India may change its foreign investment, exchange, regulatory and/or tax regimes in a manner which is adverse to Australian and other foreign investors, and which may prevent the return of income and capital to Australia in an economic and timely manner or at all.

The Indian financial sector is not as developed as the Australian financial sector. It is possible that adverse changes may result from Indian authorities seeking to advance the development of their domestic or foreign investment systems, or that the less developed nature of the Indian financial sector may lead to financial losses, a reduction in confidence in the Indian investment market, or other adverse events affecting the Indian domestic economy or foreign investment.

Whilst many of the institutional, regulatory and economic institutions and concepts in India are comparable to those with which Australians are familiar, they are not identical and foreigners including the management of the Company and its advisers may not be aware of differences which may affect investments on Indian stock exchanges. Foreign investors may not appreciate the influence or effect of events within or affecting India.

Additionally, the Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time.

The Company is exposed to the risk of changes to laws and/or interpretation of laws relevant to its operations, which may have a negative impact on the Company, its investments and/or returns to Shareholders. Non-compliance with laws may also expose the Company to financial penalties.

### **9.2.6 Foreign Investment Limits**

As noted in Section 3.5 and elsewhere, some Indian shares may not be accessible to the Company in the short term due to the foreign investment limits. Accordingly there is a risk that the Portfolio Manager may achieve a return that is less than would be the case if those shares were available for inclusion in the Portfolio.

### 9.2.7 Sovereign risk, Trans-Border Dealings and Timely Communication

India is involved in various international conflicts and disputes with other countries and has in the past suffered from internal terrorism and political violence.

India has a strict international investment policy, which may limit the ability of the Company to invest in securities of some companies on Indian exchanges, particularly in sensitive industry sectors such as defence and media. Development of international investment in India is comparatively recent, and there is a risk that political or social changes in India may result in restrictions on repatriating income or capital, or result in capital and retained profits being invested or repatriated in an economic and timely manner or at all.

In the event of a loss in India, the costs of seeking a remedy or compensation of that loss would be likely to be increased because of the need to bring an action in Courts or Tribunals in India. Also, the dispute resolution or court processes of India may not be as readily accessible to the Company as their Australian equivalents.

Regulatory authorities, government bodies, investigative bodies, the Portfolio Manager or the Custodian may stop or refuse to proceed with transactions for a range of reasons pending confirmation of the origins of funds or *bona fides* of an instruction, which may result in delays while the requirements of those parties are satisfied.

Management of the Portfolio will be dependent upon international communications, including those between the Company and the Fund Administrator, the Fund Administrator on behalf of the Company and the Portfolio Manager, between the Portfolio Manager and brokers (in respect of trades of securities comprising the Portfolio), and with the Custodian and administrator (keeping records of the Portfolio, maintaining the Company's accounts and providing reports). A temporary interruption to communications may result in opportunities being missed, which may include making advantageous investments or avoiding losses, information not being available which may result in actions not being able to be taken until the information has been updated. Similarly, there may be delays in the preparation, dispatch or receipt of reports. Temporary interruptions may arise from problems in communication systems (for example, loss of long distance communications due to physical or technical interruptions) or the loss of individual communications (for example, emails or other communications not being received).

### 9.2.8 Fund Administrator risk

The success and profitability of the Portfolio will depend in part on the ability of the Fund Administrator to work with the Portfolio Manager to implement the Company's strategic and investment objectives.

The Fund Administrator is required to hold an Australian Financial Services Licence to operate its business. The ability of the Fund Administrator to continue to provide services to the Company is dependent on the maintenance of its Australian Financial Services Licence and is conditional upon Mr John Pereira and Mr David Carruthers remaining available to the Fund Administrator as key people under the licence. To the extent that the Fund Administrator should lose or have restrictions imposed on its Australian Financial Services Licence to prevent it from continuing to manage the Company's investments, the Company will need to identify and engage a suitably qualified and experienced manager to perform the role of the Fund Administrator.

### 9.2.9 Portfolio Manager risk

The returns to the Company and investors will be affected by the quality of stock selection and management of the Portfolio by the Portfolio Manager. The Investment Parameters that underpin the basis for the Portfolio Manager's share selection may prove to be inappropriate for future market circumstances and conditions and accordingly may impair the performance of the Portfolio and the Company.

Whilst similar to an existing fund managed by Kotak Mahindra Group, the Portfolio will be distinct from that fund and there is no history of the successful management of the Portfolio under its specified Investment Parameters. Whilst past performance was a factor in selecting the Portfolio Manager, there is no guarantee that the past performance of the Portfolio Manager can be reproduced in future years.

The Portfolio Manager, and in turn the Company, will be reliant on local brokers to execute trades on Indian stock markets in a prompt manner and which gives sufficient priority to the Company's Portfolio, which priority cannot be guaranteed.

In addition, the following factors may affect the Portfolio Manager's performance:

- poor investment strategy and securities selection in the construction of a Portfolio that does not achieve the objectives of the Portfolio;
- changing market conditions such as negative changes in market sentiment;
- loss of key clients/personnel; and
- market perception of the Portfolio Manager and its funds management business;

While the Company and the Fund Administrator will seek to mitigate these risks through regular review and monitoring of the Portfolio Manager, there can be no guarantee that the investment strategies or acts of the Company, Fund Administrator or Portfolio Manager will be successful or provide protection from losses or that the Portfolio Manager's future performance will match or exceed its past performance.

There is also a risk that the Portfolio Manager fails to perform in accordance with the Portfolio Management Agreement. The Company considers this risk to be mitigated by the default provisions included in that agreement, and that the Portfolio Manager is regulated by the Financial Conduct Authority of the United Kingdom (or in the event of a novation under the Portfolio Management Agreement as described in Section 6.1, the Monetary Authority of Singapore).

### 9.2.10 Performance Fee incentive

Payment of the Performance Fee by the Company to the Fund Administrator and Portfolio Manager may create an incentive for the Fund Administrator and/or Portfolio Manager to make investments on behalf of the Company that are riskier and more speculative than would be the case in the absence of any such a fee. This may add to the risk and volatility of the investments in the Portfolio.

### **9.2.11 Risk of entrenchment of Fund Administrator and Portfolio Manager**

During the initial term of the Fund Administration Agreement and Portfolio Management Agreement, Shareholders will not be able to pass a resolution to remove the Fund Administrator or Portfolio Manager and terminate the Fund Administration Agreement and the Portfolio Management Agreement.

The Company has obtained a waiver from the ASX to extend the initial term of the Fund Administration Agreement and the Portfolio Management Agreement (and thereby the protection and entrenchment of the Fund Administrator and Portfolio Manager) from five years to ten years.

There is therefore a risk that, if the Fund Administrator and/or Portfolio Manager performs poorly, it may be difficult for Shareholders to remove the Fund Administrator and/or Portfolio Manager until after the initial ten year term.

### **9.2.12 Counterparty and credit risk**

Counterparty risk is the risk that a counterparty, such as the Custodian, will not be able to meet its obligations under a contract.

The investment strategies of the Company, the Fund Administrator and the Portfolio Manager rely on the successful performance of contracts with external parties, including securities brokers and service providers. There is a risk that these counterparties may not meet their responsibilities, including as a result of insolvency, financial distress or liquidation of the counterparty, which may expose the Company to the risk of loss. In the case of default, the Company could also become subject to adverse market movements while replacement transactions are executed.

The ability of the Company to transact business with one or more counterparties and the lack of any independent evaluation of such counterparties' financial capabilities may increase the potential for losses by the Company.

### **9.2.13 Derivatives risk**

There is a risk that the use of derivatives can have a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain.

Derivative instruments include futures, options on futures, over-the-counter options, exchange-traded options, swaps and forward contracts. The value of all derivatives is 'derived' from underlying physical assets, such as company shares, commodities and bonds.

Derivatives such as futures and options may be used by the Company:

- to offset the risk of price fluctuations of securities;
- as an alternative to purchasing the physical security;
- to seek to take advantage of any opportunities to profit which may exist in the market from time to time; and
- in the management of currency and interest rate risk.

In all cases there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.

The use of derivatives potentially exposes the Company to counterparty, legal and documentation risks.

### **9.2.14 No Operating History**

While the Company's Directors, officers and advisers have significant experience in the securities, financial and related advisory industries, the Company has no operating history in the securities, financial and related advisory industries and has no substantive historical financial information or track record. However, this risk is mitigated to some extent through outsourcing the selection of specific stocks to the Portfolio Manager.

To achieve the objectives set out in this Prospectus, the Company will be required to implement operational and financial systems, procedures and controls and develop, expand, retain, manage, and where appropriate, train its staff. No assurance can be given as to the Company's ability to successfully manage its future growth.

### **9.2.15 Dependence upon Service Providers and Key Personnel**

In formulating its investment philosophy, the Company relies to a significant extent upon the experience and expertise of the Fund Administrator and the Portfolio Manager, and their key personnel. The loss of one or more of these service providers, or of key personnel of the service providers may adversely affect the Company's prospects of pursuing its activities. If the Fund Administrator or Portfolio Manager were to discontinue its operations, or if the agreement pursuant to which it produces services is terminated (either with or without cause), the management of the Company's Portfolio would be adversely affected until and unless a substitute service provider able to fulfil the requirements of Indian and/or Australian regulators could be identified and new agreements entered into. There is no certainty that a replacement could be identified, or new agreements negotiated on terms acceptable to the Company in a timely manner or at all. The Company and shareholders may suffer a diminution in or loss of the value of their respective investments. If new agreements could be entered, the fees and other amounts payable to the new party may be higher, and the new party may not possess the same skills, capabilities or other attributes as the former party.

### **9.2.16 Taxation**

Changes in government fiscal policies in Australia, India, Singapore and the United Kingdom including the imposition of new or additional taxes and the redefining of current tax terminology, may adversely affect the financial performance of the Company.

There is potential for double taxation in India and Australia, if requirements for relief from double taxation cannot be met. The cash flow effect of timing of payment of tax (such as withholding taxes) and relief, where applicable and/or available, may also affect the ability of the Company to invest in securities in India or to repatriate funds to Australia in a timely or efficient manner. Funds paid to taxing or exchange control authorities which result in subsequent credits or which may be released at a later time will not be available for investment in securities and are not likely to generate interest or other income while held.

Indian legislative and taxation authorities have previously amended tax legislation and rules retrospectively. Retrospective amendments to tax legislation and rules relating to the Company's activities may result in additional tax burdens or a requirement to make payments which were not known or considered to be required when transactions were entered into. Depending on the timing of changes, this may retrospectively affect results for periods prior to the change, or require payments to be funded in periods subsequent to the transactions.

The Company's investments are generally to be characterised as long term and accordingly capital gains are only subject to tax when realised. The Fund Administrator will regularly monitor the activity of the Portfolio Manager to confirm that the characteristics of the Portfolio reflect this intention.

There is a risk that depending upon the actual investments carried out by the Company that the Australian Taxation Office may evaluate the activity of the Company as constituting trading in shares and accordingly tax all gains on sale on a revenue basis.

### **9.2.17 LIC Status**

The ability of the Company to be classified as a Listed Investment Company is dependent upon at least 90% of its capital gains tax (CGT) assets being permitted investments recognised under Australian tax laws. A change in the definition of permitted investments, or failure by the Company to meet or maintain the required minimum, may result in the taxation benefits or treatment which may otherwise be available to specific categories of shareholders or investors in a LIC not being available.

### **9.2.18 Dividend risk**

The ability of the Company to pay fully or partly franked dividends is contingent on it making taxable profits. The Company's taxable profits may be volatile due to a number of factors including poor investment decisions made by the Fund Administrator and Portfolio Manager, making the reliable forecasting, payment and franking of dividends difficult to predict.

No guarantee can be given as to the future earnings of the Company, the earnings and capital appreciation of the Company's Portfolio or the return of the capital invested by Shareholders.

## **9.3 General Investment Risks and Considerations**

### **9.3.1 Operational costs**

Operational costs for the Company as a proportion of total assets will be affected by the level of acceptance of the Offer. Operational costs representing a greater proportion of total assets will reduce the operating results of the Company and its ability to make dividend payments.

### **9.3.2 Future capital requirements of the Company**

There can be no assurance that the Company will not need to raise additional capital to fully exploit business opportunities available to it, or that the Company will be able to raise additional capital on favourable terms, or at all.

If the Company is unable to obtain additional capital, the Company may be required to reduce the scope of its investment activities or forgo an investment opportunity, which could adversely affect its business and ultimately the return to Shareholders.

### **9.3.3 Share Investment**

The price of the Company's securities on ASX will be influenced by the general outlook for the Australian economy and, in particular, investor sentiment to LICs, which is subject to change.

Investors should recognise that the price of the Shares and Options may fall as well as rise.

The Shares and Options offered under this Prospectus carry no guarantee in respect of profitability, dividends, return on capital or the price at which they may be traded on ASX. If an investor sells the Shares and Options, the amount received may be higher or lower than the amount originally invested. Many factors will affect the price of the Shares and Options, including local and international stock markets, movements in interest rates, economic conditions and investor sentiment. An investment in the Company should be considered to be subject to a higher risk of share market fluctuation than large companies. Economic risk and external market factors

Factors such as, but not limited to, political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may have an adverse impact on the Company's operating costs, returns and share price. These factors are beyond the control of the Company and the Company cannot, to any degree of certainty, predict how they will impact on the Company.

### **9.3.4 War and terrorist attacks**

War or terrorist attacks anywhere in the world could result in a decline in economic and market conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of the Company.

**The above factors, and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.**

**Therefore, the Shares and Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.**

**After reading this Prospectus, you should contact your stockbroker, accountant or independent financial adviser prior to making an investment in the Company.**



# 10 Financial Information

This section contains a summary of the financial information prepared by the Directors of the Company and comprises the pro forma statement of profit or loss and other comprehensive income and pro forma statement of financial position as at the date of this Prospectus (the **Pro Forma Financials**).

Also summarised in this section is the basis of preparation and presentation of the Pro Forma Financials (Section 10.1).

All amounts disclosed in the tables are presented in Australian Dollars.

## 10.1 Basis of preparation and presentation of the Pro Forma Financials

The Directors of the Company are responsible for the preparation of the Pro Forma Financials.

The Pro Forma Financials have been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB).

The Pro Forma Financials are presented in an abbreviated format and does not contain all of the disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The information in this section should be read in conjunction with the risk factors set out in Section 9 and other information contained in this Prospectus.

The Company's key accounting policies are set out in Section 10.4.

## 10.2 Preparation of the Pro Forma Financials

The Pro Forma Financials have been prepared for the purpose of inclusion in this Prospectus and have been derived from the management accounts of the Company with pro forma adjustments being made to reflect the Company's capital structure that will be in place following completion of the Offer.

The Company was incorporated on 12 December 2014.

The Company has no outstanding liabilities in respect of costs incurred in its initial public offering under a Prospectus dated 25 May 2015, which was withdrawn on 24 June 2015.

The Pro Forma Financials below have been prepared based on:

- Audited financial statements at 30 June 2015; and
- Reviewed financial statements at 31 March 2016.

ShineWing Australia has provided an unqualified opinion on the audited financial reports for the period ended 30 June 2015, while drawing attention to a material uncertainty in respect to going concern.

The Pro Forma Financials included in this Prospectus has been reviewed, but not audited, by ShineWing Australia Corporate Finance Pty Ltd (ShineWing). Investors should note the scope and limitations of the Independent Limited Assurance Report (refer Section 11).

### 10.3 Pro Forma Statement of Profit or Loss and Other Comprehensive Income

The table below sets out the pro forma statement of profit or loss and other comprehensive income for the Company as at the date of the Prospectus including the impact of transactions that will be in place following completion of the Offer as if it had occurred or were in place as at the date of the Prospectus.

Subscription Amount	Audited 30 June 2015 \$	Reviewed 31 March 2016 \$	\$16,000,000 (Minimum) \$	\$30,000,000 \$	\$50,000,000 (Maximum) \$
<b>REVENUE</b>					
Debt Forgiveness	400,615	210,332	210,332	210,332	210,332
Other Income	-	55,007	55,007	55,007	55,007
<b>EXPENSES</b>					
Advertising and Marketing	(266,238)	(597)	(597)	(597)	(597)
Professional Services	(245,132)	(2,373)	(2,373)	(2,373)	(2,373)
Travel & Accommodation	(114,976)	-	-	-	-
Other Expenses	(118,711)	(13,843)	(13,843)	(13,843)	(13,843)
<b>Profit/(Loss) before income tax</b>	<b>(344,442)</b>	<b>248,526</b>	<b>248,526</b>	<b>248,526</b>	<b>248,526</b>
Tax Benefit	-	-	234,012	378,545	585,020
<b>Net Profit/(Loss) after income tax</b>	<b>(344,442)</b>	<b>248,526</b>	<b>482,538</b>	<b>627,071</b>	<b>833,546</b>
<b>Other Comprehensive Income/(Expences), net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Expense)</b>	<b>(344,442)</b>	<b>248,526</b>	<b>482,538</b>	<b>627,071</b>	<b>833,546</b>

### 10.4 Pro Forma Statement of Financial Position

The table below sets out the pro forma statement of financial position for the Company and the net tangible assets per share (NTA) as at the date of the Prospectus including the impact of the operating and capital structure that will be in place following completion of the Offer as if it had occurred or were in place as at the date of the Prospectus.

The pro forma transactions and events are summarised in Section 10.4.1.

Subscription Amount	Audited 30 June 2015 \$	Reviewed 31 March 2016 \$	\$16,000,000 (Minimum) \$	\$30,000,000 \$	\$50,000,000 (Maximum) \$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash equivalents	196	1,340	875,000	875,000	875,000
Funds held pending investment	-	-	14,346,300	27,864,525	47,176,275
Receivables	156,087	65,463	65,463	65,463	65,463
<b>Total Current Assets</b>	<b>156,283</b>	<b>66,803</b>	<b>15,286,763</b>	<b>28,804,988</b>	<b>48,116,738</b>
<b>Non-Current Assets</b>					
Property, Plant & Equipment	2,037	1,528	1,528	1,528	1,528
Intangible Assets	4,208	3,507	3,507	3,507	3,507
Deferred Tax Asset	-	-	234,012	378,545	585,020
<b>Total Non-Current Assets</b>	<b>6,245</b>	<b>5,035</b>	<b>239,047</b>	<b>383,580</b>	<b>590,055</b>

Continued over page ►

Subscription Amount	Audited 30 June 2015 \$	Reviewed 31 March 2016 \$	\$16,000,000 (Minimum) \$	\$30,000,000 \$	\$50,000,000 (Maximum) \$
<b>TOTAL ASSETS</b>	162,528	71,838	15,525,810	29,188,568	48,706,793
<b>Current Liabilities</b>					
Accounts Payable	336,040	48,400	48,400	48,400	48,400
Other Current Liabilities	70,530	18,954	18,954	18,954	18,954
<b>Total Current Liabilities</b>	406,570	67,354	67,354	67,354	67,354
<b>NET ASSETS/(Liabilities)</b>	<b>(244,042)</b>	<b>4,484</b>	<b>15,458,456</b>	<b>29,121,214</b>	<b>48,639,439</b>
<b>EQUITY</b>					
Issued Capital	100,400	100,400	15,320,360	28,838,585	48,150,335
Retained Earnings/ (Accumulated Loss)	(344,442)	(95,916)	138,096	282,629	489,104
<b>TOTAL EQUITY</b>	<b>(244,042)</b>	<b>4,484</b>	<b>15,458,456</b>	<b>29,121,214</b>	<b>48,639,439</b>
Company NTA per share			0.959	0.967	0.970

A reconciliation of the pro forma statement of financial position for cash is as follows:

Subscription Amount	\$16,000,000 (Minimum) \$	\$30,000,000 \$	\$50,000,000 \$
Shares currently on issue	100,400	100,400	100,400
Proceeds of Offer	16,000,000	30,000,000	50,000,000
Expenses of the Offer	(780,040)	(1,261,815)	(1,950,065)
<b>Capital at Listing</b>	<b>15,320,360</b>	<b>28,838,585</b>	<b>48,150,335</b>

#### 10.4.1 Notes to the Pro forma Statement of Financial Position

- (a) Prior to the lodgement of this Prospectus:
  - an entity associated with the Executive Chairman owns 125,000 shares of the Company. The paid up capital on these shares is \$100,400; and
  - the Company adopted the proposed terms of Options and issued 125,000 Options to the Executive Chairman.
- (b) Pro Forma Financials have been prepared assuming 16,000,000, 30,000,000 and 50,000,000 Shares are subscribed for. This represents a range between the Minimum Subscription and Maximum Subscription to illustrate the potential financial position of the Company at the conclusion of the Offer. The pro forma capital structure of the Company is disclosed in Section 2.3. The actual financial position of the Company may vary to that illustrated above as the Company is unable to accurately forecast the actual number of Shares that will be subscribed for.
- (c) Issue costs, as disclosed in Section 13.8, have been directly offset against raised capital. Issue costs are net of deferred tax and the deferred tax asset has been recognised as a non-current asset.

## 10.5 Accounting Policies

A summary of significant accounting policies which have been adopted in the preparation of the pro forma financial statements set out in Section 10.3 and 10.4 is set out below. These policies have been adopted and applied in preparation of the financial statements of the Company for the year ended 30 June 2015 and will be applied in subsequent years.

### 10.5.1 Basis of preparation

Compliance with Australian Accounting Standards ensures that the pro forma financial statements complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, the pro forma financial statements have also been prepared in accordance with and complies with IFRS as issued by the IASB.

The pro forma financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities at fair value.

### 10.5.2 Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

### 10.5.3 Foreign Currency

The financial statements are presented in Australian dollars. Foreign currency transactions are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the Company that are outstanding at the reporting date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the financial year.

### 10.5.4 Investments

#### Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the financial instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised as expenses in profit or loss immediately.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

#### Available-for-sale financial instruments

Shares and securities in the investment Portfolio are classified as available-for-sale financial assets because they are held for long term capital growth and dividend or interest income, rather than to make a profit from their sale. Shares, securities and listed debt instruments are valued at fair value which is determined by the unadjusted last sale price quoted on the relevant stock exchange. Use of unadjusted last sale price in an active market such as the Indian stock exchanges falls within Level 1 fair value hierarchy of measuring fair value under AASB 13.

Investments including shares and securities are valued continuously and for this reason, cost of sales equals sales revenues when investments are sold. Revaluations are included in other comprehensive income through the Asset Revaluation Reserve after deducting a provision for potential deferred capital gains tax.

When shares, securities and other investments are disposed of, the balance in the Asset Revaluation Reserve related to the disposed share, security or other investment is transferred to the Capital Profits Reserve.

### 10.5.5 Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, as indicated, less, where applicable, any accumulated depreciation and impairment losses.

#### *Plant and equipment*

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured

reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

#### *Depreciation*

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Computer equipment	50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### **Impairment of Non-financial Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

#### **10.5.6 Intangibles other than Goodwill**

##### *Trademarks*

Trademarks are recognised at cost of acquisition. Trademarks are words, names, symbols or other devices used in trade to indicate the source of the product or service, and to distinguish the product or service from the source of others. They are deemed to have indefinite useful lives and are carried at cost. Trademarks are tested annually for impairment.

##### *Software and website development costs*

Software and website development costs are capitalised only when the Company identifies that the project will deliver future economic benefits and these benefits can be measured reliably. Software and developed websites are considered as having finite useful lives and are amortised on a systematic basis over their useful lives so as to match the economic benefits received to the periods in which the benefits are received. Amortisation begins when the software or the websites becomes operational.

<b>Class of Intangible Asset</b>	<b>Amortisation Rate</b>
Website development	33.3%

#### **10.5.7 Investment income**

##### **Dividend Income**

Dividend income is recognised on a receivable basis on the date shares are quoted ex-dividend.

##### **Distribution Income**

Distribution income is recognised on a receivable basis as of the date the unit value is quoted ex-distribution.

##### **Interest income**

Interest from Fixed Interest Securities and discount securities is recognised on an accruals basis using the effective interest method, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial instrument. Interest on cash on deposit is recognised in accordance with the terms and conditions which apply to the deposit.

#### **10.5.8 Expenditure**

Expenditure is brought to account on an accruals basis.

#### **10.5.9 Cash and cash equivalents**

Cash includes cash on hand and in banks and money market investments readily converting to cash, net of outstanding bank overdrafts.

#### **10.5.10 Equity Transaction costs**

Transaction costs arising on the issue of equity are recognised directly as a reduction of the proceeds of equity instruments to which the costs relate.

### 10.5.11 Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

No deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### 10.5.12 Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

## 10.6 Income Tax

It is intended that the Company will be established as a LIC, and that the activities of the Company will be such that it will continue to satisfy the requirements of being a LIC.

As a result of being a LIC, tax concessions should be available to Australian tax resident investors in the Company that are individuals, trusts, partnerships, complying superannuation funds and certain eligible life insurance companies. Broadly, the tax concessions are intended to ensure that shareholders of LICs will receive comparable tax treatment to investors in managed funds for distributions sourced from certain capital gains. This concession may be available where capital gains are made by the Company and are passed on to investors by way of dividends. The Independent Taxation Report included in this Prospectus at Section 12 provides more detail of this tax concession.

In order for the Company to be treated as a LIC for tax purposes, a number of requirements detailed in the tax law must be satisfied. Broadly, the Company must:

- be an Australian resident company;
- be admitted to the Official List of the ASX or other stock exchange approved by the *Corporations Act*;
- have at least 90% of the market value of its capital gains tax assets being permitted investments, such as shares, options, units, financial instruments and certain asset types which have the main use of deriving passive income such as interest, annuities, rent, royalties or foreign exchange gains; and
- own no more than 10% of any other company or trust (except where it owns a 100% subsidiary that is also a listed investment company and its direct and indirect ownership interests in other listed investment companies).

In the event that the Company does not continue to satisfy these requirements, other than a temporary breach and an event outside of the control of the Company, the tax concessions detailed in the Independent Taxation Report included in Section 12 of this Prospectus will cease to be available to investors in the Company.

# 11 Independent Accountant's Report



18 July 2016

The Due Diligence Committee  
India Fund Limited  
Level 7  
114 William Street  
Melbourne Vic 3000

Dear Sirs,

## **INVESTIGATING ACCOUNTANT'S REPORT ON THE REVIEW OF THE HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION**

### **Introduction**

This report has been prepared at the request of the Due Diligence Committee to report on the Pro Forma Historical Financial Information of India Fund Limited ("**INF**") for inclusion in Section 10 of the Prospectus to be dated on or around 19 July 2016. The Prospectus has been prepared by the Company in relation to the initial public offer of a minimum of 16 million and maximum of 50 million fully paid ordinary shares to the general public at an issue price of A\$1 per share with 1 option to raise a minimum of A\$16 million and maximum of A\$50 million.

Expressions and terms defined in the public document have the same meaning in this report. The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License under the *Corporations Act 2001*. ShineWing Australia Corporate Finance Pty Ltd holds the appropriate licence under the *Corporations Act 2001*.

### **Scope**

You have requested ShineWing Australia Corporate Finance Pty Ltd (**ShineWing**) to review the following historical financial information of INF included in Section 10 of the Prospectus:

- (a) the pro forma historical financial information of INF as set out in Section 10.3 and 10.4 of the Prospectus, comprising the:
  - Historical Statements of Profit or Loss and Comprehensive Income and Historical Statements of Financial Position at 30 June 2015 and 31 March 2016.
  - Pro Forma Historical Statement of Profit or Loss and Comprehensive Income and Pro Forma Historical Statement of Financial Position at 31 March 2016.

collectively referred to as the **Historical Financial Information**.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards.

The Historical Financial Statements have been prepared based on the historical financial information of INF and reflects the completion of the share issue described in the Prospectus as if it had taken place at 31 March 2016. The Pro Forma Historical Statements have been derived from historical financial information, after adjusting for the effects of Pro Forma adjustments described in the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in

Australian Accounting Standards applied to the historical 2 financial information and the events or transactions to which the Pro Forma adjustments relate, as described in the Prospectus, as if those events or transactions had occurred as at the date of the Pro Forma Historical Statement of Financial Position. Due to its nature, the Pro Forma Historical Statements does not represent INF's actual or prospective financial position.

The period ended 30 June 2015 financial statements of INF have been audited by ShineWing Australia. In respect of the 30 June 2015 financial statements, ShineWing Australia has issued an unqualified opinion with an emphasis of matter in respect of going concern.

INF was incorporated on 12 December 2014 and has not actively traded at the date of preparation of the Prospectus.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

#### **Directors of INF's responsibility**

The directors of INF are responsible for the preparation of:

- the Historical and Pro Forma Historical Statements as at 31 March 2016, including the selection and determination of Pro Forma adjustments made to the historical financial information and included in the Pro Forma Historical Statements; and
- the Prospectus.

This includes responsibility for such internal control as the directors of INF determine are necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

#### **Our Responsibility**

Our responsibility is to express limited assurance conclusions on the Historical Financial Information on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Auditing Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. A review is substantially less in scope than an audit conducted in accordance with the Australian Auditing standards to which significant issues are more likely to be identified. This report and our engagement in this regard does not express an audit opinion and does not extend to updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

#### **Conclusions**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation described in Section 10 of the Prospectus.

#### **Restriction on Use**

Without modifying our conclusions, we draw attention to Section 10 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the public document. As a result, the financial information may not be suitable for use for another purpose and accordingly takes no responsibility for it being used for any other purpose.

#### **Consent**

ShineWing has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is included, but has not authorised the issue of the Prospectus. Accordingly, ShineWing makes no representations regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

#### **Independence**

ShineWing Australia Pty Ltd and its related entities ShineWing Corporate Finance Pty Ltd and or ShineWing Australia Wealth Pty Ltd does not have any interest in the outcome of this Offer other than in the standard commercial professional fees received in preparation of the Investigating Accountant's Report.

We do not have formal associations with entities that are issuers of financial products, however in the course of business may provide professional services to financial product issuers.

**General Advice Warning**

This report has been prepared, and included in the Prospectus, to provide retail clients with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information in relation to any financial product, an investor should consider whether it is appropriate for their circumstances having regard to their own personal objectives, financial situation or needs.

Yours faithfully



NICK MICHAEL  
Director

Authorised Representative (1237745) of  
**ShineWing Australia Corporate Finance Pty Ltd** (ABN 13 068 744 114)

Corporate Authorised Representative (389399) of  
**ShineWing Australia Wealth Pty Ltd** (ABN 34 006 341 386)  
Australian Financial Services License (AFSL 236556)

## Financial Services Guide

We are required to issue to you, as a retail client, a Financial Service Guide (FSG). The FSG, dated 18 July 2016, is designed to assist retail clients in their use of the general financial product advice provided by ShineWing Australia Corporate Finance Pty Ltd ABN 13 068 744 114 (“**ShineWing Australia Corporate Finance**”) as a corporate authorised representative (389399) of ShineWing Australia Wealth Pty Ltd ABN 34 006 341 386, Australian Financial Services License (AFSL) number 236556 (“**ShineWing Australia Wealth**”). This FSG contains information about:

1. Who we are, what our engagement is and who engaged our services;
2. The services we are authorised to provide under the AFSL held by ShineWing Australia Wealth;
3. Remuneration that we may receive in connection with the preparation of the general financial product advice;
4. Any relevant associations, relationships and or referrals arrangements;
5. Our internal and external complaints handling procedures and how you may access them;
6. The compensation arrangements that ShineWing Australia Wealth has in place;
7. Our privacy policy; and
8. Our contact details.

This FSG forms part of an Investigating Accountant’s Report (“**Report**”) which has been prepared for inclusion in a prospectus to be dated on or about 15 July 2016 prepared by India Fund Limited ACN 22 603 338 969 (“**Prospectus**”). The purpose of the Prospectus is to help you make an informed decision in relation to a financial product. The contents of the Prospectus include details such as the risks, benefits and cost of acquiring the particular financial product.

### 1. About us

ShineWing Australia Corporate Finance is a related entity of ShineWing Australia and independent member of ShineWing International Limited – members in principal cities throughout the world.

The general financial product advice in our Report is provided by ShineWing Australia Corporate Finance and not by ShineWing Australia which provide services primarily in the areas of audit, tax and business consulting.

ShineWing Australia Corporate Finance has been engaged by India Fund Limited to issue a Report for inclusion in the Prospectus.

### 2. Financial services we are authorised to provide and our responsibility to you

We are authorised by ShineWing Australia Wealth to provide general financial product advice for securities only to retail and wholesale clients.

ShineWing Australia Wealth is responsible for the financial services we provide.

The Report contains only general financial product advice

as it was prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice in the Report having regard to your circumstances and consider obtaining personal financial advice from an appropriately licensed person before you act on the general advice in the Report.

You should also consider all other parts of the Prospectus before making any decision in relation to the financial product.

The Report has been prepared for the directors of India Fund Limited. You have not engaged us directly but have received a copy of the Report because you have been provided with a copy of the Prospectus.

Neither ShineWing Australia Corporate Finance nor ShineWing Australia Wealth are acting for any person other than India Fund Limited.

ShineWing Australia Corporate Finance and ShineWing Australia Wealth are responsible and accountable to you for ensuring there is a reasonable basis

### 3. Fees, commission and other benefits we may receive

ShineWing Australia Corporate Finance charges fees for providing reports, which are agreed to upfront, and paid by, the entity who engages us to provide the report.

Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In this case, India Fund Limited has agreed to pay us approximately \$28,500 for preparing the Report.

Except for the fees referred to above, neither ShineWing Australia, nor any of its directors, authorised representatives, employees, associates or related entities, received any pecuniary benefit, directly or indirectly, for or in connection with the provision of the Report. All employees receive a salary and bonus based on overall productivity and not linked to our opinions expressed in this Report.

Further details may be provided on request.

### 4. Associations, relationships and referrals

The ShineWing Australia group, including ShineWing Australia, ShineWing Australia Corporate Finance and ShineWing Australia Wealth are members of ShineWing International Limited, consisting of independent member firms and correspondents.

ShineWing Australia and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products in the ordinary course of its business. Partners of ShineWing Australia through their shareholdings will receive a direct benefit from the fees received.

Over the last year, the ShineWing Australia group has received professional fees of \$15,000 paid by India Fund Limited excluding the fees received in connection with this Report.

No individual involved in the preparation of the Report holds an interest in, or is a substantial creditor of India Fund Limited or has other material financial interests in the transaction proposed by the Prospectus.

ShineWing Australia group does not pay commissions or provide any benefits to any person for referring customers to them in connection with the Report.

## 5. Complaints

### Internal complaints resolution

If you have concerns with the general advice provided in the Report, please contact us at the details provided in section 8 below. If your concerns are not addressed in a timely manner, please send your complaint in writing to the General Manager, ShineWing Australia Wealth Pty Ltd, Level 10, 530 Collins St, Melbourne, VIC 3000.

### External dispute resolution

If your concern is not resolved, or if you are not satisfied with the decision, you may contact the Financial Ombudsman Service (FOS). FOS independently and impartially resolves disputes between consumers, including some small businesses, and participating financial services providers. The FOS provides an independent dispute resolution process covering complaints about financial services. You may contact the FOS by:

Financial Ombudsman Service  
GPO Box 3, Melbourne VIC 3001  
Toll free: 1300 780 808,  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Website: [www.fos.org.au](http://www.fos.org.au)

The Australian Securities & Investments Commission (ASIC) is Australia's corporate, markets and financial services regulator. ASIC contributes to maintaining Australia's economic reputation by ensuring that Australia's financial markets are fair and transparent, and is supported by informed investors and consumers alike. ASIC seeks to protect consumers against misleading or deceptive and unconscionable conduct affecting all financial products and services. You may contact ASIC by:

Australian Securities & Investments Commission  
GPO Box 9827, Your Capital City  
Phone: 1300 300 630  
Website: [www.asic.gov.au](http://www.asic.gov.au);

Before you send your concern to any of these respective bodies, please contact them first to understand the process of lodging your concern with them.

## 6. Compensation arrangements

The law requires ShineWing Australia Wealth to have arrangements in place to compensate certain persons for the loss or damage they suffer from certain breaches of the Corporations Act by its representatives. ShineWing Australia Wealth has internal compensation arrangements, as well as professional indemnity insurance that satisfy these requirements.

## 7. Privacy Statement

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy. Our full privacy policy is available at <http://www.shinewing.com.au/privacy-policy>. It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Privacy Act 1988 (Cth), or a registered privacy code and how we will deal with your complaint; and;
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

Where you have provided information about another individual, you must make them aware of that fact and the contents of this privacy statement.

We will use your personal information to contact you or send you information about other products and services offered by us or our preferred suppliers. If you do not wish to receive marketing communications from us, please contact us.

## 8. Contact Details—ShineWing Australia Corporate Finance and ShineWing Australia Wealth

Level 10, 530 Collins Street  
Melbourne, VIC 3000  
Australia

T: +61 3 8635 1800  
F: +61 3 8102 3400

[www.shinewing.com.au](http://www.shinewing.com.au)

*This Financial Services Guide has been authorised for distribution by the authorising licensee.*

*References to 'we' or 'us' or 'ours' should be read as ShineWing Australia Corporate Finance Pty Ltd (ABN 13 068 744 114), in its capacity as a corporate authorised representative (389399) of ShineWing Australia Wealth Pty Ltd (ABN 34 006 341 386), AFSL 236556.*

# 12 Independent Taxation Report



15 July 2016

The Directors  
India Fund Limited  
Level 5, North Building  
333 Collins Street  
MELBOURNE VIC 3000

Dear Sirs

## **India Fund Limited Independent Taxation Report**

We have been requested to provide a general summary of the income tax issues affecting India Fund Limited (“INF”) and its shareholders. The report has been prepared for inclusion in a Prospectus to be dated 19 July 2016 under which investors will be invited to subscribe for up to 50,000,000 Shares paid to \$1.00. For each share issued, subscribers will receive one (1) Share and one (1) Option to subscribe for a share exercisable on or before 31 May 2018 at \$1.00. This report should be read in conjunction with the prospectus dated 19 July 2016.

Our advice is based on the relevant taxation laws as presently incorporated in the Income Tax Assessment Act 1936 (“ITAA1936”), Income Tax Assessment Act 1997 (“ITAA1997”) and Income Tax Rates Act 1986.

The summary is general in nature, as the circumstances of each investor may vary. Accordingly, ShineWing Australia Pty Ltd disclaims any responsibility to any investor who does not obtain independent advice from his or her own professional adviser in respect of the proposed investment in INF. The following summary relates to the taxation law as it exists at the date of writing (except where otherwise stated), and is subject to any future changes in Australian or Indian tax law.

The summary below only addresses the major Australian tax implications for investors who hold their investment as capital assets. It does not deal with implications for investors who hold shares as trading stock or who deal in shares as an ordinary incidence of their business. The taxation consequences for non-resident investors and investors who do not hold their investment on capital account will differ from the treatment outlined below.

## **1 Background**

INF is an Australian resident company that will invest in:

- between 20 and 70 large cap listed Indian companies;
- 60-100% large cap listed India companies and 10% in small cap Indian equities.

These investments will be unhedged and solely funded by equity.

## 2 Taxation implications for INF

### 2.1 Australian Accruals taxation regime

Undistributed profits in a foreign entity may be subject to Australian taxation before they are repatriated, if they can be attributed to INF under the Controlled Foreign Companies (“CFC”) regime.

Based upon INF’s investment objectives and restrictions, it is our view that the CFC rules should not apply. However, this will depend on the status of each Indian investment at the end of each year and it is possible that the rules may apply in the future depending upon the make-up of investments by INF.

When the Government repealed the Foreign Investment Fund provisions<sup>1</sup> they announced that they would introduce anti-roll-up rules to be known as the foreign accumulation fund provisions. These rules have not been introduced and whilst there has been no official announcement that these rules will not be introduced they do not seem to be a priority of the Government.

### 2.2 Indian taxation for INF

Foreign Portfolio Investors (“FPIs”), since 1993 have been subjected to a special taxation regime under Section 115AD of the Income-tax Act, 1961 (“IT Act”). The Central Board of Direct Taxes (“CBDT”) had issued a notification no. 9/2014 dated January 22, 2014, which specified that all Foreign Portfolio Investors (“FPIs”) who are registered under the SEBI (FPI) Regulations, 2014 will be eligible for the special taxation regime under Section 115AD of the IT Act. Under Section 90(2) of the IT Act, the provisions of an applicable double taxation avoidance agreement (“DTA”) overrides the provisions of the IT Act to the extent they are more beneficial to a non-resident taxpayer. Therefore, if the India - Australia DTA provides for a reduced rate of tax or a restricted scope of taxation, then the taxpayers’ (such as INF) liability will be limited accordingly.

### 2.3 Receipt of Indian dividends

Pursuant to the Indian/Australian double tax agreement (“DTA”), dividends from the Indian companies are subject to a withholding tax of 15%. However, Indian law exempts dividend from income tax in India in the hands of shareholders (whether the shareholders hold such shares as investment or stock-in-trade).

Since under Indian law, the dividend is exempted from income tax in India in the hands of the shareholders, the provision of Indian law is more beneficial to INF compared to the provision of the Indian/Australian treaty. Thus, dividends from the Indian companies shall not suffer any withholding tax but will be subjected to dividend distribution tax in the hands of the company.

When INF receives dividends from the Indian investments, it will ordinarily need to include those dividends in its Australian assessable income<sup>2</sup>, including withholding tax paid (if any).

The question whether INF is entitled to a foreign tax credit for the dividend distribution tax paid is to be decided in accordance with the Australian/Indian DTA. Prima facie, INF should not be eligible for foreign tax credits as it was not arguably personally liable and did not pay for the dividend distribution tax.

### 2.4 Disposal of Indian shares

#### 2.4.1 Indian implications

The taxation implications on the disposal of Indian shares will depend on whether the listed shares held by INF would constitute capital assets or stock-in trade. The Income-tax Act of India has brought clarity in this regard. “Capital asset” means inter alia any securities held by a Foreign Institutional Investor which has invested in such securities as per the regulations made under the Securities and Exchange Board of India Act (In short “SEBI Act”).

Where an offshore fund has a fund manager in India through whom investments may be made in India or abroad, such fund manager shall not be construed as giving rise to any business connection or permanent establishment in India subject to fulfilment of certain stringent conditions. Therefore, if there were any business profits that arise they shall not be attributable to any permanent establishment in India and should not be subject to taxation in India.

As the shares and securities held by Foreign Portfolio Investors are characterised as capital assets, then when sold the profit on disposal should be subject to Indian capital gains tax. The calculation of the tax liability depends on whether such shares and securities are long-term capital assets or short-term capital assets. Listed shares and units of equity-oriented mutual funds are considered as long-term capital assets if they are held for more than 12 months before sale.

<sup>1</sup> The Australian Foreign Investment Fund regime has been repealed by the Tax Laws Amendment (Foreign Source Income Deferral) Act (No 1) 2010 (Act No 114 of 2010), with effect for the 2010/11 and later income years.

<sup>2</sup> This assumes that the dividends are not exempt non-portfolio dividends pursuant to section 23AJ of ITAA 1936 or dividends paid from previously attributed income of a CFC pursuant to section 23AI of ITAA 1936.

Since Foreign Portfolio Investors enter into securities transactions through recognised stock exchanges in India, they are to pay securities transactions tax on purchase and sale of securities of 0.1%. As per the Income-tax Act of India, if on the sale of shares and units of an equity oriented fund the tax payer pays securities transaction tax, then the whole of long-term capital gain shall be exempt from income tax and short-term capital gains shall be taxed at 15% plus surcharge (2% if total income is more than INR10 million but not more than INR100 million and 5% if total income is more than INR100 million) plus education cess at 3%. The IT Act as amended by the Finance Act, 2016 provides that transactions in securities (long-term) in stock exchange located in any International Financial Services Centre will not attract capital gain tax even if securities transaction tax is not paid.

In the event that INF has been liable for and paid the Indian capital gains tax, it should be entitled to receive a foreign tax credit in respect of the underlying Indian tax paid. As INF is investing in companies listed on India's stock exchanges, then depending on whether the gains are considered 'long-term' or 'short-term' gains under Indian law, the Indian capital gains tax liability may be 0% or 15% respectively. Where taxed at 15%, a 2% surcharge (if total income is more than INR10 million but not more than INR100 million) or 5% (if total income is more than INR100 million) and 3% education cess will apply, bringing the effective taxation rate to 15.76% or 16.22%.

#### 2.4.2 Australian implications

INF's investments will be held to be on capital account for Australian taxation purposes where they are characterised as a long-term 'capital' investment and they are not 'revenue' in nature or in the 'business of trading in shares'.

It is a question of fact whether the shares are held on capital account. As INF's current Investment Objectives state that its goal is to "achieve capital appreciation" and concurrently, there is no mention of an exit strategy, this is an indicator that the shares are held on capital account.

In addition, if an entity operates within the parameters set out in TR 2005/23, then the following factors would generally lead to the conclusion that the shares are held on capital rather than revenue account:

- A low average annual turnover;
- A lack of regularity in sale activity;
- A high proportion of shares sold have been held for a significant number of years;
- A low level of sales transactions compared to the number of shares in the portfolio;
- Profits on sale normally constitute a small percentage of total income; and
- Significant percentage of 'aged' stocks remains in the portfolio.

Therefore, should INF's investment objectives depart from the above parameters, then this could increase the likelihood that INF's shares are held as trading stock or on revenue account.

Should INF's investments be held on capital account, then the profits made from its share activities should not form part of its ordinary income, rather they are considered to be statutory capital profits subject to the CGT regime.

INF will need to include the capital gains on the disposal of the Indian shares in its assessable income and gross up for any underlying Indian tax paid. Then, to qualify for a foreign tax credit, INF must have been liable for and paid Indian tax in respect of the Indian capital gains included in INF's assessable income. The foreign tax credit will be equal to the amount of Indian tax paid or the amount of Australian tax payable on that income, whichever is lesser. Any excess foreign tax credits may be carried forward for five years.

The capital gain should be taxable at 30%. On the payment of a dividend to its investors (and if that dividend is attributable to a LIC capital gain), then that dividend may attract concessional tax treatment in the hands of INF's shareholders similar to those benefits conferred by discount capital gains.

To show that all or a part of that dividend is reasonably attributable to a LIC capital gain, INF must maintain a LIC Capital Gain account.

#### 2.5 Australian GST on expenditure

The acquisition of Indian shares falls within the requirement of both an input taxed financial supply and a GST-free supply. Where both conditions are present, then the GST-free status prevails. As such, it is reasonably arguable that INF can claim the full input tax credit in relation to any expenditure incurred on acquiring those Indian shares. However, to seek certainty on this matter, we recommend that INF apply to the ATO for a private ruling.

INF may not be entitled to claim the full input tax credits in respect of capital raising costs incurred in Australia where the

<sup>3</sup>The financial acquisition threshold is \$150,000 of GST payable on financial supplies.

Financial Acquisitions Threshold is breached<sup>3</sup>. However, certain expenditure (i.e. reduced credit acquisitions) may be eligible for a reduced input tax credit of 75% of the GST paid (e.g. underwriting fees, management fees).

## 2.6 Foreign exchange rules - Taxation of Financial Arrangements

The Taxation of Financial Arrangements (“TOFA”) rules govern the translation of foreign income and expenses to Australian dollars, and specify when foreign exchange gains and losses should be brought to account for tax purposes.

A variety of elections are available under these rules. In view of INF’s circumstances, the simplest approach is to utilise the functional currency election. The functional currency rule operates as follows: convert any non-Indian transactions to Indian amounts; calculate the Indian taxable income in accordance with Australian taxation law; then convert the Indian taxable amount into Australian currency using an average exchange rate at the end of the income year. However, if INF does not elect to use the functional currency election, then the normal translation rules, including the concessional election to use alternate rates, are applicable.

If the functional currency election is utilised, the normal translation rules will still apply where there are non-Indian transactions. For instance, in respect of INF’s Australian bank account, it should be translated into Indian rupee under the normal translation rules, however, INF could elect to use certain forex qualifying bank account elections and exemptions.

## 2.7 Options provided to IFL’s shareholders

There should be no taxation consequences for INF when it grants options to its shareholders.

## 3 Australian taxation implications for INF’s Australian shareholders

### 3.1 Dividends received from INF

#### 3.1.1 *Franked dividends*

A franked dividend paid to INF’s shareholders should be included in their assessable income including the attached franking credit. However, a tax offset equal to the franking credit should be allowed (if the 45-day holding period rule is satisfied). To the extent that the excess franking credits are not able to be utilised, a cash refund may be available to certain types of shareholders (i.e. individuals and complying superannuation funds).

#### 3.2 *Unfranked dividends*

To the extent that the dividend is unfranked, there is no franking credit attached. The unfranked portion of the dividend should be included in the shareholders’ assessable income and no tax offset is available.

#### 3.2.1 *Capital gains on disposal of Indian shares*

Where INF has paid dividends out of realised capital gains on assets held for more than 12 months, individuals, non-superannuation trusts and partnerships should be entitled to a tax deduction equal to 50% of the LIC capital gain amount and complying superannuation entities should be entitled to a 33 1/3% deduction.

### 3.3 Sale of INF shares

If the Australian shareholder disposes of their interest in INF, the disposal will give rise to a CGT event for the shareholder. If the capital proceed received by the shareholder are greater than the cost base of the shares, the shareholder will make a capital gain. On the other hand, if the capital proceeds are less than the cost base of the shares, the shareholder will make a capital loss.

If the relevant disposal takes place at least 12 months after the date of acquisition of the INF shares, any capital gain arising on the disposal of the shares can be discounted by 50% for trusts and individuals and 33 1/3% for complying superannuation funds.

### 3.4 Options issued by INF

There should be no taxation consequences of acquiring the options.

The cost base of the shares acquired from the exercise of the option will be the sum of the price paid to acquire the option (\$nil in this case) and the price paid to exercise the option (i.e. \$1). The date of acquisition of these shares is taken to be at the exercise date.

On the expiry of the option, there should be no capital gain or loss as the cost base is \$nil and the capital proceeds is also \$nil.

## 4 Australian taxation implications for INF's non-resident shareholders

### 4.1 Dividends received from INF

#### 4.1.1 *Franked dividends*

Subject to certain conditions, franked dividends when paid to non-residents should be exempt from the withholding tax regime. Accordingly, in the hands of the non-resident, a fully franked dividend is excluded from its Australian assessable income.

#### 4.1.2 *Unfranked dividends*

Any part of an unfranked dividend that made by an Australian company that it declares to be "conduit foreign income" is not assessable to a foreign resident and is not subject to Australian dividend withholding tax<sup>4</sup>. Accordingly, it is expected that any unfranked dividends that are passed through to non-resident shareholders will not be required to be included in the Australian assessable income of the non-residents.

Any unfranked dividends that are not "conduit foreign income" (if any) will have dividend withholding tax deducted. Dividend withholding tax represents the final tax liability for unfranked dividends. Therefore, in the hands of the non-resident, an unfranked dividend from which dividend withholding tax has been withheld, is excluded from its Australian assessable income.

#### 4.1.3 *LIC capital gains*

Individuals that are non-residents of Australia can access the LIC Capital Gain deduction similar to the deduction available to resident individuals.

### 4.2 Sale of INF shares

Non-residents are only taxed on the sale of assets that are classified as Taxable Australian Property. Taxable Australian Property broadly consists of interests in land situated in Australia and an asset used in carrying on a business through a permanent establishment in Australia.

The shares in INF should not be considered Taxable Australian Property. Hence, any gain from the sale of INF shares by non-residents should not be subject to taxation in Australia.

### 4.3 Options issued by INF

There should be no taxation consequences of acquiring the options. The cost base of the shares acquired from the exercise of the options will be the sum of the price paid to acquire the options (\$nil in this case) and the price paid to exercise the options (i.e. \$1). The date of acquisition of these shares is taken to be at the exercise date.

On the expiry of the options, there should be no capital gain or loss as the cost base is \$nil and the capital proceeds is also \$nil.

## 5 Tax File Number ("TFN")/Pay-As-You-Go ("PAYG")

Investors should note that failure to provide a TFN or appropriate exemption would result in tax being withheld from distributions by INF at the top marginal tax rate plus the Medicare levy (which has been increased to 49% effective as from 01 July 2014). Investors are able to quote their ABN in place of their TFN where their investment in the INF is in connection with an enterprise. Although INF will not be required to pay PAYG instalments, it will be required to notify investors of the relevant income details on a timely basis to allow them to fulfil their own PAYG obligations.

## 6 Stamp Duty and Goods and Services Tax ("GST")

No stamp duty applies on the issue or transfer of shares in INF. No GST applies on the issue or transfer of shares in INF.

## 7 Other

ShineWing Australia Pty Ltd has given consent for this report to be included in the prospectus. Our consent does not represent a recommendation or assurance or guarantee in respect to the performance of the INF.

## 8 Disclaimer

As you are aware, the contents of this letter of advice pertain solely to the facts, circumstances and assumptions set out in this letter of advice, which you presented to us. Our conclusions may not be valid if there is any change in those facts, circumstances and assumptions.

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<sup>4</sup>Pursuant to section 802-15 of the ITAA 1997.



We believe that statements made in this letter of advice are accurate, but no warranty of accuracy or reliability is given other than where required by the Corporations Act 2001.

Accordingly, neither ShineWing Australia Pty Ltd nor any member or employee of ShineWing Australia Pty Ltd, undertakes responsibility arising in any way whatsoever to any persons other than India Fund Limited in respect of this letter of advice, for any error or omissions herein, arising through negligence or otherwise howsoever caused, other than where required by the Corporations Act 2001.

The letter of advice is not to be used for any purposes other than those specified herein, nor may extracts or quotations be made without our express written consent.

Our letter of advice is also based on the tax laws current at the date of this advice. We will not be obliged to update our advice for any future changes in the tax law after the application period unless specifically requested by you in writing.

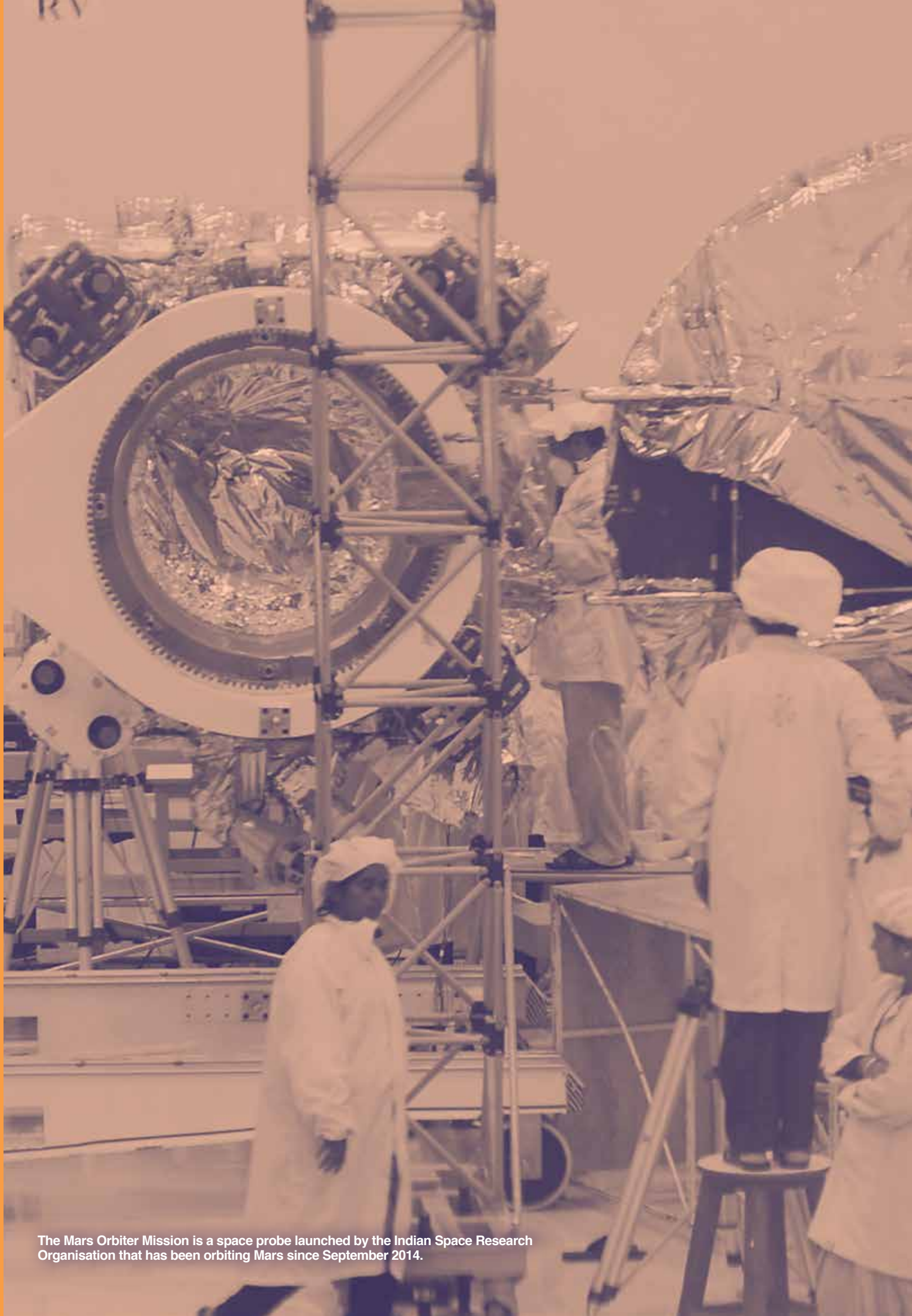
If you have any queries please contact Stephen O'Flynn on (03) 8635 1986.

Yours faithfully

A handwritten signature in black ink that reads 'Stephen O'Flynn'.

STEPHEN O'FLYNN

Director  
ShineWing Australia Pty Ltd



The Mars Orbiter Mission is a space probe launched by the Indian Space Research Organisation that has been orbiting Mars since September 2014.

# 13 Additional Information

## 13.1 Material Contracts

The Directors consider that certain agreements are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for the Shares.

The provisions of these material agreements are summarised below. As this Section 13 only contains a summary, the provisions of each material agreement are not fully described. To understand fully all rights and obligations pertaining to the material agreements, it would be necessary to read them in full.

### 13.1.1 Fund Administration Agreement

#### Introduction

The Company and the Fund Administrator have entered into the Fund Administration Agreement.

Under this agreement the Fund Administrator will provide investment management and strategic management services to the Company and may provide operational management services to the Company.

#### Term

The Fund Administration Agreement will commence on the date the Company is admitted to the official list of ASX Limited.

The Conditions Precedent to the commencement of the Fund Administration Agreement are the ASX admitting the Company to the Official List.

The initial term of the Fund Administration Agreement will be ten years. After the end of the initial term the agreement will continue for successive periods of five years until it is terminated.

#### Investment Management Services

The Fund Administrator will arrange for the Portfolio Manager to invest and manage the Company's Portfolio.

The Portfolio will comprise a segregated Portfolio of Indian listed securities (Authorised Equity Investments).

The Authorised Equity Investments are:

- (a) securities in the primary and secondary markets including shares, debentures and warrants of companies listed or to be listed on either or both the BSE or the NSE of India;
- (b) derivatives traded on either or both the BSE or the NSE of India; and
- (c) any other equity security in which a Foreign Portfolio Investor is permitted to invest from time to time and which the Company and the Portfolio Manager have agreed in writing may be included in the Authorised Equity Investments.

There are specified Investment Parameters for the Portfolio, which are described in detail in the summary of the Portfolio Management Agreement set out below.

The Company's investment objective is to achieve long-term capital appreciation and to outperform the Benchmark Index (S & P CNX 500 Index).

There are investment restrictions describing what the Fund Administrator may do, what it is prohibited from doing and what matters it may disregard.

The Fund Administrator will –

- (a) convert all non-Rupee exposure of the Portfolio of the sub-portfolios to Rupees through the use of financial derivative instruments;
- (b) utilise a variety of derivative instruments on a non-leveraged basis;
- (c) hold cash as deemed to be appropriate by the Fund Administrator; and
- (d) make short term investment in money market mutual funds for liquidity management.

The Fund Administrator will not –

- (a) short sell securities; or
- (b) leverage the Portfolio.

The Fund Administrator is required to appoint the Portfolio Manager as its sub-contractor to invest and manage the Portfolio, a custodian, bank and other service providers.

There are provisions about the power to delegate, undertakings and reports

#### **Strategic Advisory Services**

The Fund Administrator will prepare an initial strategic plan for the Company. This will be reviewed annually and updated as appropriate.

The Fund Administrator will also prepare an annual business plan for the management of the Company including budgets and financial projections.

#### **Operational Management Services**

The Fund Administrator may provide operational management services, including management of the ASX listed company issues, corporate governance, investor relations, information technology, human resources management, management performance at financial reporting, accounting and financial statements, treasury and cash flow management, taxation issues, legal issues, external audit and risk management and insurance.

#### **Fees**

The Fund Administrator is entitled to a Management Fee of 1.25% per annum of the Net Asset Value of the Portfolio on the last business day of each month.

The Fund Administrator is entitled to a Performance Fee of 15% of the increase of the Net Asset Value for the Portfolio over the S & P CNX 500 Index between the beginning and the end of each month, after adjusting for any deficit from the previous period.

The Fund Administrator will pay the Management Fee and Performance Fee, if applicable, to the Portfolio Manager from these fees.

The Fund Administrator is liable to pay its own expenses in providing the Investment Management Services and Strategic Advisory Services.

The Fund Administrator is entitled to be reimbursed for any costs incurred in providing the operational management services to the Company.

#### **Warranties**

This agreement includes the conventional warranties from each party relating to corporate status power and action and, in the Fund Administrator's case, about its Australian Financial Services Licence.

#### **Indemnities**

The Fund Administrator has agreed to indemnify the Company from and against any:

- (a) liability the Company incurs;
- (b) loss of or damage to the Company's property;
- (c) loss or expense the Company incurs in dealing with any claim against it including legal costs and expenses on a solicitor and own-client basis; and
- (d) any taxes that the Company incurs in consequence of the Fund Administrator performing its obligations under the Fund Administration Agreement,

arising from any act or omission of the Fund Administrator in connection with the Fund Administration Agreement or any breach by the Fund Administrator of any obligations or warranties under the Fund Administration Agreement.

The Company has agreed to indemnify the Fund Administrator from and against any:

- (a) liability the Fund Administrator incurs;
- (b) loss of or damage to the Fund Administrator's property;
- (c) loss or expense the Fund Administrator incurs in dealing with any claim against it including legal costs and expenses on a solicitor and own-client basis; and
- (d) any taxes that the Fund Administrator incurs in consequence of the Fund Administrator performing its obligations under the Fund Administration Agreement,

arising from any act or omission of the Fund Administrator in connection with the Fund Administration Agreement or any breach by the Company of any obligations or warranties under the Fund Administration Agreement.

The aggregate liability (including interest and costs) of the Company and the Manger to one another will not exceed \$3,000,000.

The indemnities are continuing obligations independent of the other obligations of the parties under the Fund Administration Agreement and will survive termination of the Fund Administration Agreement.

#### **Non-disclosure and Use of Information**

Each of the Company and the Fund Administrator has agreed to keep the other's confidential information confidential.

## Intellectual Property

The Company may use contain intellectual property owned by the Fund Administrator and, with the consent of the Portfolio Manager, logos belonging to the Portfolio Manager's parent company.

## Force Majeure

A party whose ability to perform its obligation under the agreement because for a force majeure event is excused from doing so until the event has ceased.

## Termination

Either party may end the agreement after the end of the initial term by giving the other three months' notice. An ordinary resolution of the Company is required to end the agreement for convenience.

Either party may terminate this agreement for cause where a termination event has occurred. The termination events are:

- (a) (Breach of contract) a party commits a material breach of this agreement which is not capable of being remedied, or fails to remedy a breach which is capable of being remedied, within a period stated in writing (which period must be reasonable under the circumstances); and
- (b) (Insolvency) a party becomes an externally administered body corporate.

## Dispute Resolution

The parties have agreed to seek to resolve disputes through the alternative dispute resolution process of negotiation, mediation, expert determination and arbitration, before resorting to litigation.

### 13.1.2 Portfolio Management Agreement

#### Introduction

The Fund Administrator and the Portfolio Manager have entered into the Portfolio Management Agreement.

Under this agreement the Portfolio Manager will provide Portfolio Management Services to the Company as the Fund Administrator's subcontractor.

#### Investment Objectives

The investment objectives are to achieve long-term capital appreciation and to outperform the Benchmark Index.

#### Term

The agreement will commence on the date the Condition Precedent is fulfilled.

The Condition Precedent to the commencement of the Portfolio Management Agreement is the ASX admitting the Company to the Official List.

Subject to the termination provisions set out below, the initial term of the Portfolio Management Agreement will be ten years. After the expiry of the initial term, the Portfolio Management Agreement will continue for successive periods of five years.

#### Portfolio Management Services

The Portfolio Manager will invest and manage the Company's Portfolio outside Australia.

The Portfolio will comprise a segregated Portfolio of Indian listed Equities (Authorised Equity Investments).

The Authorised Equity Investments are:

- (a) securities in the primary and secondary markets including shares, debentures and warrants of companies listed or to be listed on either or both the BSE or the NSE of India;
- (b) derivatives traded on either or both the BSE or the NSE of India; and
- (c) any other equity security in which a Foreign Portfolio Investor is permitted to invest from time to time and which the Company and the Portfolio Manager have agreed in writing may be included in the Authorised Equity Investments.

There are specified investment parameters for the Portfolio, as follows:

1. The Authorised Equity Investment parameters are –
  - (a) invest the Portfolio in equity or equity linked securities of companies listed on the BSE or NSE;
  - (b) invest around 60-100% of the Portfolio (excluding cash) in large cap (top 100 companies listed on the BSE or the NSE) listed Indian companies;
  - (c) have the flexibility to acquire up to 40% of the Portfolio (excluding cash) in mid/small caps listed Equities;
  - (d) limit investment in small cap Equities to companies smaller than the top 350 companies (listed on the BSE or the NSE) by market capitalisation at the time of investment to 10% of the Portfolio;
  - (e) invest in companies across sectors by holding no more than 6% above the sector weight in the benchmark, in any one sector at the time of investment; and

- (f) typically hold around 50 investments with a minimum holding of 20 and a maximum holding of 70 investments once the Portfolio has been established.

There are investment restrictions describing what the Portfolio Manager may do, what it is prohibited from doing and what matters it may disregard.

The Portfolio Manager may –

- (a) convert non-Rupee exposure of the Portfolio of the sub-portfolios to Rupees through the use of financial derivative instruments;
- (b) utilise a variety of derivative instruments on a non-leveraged basis;
- (c) hold cash as deemed to be appropriate by the Portfolio Manager; and
- (d) make short term investment in money market mutual funds for liquidity management.

The Portfolio Manager will not –

- (a) short sell securities; or
- (b) leverage the Portfolio.

The Portfolio Manager is not required to weight decisions regarding the selection, retention or realisation of investments based specifically on labour standards, environmental, social or ethical considerations.

There are provisions about the power to delegate, undertakings and reports.

#### **Fees**

The Portfolio Manager is entitled to charge the Fund Administrator a Management Fee of 0.5% per annum of the Net Asset Value of the Portfolio on the last business day of each month.

The Portfolio Manager is entitled to charge the Fund Administrator a Performance Fee of 9% of the increase of the Net Asset Value for the Portfolio over the S & P CNX 500 Index between the beginning and the end of each month, after adjusting for any deficit from the previous period.

#### **Warranties**

This agreement includes the conventional warranties from each party relating to corporate status power and action and, in the Fund Administrator's case, about its Australian Financial Services Licence and in the Portfolio Manager's case, about its exemption from the requirement to hold an Australian Financial Services Licence.

#### **Indemnities**

The Fund Administrator has agreed to indemnify the Portfolio Manager from and against any:

- (a) liability the Portfolio Manager incurs;
- (b) loss of or damage to the Portfolio Manager's property;
- (c) loss or expense the Portfolio Manager incurs in dealing with any claim against it including legal costs and expenses on a solicitor and own-client basis; and
- (d) any taxes that the Portfolio Manager incurs in consequence of the Fund Administrator performing its obligations under the Portfolio Management Agreement,

arising from any act or omission of the Fund Administrator in connection with the Portfolio Management Agreement or any breach by the Fund Administrator of any obligations or warranties under the Portfolio Management Agreement.

The Portfolio Manager has agreed to indemnify the Fund Administrator from and against any:

- (a) liability the Fund Administrator incurs;
- (b) loss of or damage to the Fund Administrator's property;
- (c) loss or expense the Fund Administrator incurs in dealing with any claim against it including legal costs and expenses on a solicitor and own-client basis; and
- (d) any taxes that the Fund Administrator incurs in consequence of the Portfolio Manager performing its obligations under the Portfolio Management Agreement,

arising from any act or omission of the Portfolio Manager in connection with the Portfolio Management Agreement or any breach by the Portfolio Manager of any obligations or warranties under the Portfolio Management Agreement.

However, any failure to meet the investment objective set out in the Portfolio Management Agreement is not an act, omission or breach to which the indemnity provisions of the Portfolio Management Agreement apply.

The aggregate liability (including interest and costs) of the Portfolio Manager and the Fund Administrator to one another will not exceed \$3,000,000.

The indemnities are continuing obligations independent of the other obligations of the parties under the Portfolio Management Agreement and will survive termination of the Portfolio Management Agreement.

#### **Non-disclosure and Use of Information**

Each of the Fund Administrator and the Portfolio Manager has agreed to keep the other's confidential information confidential.

## Intellectual Property

The Fund Administrator may permit the Company to use the Portfolio Manager's name or performance history, asset allocation and investment strategy, material events in respect of the Portfolio, or other information reasonably required in any publication, with the Portfolio Manager's prior written consent.

## Force Majeure

A party whose ability to perform its obligation under the agreement because for a force majeure event is excused from doing so until the event has ceased.

## Termination

### *Termination for convenience*

Where after the initial period of ten years the Company or the Fund Administrator terminates the Fund Administration Agreement, the Fund Administrator may terminate the Portfolio Management Agreement for convenience. The Fund Administrator must give the Portfolio Manager three months' written notice of its intention to terminate.

In addition, the Portfolio Manager may terminate the Portfolio Management Agreement at any time from the commencement date on six months' written notice to the Fund Administrator.

### *Termination for cause*

Either party may terminate this agreement for cause where a termination event has occurred. The termination events are:

- (a) a party commits a material breach of this agreement which is not capable of being remedied, or fails to remedy a breach which is capable of being remedied, within a period stated in writing (which period must be reasonable under the circumstances);
- (b) a party becomes insolvent;
- (c) the Portfolio Manager ceases to be a body to which all of the criteria set out in Schedule A of ASIC Class Order CO 03/1099 apply;
- (d) the Portfolio Manager becomes obliged to notify ASIC of any of the events specified in Clause 2 of Schedule C of ASIC Class Order CO 03/1099; or
- (e) the Portfolio Manager ceases to be authorised to provide the Portfolio Management Services due to regulatory reasons other than those specified in items (c) and (d) above.

### *Automatic Termination*

The Portfolio Management Agreement will terminate automatically in the event that the Fund Administration Agreement is terminated.

## Dispute Resolution

The parties have agreed to seek to resolve disputes through the alternative dispute resolution processes of negotiation, mediation, expert determination and arbitration, before resorting to litigation.

### **13.1.3 Custodian Agreement**

The Company and Kotak Mahindra Bank Limited have entered into an agreement for custody services which governs the appointment of Kotak Mahindra Bank Limited (Custodian) to act as custodian in relation to all investments which the Company may deposit with the Custodian.

The Custodian Agreement incorporates a Supplemental Agreement for Additional Custodian Fund Accounting Services between the Custodian and the Company.

## Duties and Responsibilities of the Custodian

The Custodian will have the following duties and responsibilities:

1. open and maintain a custody account or accounts in which it will hold all documents of title relating to the Investments received by the Custodian on account of the Company;
2. operate a cash account or accounts for the investments; and
3. manage the Investments in accordance with the instructions of the Company.

## Fees and Taxes

The Company is liable to pay fees to the Custodian at the rate as may be agreed between the Custodian and the Company from time to time. The fees payable for those services as at the date of this Prospectus are included at Section 7.3.

The Company is also liable to pay all out of pocket expenses and taxes incurred by the Custodian in its performance of services under the Custodian Agreement.

## Liability and Indemnity

The Company agrees to indemnify and hold the Custodian harmless from and against all claims resulting from or arising in connection with the provision of services by the Custodian or by its agents, nominees or sub-custodians, except in the event of gross negligence or wilful breach of duty by the Custodian, and for any loss and damage the Custodian may suffer on account of acting on the instructions given by the Company pursuant to the terms of the Custodian Agreement.

The Custodian will not, in the absence of gross negligence or wilful breach of duty, be liable to the Company, or any Shareholder,

for any act or omission in the course of or in connection with the provision of services by the Custodian or by its agents, nominees or sub-custodians.

The Custodian is under no duty to supervise compliance with restrictions on the investment powers of the Company.

#### **Termination**

The Custodian Agreement shall continue until terminated by either party giving not less than sixty (60) days' notice in writing to the other.

Notwithstanding the above, either party may terminate the Custodian Agreement with immediate effect if:

1. the other party is in breach of any material term of the Custodian Agreement, which breach has not been remedied within thirty (30) days of receiving notice requiring the breach to be remedied; or
2. the other party goes into liquidation, a resolution is passed for its winding up, or a receiver or administrator is appointed over the assets of that party (except a voluntary reconstruction previously approved by the other party).

#### **13.1.4 Mandate Agreement**

The Company and the Lead Manager have entered into a Mandate Agreement (**Mandate**) whereby the Company has appointed Sequoia Asset Management Pty Ltd (**Sequoia**) to manage the Offer.

#### **Role of the Lead Manager**

**Sequoia** will act as Lead manager to the IPO, subject to satisfaction of the conditions as set out in the Mandate.

**Sequoia** will provide the Company with all necessary assistance in arranging the IPO as is customary and appropriate in transactions of this nature. This will include commercial advice in relation to announcements concerning the IPO.

**Sequoia** has the relevant experience to perform the services as outlined by the Mandate and will act in good faith and in a professional and timely manner, providing all necessary assistance in undertaking the IPO. The performance of Sequoia will depend upon the Company's timely cooperation and instructions.

#### **IPO Management**

Sequoia will familiarise itself with all aspects of the transaction including the Company's business, operations, properties and processes, and as such will rely entirely on publicly available information and any other information supplied by the Company and its advisers without independent investigation or verification.

In conjunction with the Company, Sequoia will facilitate demand and generally manage the issue, including capital raise, allocations and settlement.

#### **Brokers to the Offer**

**Sequoia** may at any time, with the prior consent of the Company (which must not be unreasonably withheld) appoint co-managers and brokers to the Offer. **Sequoia** is responsible for all fees payable to any co-manager or broker appointed by Sequoia with respect to the Offer.

**Sequoia** may terminate the appointment of any co-manager or broker appointed by it, and will promptly notify the Company of that termination.

#### **Remuneration of the Lead Manager**

- (a) The Lead Managers fees will be 3.25% of the gross dollar amount raised from all sources in the IPO.
- (b) Sequoia will be reimbursed all of its reasonable out-of-pocket expenses directly related to the Offer. Sequoia requires the Company's consent prior to incurring any single expense greater than \$2000.
- (c) Fees referred to in this Mandate are exclusive of GST. Irrespective of whether the Sequoia's' engagement proceeds or is completed, the Company is responsible for any services performed by its agents and subcontractors (i.e. lawyers, accountants, independent experts, advisers, printing and advertising agents, etc) and is responsible for the terms of their appointment including the payment of all fees and imposts to them.

#### **Exclusions to the Scope of Work and Role of Sequoia**

- (a) Sequoia does not provide tax, legal, regulatory, accounting, or other specialist or technical advice to the Company.
- (b) Sequoia will not underwrite the IPO Offer. Sequoia will provide its services on a "reasonable endeavours" basis in relation to the capital raising.
- (c) Sequoia does not accept performance or settlement risk on any investor and any investor introduced by the Company must fully comply with the Corporations Act and the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth), along with Sequoia policies and procedures.
- (d) Sequoia will not act as agent, sponsor or fiduciary and is an independent contractor (for the purpose of the Mandate).
- (e) Due diligence and analysis thereof, and the commercial merits and prudence of the proposed IPO, are entirely decisions for the Company.

#### **Conditions**

Sequoia's participation and assistance as Lead Manager to the IPO is subject to the following conditions, which must be satisfied in Sequoia's sole and absolute opinion.

- (a) Sequoia's satisfaction with its own due diligence investigations of the Company.

- (b) Sequoia procuring firm commitments from investors to the IPO to its satisfaction.
- (c) The Company not making any public statement relating to the IPO or the Mandate without the prior approval of Sequoia, except where the public statement is required to comply with ASX Listing Rules.
- (d) The prospectus being lodged with ASIC in form and substance satisfactory to Sequoia.
- (e) The ASX not having raised any objection to the listing and the admission of the Shares to quotation on the ASX.

## Termination

### Termination of obligations

The Lead Manager's obligations under the Mandate cease on the earliest to occur of:

- (a) Completion;
- (b) the Lead Manager terminating the Mandate prior to the allotment of any Shares, upon giving 2 Business Days' notice of its intention to do so, if one of the following occur:
  - i. The Australian equity capital market conditions are not conducive to the successful completion of the raising; or
  - ii. The conditions to the Mandate have not been, or will not in Sequoia's sole and absolute opinion be, satisfied, or waived by Sequoia in writing.
- (c) the Company withdrawing the Offer or the Prospectus (or any Supplementary Prospectus).

### Representations of the Lead Manager

The Lead Manager represents and warrants to the Company that:

- (a) it has the power to enter into and perform all of its obligations under and comply with all of the terms and conditions of the Mandate;
- (b) all approvals and authorities that may be required to permit it to enter into the Mandate and to perform the Mandate in accordance with its terms have been obtained and remain valid and subsisting, including all authorisations under an AFSL required for the Lead Manager (or its Related Body Corporate) to perform the obligations under the Mandate and the Intermediary Authorisation Agreement;

### Regulatory Compliance by the Company

- (a) The Company must ensure that advertising, publicity and all other material issued or published by it and relating to advertising and publicity of or in relation to the Offer, the Prospectus or any other disclosure document is not published or distributed without the prior written approval of the Lead Manager (such approval not to be unreasonably withheld or delayed) or as required by law (including the Listing Rules) or ASX.
- (b) The Company must ensure that:
  - i. the Prospectus and each other disclosure document; and
  - ii. advertising, publicity and all other material issued or published by it and relating to advertising and publicity of or in relation to the Offer, the Prospectus or any other disclosure document,
  - iii. complies with, to the extent applicable, the Corporations Act, any requirement of ASIC, ASX or any other Governmental Agency, the ASX Waivers, any applicable ASIC Class Orders or ASIC Regulatory Guides, the Listing Rules and all other applicable laws and regulations (except to the extent that compliance has been modified or waived, or an exemption has been granted by a person having authority to do so).

The Company will comply with all applicable legal, taxation and regulatory provisions (including the Company's Constitution, the Corporations Act, the ASX Listing Rules and any ASX and ASIC requirements and the applicable laws of any jurisdiction in which the capital raising is conducted) for the purposes of the capital raising.

### Indemnity

The Company agrees to unconditionally and irrevocably indemnify and keep indemnified and hold harmless Sequoia together with its associates and related companies, its directors, agents and staff (collectively referred to as the ("Indemnified Parties") against any and all liabilities, losses (including loss of profit or losses or costs incurred in preparation for or involvement in connection with any prosecution, investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency), demands, damages, penalties, proceedings (whether civil or criminal), judgements, costs, fees or expenses (including legal costs) of any kind whatsoever ("Losses") which may be incurred, suffered, paid or liable to be paid by an Indemnified Party in any jurisdiction directly or indirectly arising out of or in respect of any services that are provided by Sequoia to the Company.

It is acknowledged that these indemnities will not apply if an Indemnified Party has caused the Loss as a result of:

- (a) that party's negligence, wilful default or fraud; or
- (b) that Party making a false or misleading representation, or providing false or misleading information, to a third party, without the prior authorisation from the Company or without being able to establish that the source of the representation or the information, as the case may be, was the Company.

### 13.1.5 Intermediary Authorisation Agreement

The Company and Sequoia Asset Management Pty Ltd have entered into an Intermediary Authorisation Agreement (Intermediary Authorisation Agreement).

Pursuant to the Intermediary Authorisation Agreement, the Company has authorised the Authorised Intermediary to make offers to in accordance with the Prospectus, to arrange for the Company to issue the Securities offered by the Prospectus and to provide general financial product advice to investors in relation to the Securities offered by the Prospectus (Authorised Services).

The Authorised Intermediary has warranted that it holds Australian Financial Services Licence 341506 with authorisations covering the performance of the Authorised Services.

Pursuant to the terms of the Intermediary Authorisation Agreement, the parties have acknowledged and agreed that:

1. the Company does not hold an AFS Licence and relies on the exemption from the requirement to do so set out in section 911A(2)(b) of the Corporations Act;
2. the Company is able to rely on the above exemption by reason of the arrangements in the Intermediary Authorisation Agreement appointing the Lead Manager as the Authorised Intermediary;
3. the Authorised Intermediary will only engage in the Authorised Services in accordance with its AFS Licence; and
4. each party will indemnify the other party against any loss arising from a breach of the Authorised Intermediary Agreement or any warranties contained therein.

## 13.2 Incorporation

The Company was incorporated as India Diversified Fund Limited (an Australian public company) on 12 December 2014. On 12 February 2015 the Company's name was changed to India Fund Limited.

## 13.3 Rights and Liabilities Attaching to Shares

The rights and liabilities attaching to the Shares are set out in the Company's Constitution, as well as arising from statute, the Listing Rules and general law. The Constitution contains provisions common for public companies in Australia. The Constitution has been lodged with ASIC. The Company will give a copy of the Constitution to any person who requests a copy of it during the offer period of this Prospectus, free of charge.

The Shares currently on issue and offered under this Prospectus are of the same class and rank equally. A summary of the rights and liabilities attaching to the Shares are summarised below. The summary assumes that the Company is admitted to the Official List.

### **General meetings**

Shareholders are entitled to attend and vote at general meetings of the Company, in person, or by proxy, attorney or representative.

For so long as the Company remains a listed entity, Shareholders will be entitled to receive at least 28 days' prior written notice of any proposed general meeting.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

### **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of Shareholders or a class of Shareholders:

- *on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and*
- *on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).*

### **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Board may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Board may also from time to time pay to the Shareholders such interim dividends as the Board may determine.

No dividend shall carry interest as against the Company. The Board may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Board, for any purpose for which the profits of the Company may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Board, implement a dividend reinvestment plan on such terms and conditions as the Board thinks fit and which provides for any dividend which the Board may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

### **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the

Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

#### **Shareholder liability**

As the Shares offered in the Prospectus are fully paid shares, they are not subject to any calls for money by the Company and will therefore not become liable for forfeiture.

#### **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

#### **Variation of rights**

The rights attaching to Shares may only be varied or cancelled by the sanction of a special resolution passed at a meeting of Shareholders or with the written consent of holders of three quarters of all Shares on issue. A special resolution is passed only where approved by at least 75% of all votes cast (and entitled to be cast) on the resolution at the meeting.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

#### **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting.

### **13.4 Rights and Liabilities Attaching to Options**

Successful Applicants will receive one Option with each Share issued under this Prospectus.

The rights and liabilities attaching to Options are summarised below as follows:

#### **Register**

The Company will maintain a register of holders of Options in accordance with Section 168(1)(b) of the Corporations Act.

#### **Transfer/transmission**

Following the Listing date, Options will be permitted to be transferred on the ASX. .

#### **Exercise**

For an Option to be validly exercised, an exercise form or other written notice of exercise acceptable to the Directors must be received by the Company (at its registered office or such other place as the Company may nominate) at any time from the date of issue to 5.00pm on 31 May 2018, together with payment of the exercise price of one dollar (\$1.00) for each Option exercised.

#### **Dividend Entitlement**

Options, once issued, do not carry any dividend entitlement until they are exercised. Shares issued on exercise of Options rank equally with other Shares then on issue from their date of issue and are entitled to dividends paid on and from this date where the record date for the dividends occurs after the date of issue of the Shares.

#### **Participation Rights**

There are no participation rights or entitlements inherent in the Options and holders of Options will not be entitled to participate in dividends or in new issues of capital.

#### **Notice**

The Company must give a holder of Options, in accordance with the ASX Listing Rules, notice of the proposed terms of any bonus issue or rights issue proposed and the right (if any) to exercise their Options.

#### **No participation**

If a holder of Options does not elect to participate in a bonus issue or rights issue as notified by the Company:

- (a) in respect of a bonus issue by the Company, the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Option holder would have received if the Option holder had validly exercised in accordance with the terms the Option before the record date for determining entitlements to the issue.
- (b) in respect of a pro rata issue by the Company, the Exercise Price of each Option is reduced in accordance with the Listing Rules.

#### **Reorganisations and alteration of capital**

Any adjustment to the number of outstanding Options and the exercise price under a reorganisation of the Company's share capital must be made in accordance with the applicable Listing Rules at the time of the reorganisation.

### ASX Listing

Options are expected to be quoted on ASX after the Listing date.

Shares issued on the exercise of the Options will rank equally with all other Shares then on issue and the Company will apply to have those Shares quoted on ASX.

For the complete terms and conditions of the Options, please refer to Appendix B.

The options currently on issue (as set out in section 2.3) have the same terms as the Options offered under this Prospectus.

## 13.5 Dividend Reinvestment Plan

The Company has adopted a Dividend Reinvestment Plan (DRP). The purpose of the DRP is to allow shareholders to elect to have dividends payable to them reinvested in shares in the Company. Under the terms of the DRP, Shares issued or transferred will be issued or transferred at the market price of Shares less such discount (if any) as the Directors may determine from time to time (rounded to the nearest cent).

The market price of the Shares will be calculated as the average of the daily volume weighted average market price of all Shares sold through a normal trade on the ASX automated trading venue (and/or such other trading venues as the Directors may determine from time to time) during the ten Business Days of ASX commencing on the second Business Day of ASX following the relevant Record Date, or such other period commencing before or after the Record Date as the Directors may determine and announce to ASX.

If, at the absolute discretion of the Directors, the market price of shares as calculated above is not considered to represent the then fair market value of Shares, the Directors may determine the fair market value of Shares in their absolute discretion. Fractional entitlements to shares will be rounded down.

Shareholders may choose whether the DRP is to apply in respect of dividends paid for all or some of their Shares. An election by a shareholder to participate in the DRP shall continue to apply for all future dividends until cancelled.

The issue price of Shares under the DRP will be announced to ASX prior to the issue of Shares and Shareholders will have an opportunity to vary or withdraw participation in the DRP prior to the issue of Shares.

There will be no charges for brokerage, commission, stamp duty or any other costs for Shares issued or transferred under the DRP.

Shares issued under the DRP will be of the same class and rank equally in all respects with existing Shares from the date of allotment. Application will be made to ASX for admission to quotation of Shares issued under the DRP.

The Directors will determine whether the Shares to fulfil the obligations under the DRP are new Shares issued by the Company or the purchase and transfer of existing Shares already on issue.

A copy of the DRP has been lodged with ASIC. The Company will give a copy of the DRP to any person who requests a copy of it during the Offer period of this Prospectus, free of charge. The operation and availability of the DRP is subject to compliance with the Corporations Act and Listing Rules.

## 13.6 ASX Waiver

The Company has been granted a waiver of ASX Listing Rule 15.16(b) to allow it to grant the Fund Administrator a ten (10) year term under the Fund Administration Agreement, rather than the five (5) years provided for in ASX Listing Rule 15.16(b).

## 13.7 Litigation

The Company is not involved in any material legal or arbitration proceedings nor, as far as the Directors are aware, are any such proceedings pending or threatened against the Company.

## 13.8 Costs of Establishment and the Offer

Subscription Amount	\$16,000,000	\$30,000,000	\$50,000,000
Broker Fee	520,000	975,000	1,625,000
ASX Listing Fees (Est.)	87,000	111,000	135,000
Legal/Tax/Accounting	108,500	108,500	108,500
Issue Promotion	39,000	39,000	39,000
Other Costs	25,540	28,315	42,565
<b>Estimated Costs of The Offer</b>	<b>780,040</b>	<b>1,261,815</b>	<b>1,950,065</b>

## 13.9 Interests of Advisers

Except as disclosed in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, and no promoter of the Company, has, or has had within

two years of lodgement of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- (c) the Offer;

and, except as disclosed in this Prospectus, no person has paid or agreed to pay any amount to such person or has given or agreed to give any benefit to any such person for services provided by such person in connection with the formation and promotion of the Company or in connection with the Offer.

JPM Law have acted as solicitors to the Offer and have participated in the due diligence program, performing due diligence inquiries on corporate legal matters and performed work in relation to this Prospectus and establishment of the Company. The Company estimates that it will pay amounts totalling approximately \$75,000 (plus GST) (excluding disbursements) to JPM Law in respect of this work.

Sequoia Asset Management Pty Limited have agreed to act as Lead Manager to the Offer. Details of the Mandate Agreement, including fees and other amounts paid or payable to the Lead Manager for its services, are set out in Section 13.1.4.

ShineWing Australia Corporate Finance Pty Ltd has prepared the Independent Accountant's Report included in Section 11 of this Prospectus and reviewed the pro forma financial statements of the Company as at completion of the Offer and performed work in relation to the due diligence inquiries on financial matters. The Company estimates that it will pay approximately \$28,500 (plus GST) (excluding disbursements) to ShineWing Australia Corporate Finance Pty Ltd in respect of this work.

ShineWing Australia Pty Ltd has prepared the Independent Taxation Report included in Section 12 of this Prospectus, and performed work in relation to the due diligence inquiries on financial matters. The Company estimates that it will pay approximately \$5,000 (plus GST) (excluding disbursements) to ShineWing Australia Pty Ltd in respect of this work.

### 13.10 Consents to be Named

Each of the parties referred to in this Section:

- (a) does not make the Offer;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified below.

ShineWing Australia Corporate Finance Pty Ltd has given its written consent to the inclusion in Section 11 of this Prospectus of its Independent Accountant's Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

ShineWing Australia Pty Ltd has given its written consent to the inclusion in Section 12 of this Prospectus of its Independent Taxation Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

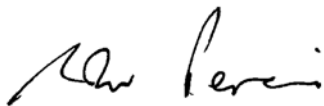
- (a) JPM Law as legal advisers to the Company;
- (b) Sequoia Asset Management Pty Ltd as the Lead Manager;
- (c) Sequoia Asset Management Pty Ltd as Authorised intermediary;
- (d) ShineWing Australia Corporate Finance Pty Ltd as the Independent Accountant;
- (e) ShineWing Australia Pty Ltd as the Independent Taxation Adviser;
- (f) ShineWing Australia as the Independent Auditors;
- (g) Kotak Mahindra (UK) Limited as the Portfolio Manager;
- (h) Tristar Capital Pty Ltd as the Fund Administrator;
- (i) Kotak Mahindra Bank Limited as the Custodian; and
- (j) Link Market Services Limited as the Share Registrar.



India has launched 84 Indian satellites since its first in 1975.

# 14 Directors' Statement

Each director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.



JOHN PEREIRA  
Executive Chairman



DAVID CARRUTHERS  
Non-Executive Director



SAM KAVOURAKIS  
Non-Executive Director



CLIFFORD CLAYTON  
Non-Executive Director



India has the fourth largest installed wind power capacity in the world.

# 15 Glossary of Terms

This glossary of defined terms is provided to assist persons in understanding some of the expressions used in this Prospectus.

**Act** means the Corporations Act.

**AFSL** means Australian Financial Services Licence.

**Applicant(s)** means an applicant or applicants for Shares and Options offered under this Prospectus who lodges an Application Form.

**Application** means an application for Shares and Options offered pursuant to this Prospectus.

**Application Form(s)** means the application form forming part of or accompanying this Prospectus in relation to the subscription for Shares and Options offered pursuant to this Prospectus.

**Application Monies** means funds paid in respect of applying for Shares and Options offered under this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 and/or the prescribed financial market operated by ASX Limited or its applicable subsidiary.

**ASX All Ords Index** is an index of the combined share price for 500 selected shares on the Australian Stock Exchange.

**AUD, AUD\$, A\$ and \$** means Australian Dollars.

**Authorised Intermediary** means Sequoia Asset Management Pty Limited.

**Authorised Equity Investment** means the equity investments specified in the Portfolio Management Agreement.

**Benchmark** means an independent measure of market performance.

**Benchmark Index** means the S&P CNX 500 Index.

**Benchmark Return** means the percentage change in the Benchmark Index from one period to another.

**Board** means the board of Directors of the Company

**Broker Firm Offer** means the invitation under this Prospectus to apply for Shares and Options at \$1.00 each in accordance with the terms of the Broker Firm Offer detailed in Section 2.8.2.

**BSE** means the Bombay Stock Exchange Ltd, based in Mumbai.

**Business Day** means any day (except Saturday, Sunday and any other day in which ASX shall declare and publish is not a business day) on which banks in Melbourne are open on any day are reduced, such day shall not be a Business Day unless the Directors otherwise determine.

**Closing Date** means 5:00pm Melbourne, Victoria time on 15 August 2016 or such earlier or later date as determined by the Company.

**CNX 500** means benchmark index of 500 leading stocks on the NSE.

**Company** means India Fund Limited (ACN 603 338 969)

**Constitution** means the constitution of the Company adopted by shareholders.

**Corporate Directory** means the section of this Prospectus entitled Corporate Directory.

**Corporations Act** means the Corporations Act 2001 (Commonwealth).

**Custodian** means the Kotak Mahindra Bank Limited.

**Custodian Agreement** means the agreement for provision of custodian services by Kotak Mahindra Bank Limited to the Company dated on or about 7 May 2015 incorporating the Supplemental Agreement for Additional Custodian Fund Accounting Services dated 15 July 2016 and the Addendum to the Custody Services Agreement between Kotak Mahindra Bank Limited and the Company dated 15 July 2016.

**Directors and Board** means the Board of Directors of the Company as it is constituted from time to time.

**Director** means a director appointed to the Board of the Company.

**DRP and Dividend Reinvestment Plan** means the dividend reinvestment plan adopted by the Company described in Section 13.5.

**Equities** means shares issued by corporate entities.

**Expiry Date** in relation to an Option means 31 May 2018.

**Exposure Period** means the period of seven days after the date of lodgement of the Prospectus with ASIC, which period may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

**FPI and Foreign Portfolio Investor** means an investor regulated by the Securities Exchange Board of India.

**Fund Administration Agreement** means the agreement between Tristar and the Company that defines the fund administration services to be provided and conditions relating thereto, incorporating the Deed of Variation dated 18 July 2016.

**Fund Administrator** means Tristar Capital Pty Limited ABN 86 112 516 846, AFS Licence 285503.

**GDP** means gross domestic product measured in accordance with generally recognised economic principles.

**General Public Offer** means the offer referred to in section 2.1 available to the public.

**Government** means the Government of India, from time to time.

**Independent Accountant's Report** means the report prepared by ShineWing Australia Corporate Finance Pty Ltd included in Section 11 of this Prospectus.

**Independent Taxation Report** means the report prepared by ShineWing Australia Pty Ltd included in Section 12 of this Prospectus.

**INR** means Indian Rupees.

**Investment Parameters** means the description of potential investments and the limitations agreed for the management of the Portfolio.

**IPO** means initial public offering.

**IST** means India Standard Time.

**Kotak Mahindra Group or Group** means Kotak Mahindra Bank Limited of Mumbai, India and its subsidiaries.

**Lead Manager** means Sequoia Asset Management Pty Ltd ABN 70 135 907 550 AFS Licence 341506.

**LIC or Listed Investment Company** means a listed investment company as defined in Subdivision 115-D of the *Income Tax Assessment Act 1997* (Cth).

**Listing** means the Company being admitted to the Official List of ASX.

**Listing Rules** means the Listing Rules of ASX.

**Management Fees** means a monthly fee payable by the Company based on the Portfolio NAV.

**Maximum Subscription** means \$50,000,000.

**Minimum Subscription** means \$16,000,000.

**Net Asset Value** means the value of the total assets less total liabilities of the Portfolio.

**Net Tangible Assets** means the value of the total tangible assets less total liabilities of the Company.

**NSE** means the National Stock Exchange of India Limited, based in Mumbai.

**Offer** means the proposed offer of Shares and Options pursuant to this Prospectus, comprising the Broker Firm Offer and the General Public Offer.

**Offer Price** means \$1.

**Official List** means the official list of entities which ASX has admitted and not removed.

**Opening Date** means 27 July 2016, unless the exposure period is extended by ASIC.

**Option or Options** means entitlement, without an obligation, to acquire further Shares in accordance with the conditions upon which the option was granted and having the terms set out in Section 13.4, which successful Applicants will receive as a security as provided for in this Prospectus.

**Performance Fees** means a fee payable by the Company on a monthly basis subject to the achievement of agreed investment returns.

**Performance Fee Calculation** means the regular calculation of monthly performance compared to the Benchmark Index.

**Performance Fee Calculation Period** means one calendar except where the agreed commencement or termination of calculation starts or ends at other than a month end.

**Portfolio** means the funds to be managed by the Portfolio Manager in accordance with the Portfolio Management Agreement, including the Authorised Equity Investments.

**Portfolio Manager** means Kotak Mahindra (UK) Limited, a company registered under the laws of England and Wales, Company Number 02992399, Licensed by FCA UK, firm reference number 171837.

**Portfolio Management Agreement** means the agreement between the Manager and the Portfolio Manager setting out the basis on which the Portfolio Manager will be manage the Portfolio

**Portfolio NAV** means the value of the net assets of the Company held outside of Australia.

**Portfolio Return** means the increase in the Portfolio NAV for a Performance Fee Calculation Period.

**Prospectus** means this Prospectus as modified or varied by any supplementary document issued by the Company and lodged with ASIC from time to time.

**Rs or Rupees** means Indian rupees, the official currency of India.

**S & P CNX 500 Index** means CNX 500

**SEBI** means the Securities and Exchange Board of India.

**Securities** means Shares and Options of the Company.

**Share or Shares** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares in the Company.

**Share Registrar** means Link Market Services Limited ABN 54 083 214 537.

**Tristar** means Tristar Capital Pty Ltd ABN 86 112 516 846, AFS Licence 285503.

**US\$** means United States Dollars

**Valuation Day** means the last Business Day in each month and/or such other Business Days determined by the Directors.

**Valuation Point** means the close of business in the last relevant market to close on each Valuation Day.

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Indian engineers are building the tallest railway bridge in the world traversing the Chenab River in the Indian Himalayas.

# Appendix A

## Authorised Intermediary – Financial Services Guide

### Version 2 – 1 July 2013

This Financial Services Guide (“FSG”) is a document intended to inform you of certain matters relating to our relationship prior to providing you with any investment advice. This Guide is in two parts. This document is Part 1 and a separate document providing information on your adviser is Part 2. It should assist you in deciding whether to use any financial products or services provided by Sequoia Asset Management and should be read in conjunction with any other documents you may receive from us.

This FSG provides you with information regarding;

1. Who is Sequoia Asset Management Pty Ltd (“Sequoia Asset Management”)?
2. What Financial Services Sequoia Asset Management can offer you?
3. Documents you may receive from Sequoia Asset Management
4. The Type of Financial Services you will receive.
5. Remuneration and other benefits
6. Your privacy and how we use your personal information
7. Anti Money Laundering
8. Conflicts of Interest + Existing Arrangements
9. How we handle complaints

### 1. Information about Sequoia Asset Management

Sequoia Asset Management Investment Services is a privately owned, 100% Australian investment services firm. Sequoia Asset Management is headquartered in Sydney and has offices in Brisbane and Melbourne. Sequoia Asset Management holds an Australian Financial Services License (AFSL No. 341506) and is a member of the Credit Ombudsman Service.

Sequoia Asset Management authorises the issuance of this FSG and is responsible for the financial services provided by its Representatives. Details of the Representative and the terms of their authority are contained in their Adviser Profile which is individually provided. The Adviser Profile should be read in conjunction with this FSG.

Sequoia Asset Management has arrangements in place to ensure it continues to maintain Professional Indemnity Insurance. In particular, the Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the Sum Insured for Sequoia Asset Management, our Representatives (Advisers) and employees in respect of our authorisations and obligations under our Australian Financial Services License. This insurance continues to provide coverage for work done by any Representative or employee while engaged with Sequoia Asset Management who has since ceased employment with Sequoia Asset Management.

Sequoia may be contacted by:

Street: Level 8/25 Bligh St, SYDNEY NSW 2000  
Postal: PO Box R1837, Royal Exchange NSW 1225  
Telephone: (02) 8114 2222  
Fax: (02) 8114 2200  
Email: [www.sequoiaam.com.au](http://www.sequoiaam.com.au)

### 2. What are the Sequoia Asset Management Authorisation?

Sequoia Asset Management is to provide financial services restricted to General Advice and dealing) in relation to the following classes of financial products:

- Basic deposit products
- Derivatives
- Retirement savings accounts
- Securities
- Superannuation
- Margin Lending
- Government debentures, shares or bonds
- Investment Life Insurance & Life Risk Insurance
- Managed investment schemes including investor directed portfolio services

While Sequoia Asset Management holds a licence that allows it to provide General Advice financial services for the above mentioned financial products, your adviser's authority may be restricted to a narrower class of financial products. You must read the terms of the Adviser Profile as provided with this FSG to ascertain the financial services that the adviser is authorised to provide to you.

### 3. Documents you may receive from Sequoia Asset Management

If you choose to use our services you will receive the current FSG, Adviser Profile and Product Disclosure Statement ("PDS") for the relevant financial products discussed. If you invest in an investment strategy with no PDS such as Sequoia Asset Management's Premium Portfolio Service, then you will receive a written explanation of the investment detailing the strategy (an Information Memorandum or "IM"). Before investing in any financial products you must also complete a "No Advice Declaration" or "General Advice Declaration", as is appropriate in the circumstances.

To invest in any financial product you must complete the application form attached to the relevant PDS. The PDS contains information about the particular product and will assist you in making an informed decision about that product. To invest in Sequoia Asset Management's Premium Portfolio Service you must complete the relevant application forms associated with this service.

### 4. The Type of Financial Services you will receive

Sequoia Asset Management's Representatives (advisers) do not provide "personal advice"; that is they do not (and are not authorised to) advise you as to whether a financial product is appropriate for you. The advisers do not consider your personal circumstances, needs and objectives in relation to whether you should invest in the particular financial product. The decision as to whether you should invest in a financial product and whether it is appropriate for you is solely made by you.

Sequoia Asset Management's Representatives (advisers) may provide you with "**General Advice**" or will assist you in the acquisition and investment in a financial product – this being on a "**No Advice**" basis. These offerings are discussed further below.

#### Becoming a Client of Sequoia Asset Management

As mentioned above, as a client of Sequoia Asset Management you will either be a "No Advice" client or a "General Advice" client – this is your choice. To assist you in determining whether to be a General Advice client or a No Advice client, please consider the services offered by Sequoia Asset Management as described below. If you have any questions, please feel free to contact us.

**i – No Advice Client** – These clients make their own investment decisions, including the choice of investment, the dollar amount etc. For example, you may instruct us to purchase a number of shares on your personal trading account. Sequoia Asset Management will process this transaction but will not provide any advice in relation to the shares or their suitability for you.

**ii – General Advice** – This is where we give you "general advice" in relation to, for example, our view of the quality of the investment or financial product; however the advice is not tailored to your particular financial circumstances, needs and objectives. You make the decision whether to invest or not, the choice and amount of investment, based upon your understanding of your financial circumstances, needs and objectives. We make no personal recommendations to you as to whether the service or product may be suitable for you.

Any General Advice provided is not intended to be passed on or relied upon by any particular person. Any indicative information and assumptions used may change without notice to you, particularly if based on past performance. Further, you should read the Product Disclosure Statement (if available) relative to this advice before a decision is made.

#### Providing Instructions to Sequoia Asset Management

Sequoia Asset Management accepts instructions provided by telephone, fax, letter, face to face or email. However, for direct shares we cannot guarantee the execution of any order by any other delivery than the telephone or in person. This instruction will be recorded.

### 5. Remuneration and other benefits

You have the right to know about details of commissions, remuneration and other benefits Sequoia Asset Management and your adviser receive and to contact us if further particulars are required. In the absence of any special arrangements all information about the remuneration or commission paid to Sequoia Asset Management is disclosed in the relevant PDS or Information Memorandum (if available) associated with the particular product or service. As Sequoia Asset Management provides a range of services the applicable fee will depend on what service(s) you choose.

We reserve the right to change these fees from time to time, however we will advise you when and if we change our fees. While some of the fees we charge may be tax deductible, we recommend you confirm the tax deductibility status with a professional taxation adviser.

We may from time to time receive a benefit from preferred product providers or be paid a benefit from 3rd parties by way of sponsorship of educational seminars, conferences or training days. Details of benefits above \$300 will be maintained on a Register which is available upon request.

#### Upfront Commission

**Insurance:** The upfront commission for insurance products paid to Sequoia Asset Management ranges between 30% to 125% (including GST) of the first year's annual premium. For example, the commission on insurance cover with an annual premium of \$300 with a 30% upfront commission (including GST) will result in \$30 being paid to Sequoia Asset Management. The upfront commission received is also disclosed in the relevant PDS.

## Trail Commissions

**Insurance:** Sequoia Asset Management can receive payments from insurance product providers in the form of trailing commissions. The rate usually ranges from 14% to 30% of the ongoing premium value from year 2 of your insurance cover. For example the trail commission on insurance cover with an annual premium of \$300 with a 30% trail (including GST) will result in \$30 being paid to Sequoia Asset Management for each year the policy remains in force. The trail commission received is also disclosed in the relevant PDS.

## Adviser Service Fee

Sequoia Asset Management on certain investments may receive an adviser service fee. This fee is a negotiated between you and your Sequoia Asset Management Adviser. This fee normally ranges from a fixed fee to a percentage based fee on un-gearred investments of between 1.1%-2.2% (including GST). For example if you agree to an adviser service fee of 1.1% (including GFST) on your investment of \$100,000 this will result in Sequoia Asset Management being paid \$1,100.

## Referral fees we pay

Where you have been referred to us by a third party (such as a financial planning group or accountant), we may pay a fixed introductory fee in relation to the referral. All introductory fees are negotiated with the third party on a case by case basis.

## Referral fees we may receive

Where we refer you to a third party (such as an accountant or administration service provider) we may receive an introductory fee. If a referral payment is being received this will be disclosed to you. We currently have a referral relationship with Sequoia Superannuation whereby if you proceed with an Establishment Package Sequoia Superannuation will pay a referral fee to Sequoia Asset Management as follows:

- Gold Establishment Package up to \$2,000 (incl GST)
- Silver Establishment Package up to \$1,800 (incl GST)

## Brokerage Rates

**Share & Option Trades – Placed through an Investment Manager:** For share and option trades transacted outside of Sequoia Asset Management's Premium Portfolio Service and place through a Investment Manager brokerage rate of 1.1% is charged with a minimum fee of \$93.50 (including GST). For example the brokerage charged and paid to Sequoia Asset Management for the purchase of \$10,000 worth of shares is \$93.50 (including GST). This amount is added to the contract note. Hence \$10,093.50 would be deducted from your linked bank account.

**Share & Option Trades – Placed Directly Online by you:** For share and option trades transacted outside of Sequoia Asset Management's Premium Portfolio Service and executed directly online by you are charged brokerage rates of 0.55% with a minimum fee of \$19.50 (including GST). For example the brokerage charged and paid to Sequoia Asset Management for the purchase of \$2,000 worth of shares is a minimum of \$19.50. This amount is added to the contract note. Hence \$2,019.50 would be deducted from your linked bank account.

## Sequoia Asset Management Premium Portfolio Service

The following costs are associated with the Sequoia Asset Management Premium Portfolio Service (" PPS strategy" only).

### Sequoia Asset Management Premium Portfolio Service – Portfolio Management Fee:

Sequoia Asset Management is remunerated for implementing, transacting, settling and providing General Advice on the Sequoia Asset Management PPS strategy through a portfolio management fee. This fee is deducted monthly in arrears from your linked Macquarie Cash Management Account and is based on the market value of an investor's unleveraged funds under management including cash. The fee table that applies to this investment strategy and service is below. Sequoia Asset Management does not charge brokerage within this investment strategy. For example the monthly fee on a unleveraged \$200,000 investment is \$412.50 including GST (\$200,000 x 2.475% = \$4950, or per month \$412.50).

### Sequoia Asset Management Premium Portfolio Service Fee Table

Value of clients' investments	Annual Rate %
First \$500,000	2.475%
Next \$500,000	2.200%
Next \$1,000,000	1.925%
Next \$3,000,000	1.650%
Next \$5,000,000	1.375%
Amounts above \$10 million	0.825%
Minimum Monthly Fee	\$220.00

\*Rates include GST

**Exit Fee:** An exit fee of up to 2.4% will be to clients who withdraw their PPS investment within the first 12 months of investing. This fee is paid as a direct debit from the Cash Management Account.

**Gearing Loading:** Sequoia Asset Management charge a fixed gearing fee of \$3,300 (incl GST) for accounts linked to a margin loan and or for leverage funds sourced elsewhere such as a line of credit.

### How Sequoia Asset Management's advisers are paid

Directors and employees of Sequoia Asset Management receive salaries, bonuses, a share of profits and other benefits. At your request, we will provide particulars of our representative remuneration (including commissions) or other benefits. However, we will only provide this information to you if you have requested it within a reasonable time after this FSG has been given to you and before any financial services identified in this FSG are provided to you.

## 6. Your privacy and how we use your personal information

### Privacy Statement

Your privacy is important to us. Any records we hold will be handled in accordance with our Privacy Policy which details how we comply with the Privacy Act. A copy of our privacy policy will be provided upon your request. If you wish to examine your file or make changes to this information, please contact us and we will make arrangements for you to do so.

## 7. Anti Money Laundering

As a financial service provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Finance Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as passports and driver's license. We will also retain copies of this information. We assure you that this information will be held securely in accordance with our Privacy Policy.

## 8. Conflicts of Interest

### Existing Relationships

Sequoia Asset Management is not owned by any Fund Manager or Institution. Your adviser may hold an interest in a financial product, referral business or may hold recommended shares. Any significant interest/ownership will be recorded in a register and where appropriate, this holding will be disclosed to you in the Adviser Profile.

Sequoia Asset Management has existing relationships with Product and Service Providers in order to bring innovative investment opportunities and services to market.

- Sequoia Superannuation Pty Ltd
- JBG Structured Investments Pty Ltd

When your Sequoia Asset Management Representative has an equity ownership in any of the above listed entities it will be disclosed to you in their Adviser Profile.

## 9. Complaint Resolution

Sequoia Asset Management is committed to providing quality advice. This commitment extends to providing accessible complaint resolution mechanisms. If you have any complaint about the services provided to you, you should take the following steps:

Contact your adviser. If your complaint is not satisfactorily resolved within 7 days please put your complaint in writing and send it to us or call us at:

Sequoia Asset Management Pty Ltd  
Attention: Compliance Manager  
PO BOX R1837  
ROYAL EXCHANGE NSW 1225  
(02) 8114 2222

If we cannot reach a satisfactory resolution within 45 days, you can raise your concerns with the Credit Ombudsman Service Limited. Sequoia Asset Management is a member of this complaints resolution service.

Telephone: 1800 138 422  
Fax: (02) 9273 8440  
Email: info@cosl.com.au  
Website: www.cosl.com.au  
Mail: PO Box A252, Sydney South NSW 1235

**Sequoia Asset Management**  
Sydney | Melbourne | Brisbane

Web: www.sequoiaam.com.au  
Ph: 02 8114 2222  
Email: insurance@sequoia.com.au



ABN 70 135 907 550

# Appendix B

## Option Terms

### 1. Defined Terms

Unless otherwise defined, capitalised terms used in this Appendix B have the meanings given to them in the Glossary to the Prospectus.

**ASX Settlement** means ASX Settlement Pty Ltd [ACN 008 504 532].

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement as amended from time to time, except to the extent of any express written waiver by ASX Settlement.

**Exercise Notice** means the notice specified in clause 14.1(a)(i).

**Exercise Price** in relation to an Option means the exercise price specified in clause 4, as adjusted from time to time in accordance with clause 11.

**Expiry Date** means 31 May 2018.

**Month** means a period starting on the first day of a calendar month and ending on the last day of that calendar month.

**Option Holder** means a person registered from time to time on the Company's register of option holders as a holder of one or more Options.

### 2. Entitlement

Each Option entitles the Option Holder, on exercise of the Option, to apply for one fully paid ordinary share in the capital of the Company.

### 3. Issue Price

No amount is payable on issue of the Options.

### 4. Exercise Price

Each Option has an exercise price of \$1.00.

### 5. Option period

Each Option may be exercised at any time in the period commencing on the Listing date and ending on the Expiry Date by delivery to the Company of a notice of exercise (in or to the effect of the form provided to the Option Holder by the Company at the time of the grant of the Option or otherwise), accompanied by payment of the Exercise Price.

### 6. Expiry Date

Unless exercised or lapsed earlier, each Option expires at 5.00pm on the Expiry Date.

An Option that has expired is not capable of exercise and the Company will have no liability whatever in respect of the expired Option.

### 7. Dividends

The Options do not confer any right to dividends.

### 8. No voting rights

The Options will confer the right to attend general meetings of the Company and to receive reports to shareholders, but will not confer any right to vote or speak at any meeting.

### 9. Transfer

- (a) an Option may be freely transferred at any time after the Listing Date, in accordance with the Corporations Act and, if applicable, the ASX Settlement Operating Rules and the Listing Rules.

## 10. Holding Statement

The Company must give each Option holder a certificate which sets out the number of Options issued to the holder, and:

- (a) the Exercise Price of the Options; and
- (b) the date of issue of the Options.

## 11. Participation rights, bonus issues, rights issues and reorganisations

### (a) Participation

An Option Holder is not entitled in that capacity to participate in any new issue to existing Shareholders of Securities in the Company unless they have validly exercised in accordance with these terms their Options before the Expiry Date.

### (b) Notice of new issue

The Company must give an Option holder, in accordance with the Listing Rules, notice of:

- i. the proposed terms of the issue or offer proposed under this clause; and
- ii. the right (if any) to exercise their Options under this clause.

### (c) Bonus issues

If the Company makes a bonus issue of Shares or other Securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Option Holder would have received if the Option Holder had validly exercised in accordance with these terms the Option before the record date for determining entitlements to the issue.

### (d) Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu of satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option is reduced in accordance with the Listing Rules.

### (e) Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Options to which each Option Holder is entitled and/or the Exercise Price) are changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

## 12. Calculations and adjustments

Any calculations or adjustments which are required to be made under clause 11 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.

## 13. Notice of change

The Company must within a reasonable period give to each Option Holder notice of any change under clause 11 to the Exercise Price of any Options held by a Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Option.

## 14. Method of exercise of Options

### (a) Method and payment

To exercise the Options, the Option Holder must give the Company or its Share Registry, at the same time:

- i. a written exercise notice (in the form approved by the Board from time to time) (Exercise Notice) specifying the number of Options being exercised and Shares to be issued; and
- ii. payment of the Exercise Price for the Shares the subject of the Exercise Notice by way of bank cheque or by other means of payment approved by the Company.

### (b) Exercise all or some Options

- i. An Option Holder may only exercise Options in multiples of 1,000 unless the Option Holder exercises all Options held by the Option Holder.
- ii. Options will be deemed to have been exercised on the date the application is lodged with the Company.

### (c) Amended Option holding statement

If an Option Holder exercises less than the total number of Options registered in the Option Holder's name, the Company must give the Option Holder an amended certificate stating the remaining Options held by the Option Holder.

## 15. Issue of Shares

After receiving an Exercise Notice and payment by a Option Holder of the Exercise Price, the Company must within 15 Business Days after the deemed exercise date set out in clause 14(a), issue the Option Holder the number of Shares in the capital of the Company as set out in the Exercise Notice.

## 16. Ranking of Shares issued on exercise of Options

Subject to the Company's Constitution, all Shares issued on the exercise of Options rank in all respects *pari passu* with the existing Shares of the Company as at the date of issue and only carry an entitlement to receive dividends that have a record date after the Shares were issued.

## 17. Quotation

Subject to the terms set out in the Prospectus and the Listing Rules, the Company will apply to ASX for admission to quotation of Shares issued on the exercise of Options (unless at the time of exercise the Company is not listed on ASX).

## 18. Duties and taxes

The Company is not responsible for any duties or taxes that may become payable in connection with the issue of Shares following exercise of, or in connection with any other dealing with, Options.

## 19. Notices

- (a) All notices, requests and statements given or made under these terms must be made in writing.
- (b) The Company must send any notice, request or other document relating to the Options to be sent to the Option Holder under these terms to the Option Holder's registered address as recorded in the Company's register of Option Holders and will be taken to be delivered on the day after it is sent.
- (c) An Option Holder must send any notice, request or other document relating to the Options to be sent to the Company under these terms to the Company's registered office or as the Company otherwise specifies by notice to the Option Holder.
- (d) At any time, a holder for the time being of Options may request the Company to give the Option Holder a blank Exercise Notice. The Company must give the Option Holder a blank Exercise Notice promptly on receiving this request.

## 21. Governing Law

These terms and the rights and obligations of Option Holders are governed by the laws of Victoria. Each Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria.

# India Fund Limited

ACN 603 338 969

## Supplementary Prospectus

### Important Information

This Supplementary Prospectus is dated 27 July 2016 and supplements the Prospectus of India Fund Limited (ACN 603 338 969) (**Company**) dated 19 July 2016 (**Prospectus**).

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (ASIC) on 27 July 2016. ASIC and their respective officers do not take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and can be downloaded from the Company's website at <https://events.miraqle.com/INF-IPO>.

The Company will send a copy of this Supplementary Prospectus to all Applicants who have applied for Shares and Options under the Prospectus as at the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. Please seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser without delay if you do not understand its contents.

## 1. Content Supplemented

The Prospectus is supplemented by making the following amendments to the Prospectus:

- 1.1 **Photographs and Diagrams** in the Important Information section on page 5 of the Prospectus is replaced as follows:

Photographs used in this Prospectus are for illustration only and should not be interpreted to mean that any person shown in them endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

- 1.2 **Preparation of the Pro Forma Financials** in section 10.2 of the Prospectus is replaced as follows:

The Pro Forma Financials have been prepared for the purpose of inclusion in this Prospectus and have been derived from the management accounts of the Company with pro forma adjustments being made to reflect the Company's capital structure that will be in place following completion of the Offer.

The Company was incorporated on 12 December 2014 and has not actively traded since that date. The expenses referred in Section 10.3 are in respect of the costs of the offer under the Company's prospectus dated 25 May 2015.

The Company has no outstanding liabilities in respect of costs incurred in its initial public offering under a Prospectus dated 25 May 2015, which was withdrawn on 24 June 2015.

The Pro Forma Financials below have been prepared based on:


- Audited financial statements at 30 June 2015; and
- Reviewed financial statements at 31 March 2016.

ShineWing Australia has provided an unqualified opinion on the audited financial reports for the period ended 30 June 2015, while drawing attention to a material uncertainty in respect to going concern.

The Pro Forma Financials included in this Prospectus has been reviewed, but not audited, by ShineWing Australia Corporate Finance Pty Ltd (ShineWing). Investors should note the scope and limitations of the Independent Limited Assurance Report (refer Section 11).

## 2. Directors' Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.



John Pereira

Executive Chairman

# Corporate Directory

## INDIA FUND LIMITED

ACN 603 338 969 ABN 22 603 338 969

Level 7, 114 William Street  
Melbourne Victoria 3000

Telephone: 1300 788 598

## DIRECTORS

John Pereira	Executive Chairman
David Carruthers	Non-Executive Director
Clifford Clayton	Non-Executive Director
Sam Kavourakis	Non-Executive Director

## COMPANY SECRETARY

Stephanie Georgiou

## FUND ADMINISTRATOR

Tristar Capital Pty Ltd  
Level 7, 114 William Street  
Melbourne Victoria 3000

AFSL No 285503  
Telephone: +61 3 9621 2160  
[www.tristarcapital.com.au](http://www.tristarcapital.com.au)

## PORTFOLIO MANAGER

Kotak Mahindra (UK) Limited  
8th Floor, Portsoken House  
155-157 Minories  
London EC3N 1LS, United Kingdom  
Licensed by FCA UK, firm reference number 171837

## CUSTODIAN

Kotak Mahindra Bank Limited  
27BKC, C27, G Block  
Bandra (E), Mumbai – 400 051  
India

## LEAD MANAGER

Sequoia Asset Management Pty Ltd  
Level 4, 4 Collins Street  
Melbourne Victoria 3000  
AFSL No 341506  
Telephone: +61 3 8548 3033  
[www.sequoia.com.au](http://www.sequoia.com.au)

## LEGAL ADVISER TO THE COMPANY

JPM Law  
Level 2, 271 William Street  
Melbourne Victoria 3000

## SHARE REGISTRAR

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

## INDEPENDENT ACCOUNTANT

ShineWing Australia Corporate Finance Pty Ltd  
Level 10, 530 Collins Street  
Melbourne Victoria 3000

## INDEPENDENT TAX ADVISER

ShineWing Australia Pty Ltd  
Level 10, 530 Collins Street  
Melbourne Victoria 3000

## AUDITOR

ShineWing Australia  
Level 10, 530 Collins Street  
Melbourne Victoria 3000

## Public Offer Application Form

This is an Application Form for Shares in India Fund Limited under the Public Offer on the terms set out in the Prospectus dated 19 July 2016. You may apply for a minimum of 2,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (AEST) on 15 August 2016**.

**If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.**

Shares applied for

Price per Share

Application Monies

**A** , ,  at **A\$1.00** **B** A\$ , ,

(minimum 2,000, thereafter in multiples of 500)

**PLEASE COMPLETE YOUR DETAILS BELOW** (refer overleaf for correct forms of registrable names) **+**

Applicant #1

Surname/Company Name

**C**

Title

First Name

Middle Name

Joint Applicant #2

Surname

Title

First Name

Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

**D**

TFN/ABN type – if NOT an individual, please mark the appropriate box

Company

Partnership

Trust

Super Fund

**PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

**E**

Unit Number/Level

Street Number

Street Name

Suburb/City or Town

State

Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

**F** **X**

*Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.*

Telephone Number where you can be contacted during Business Hours

Contact Name (PRINT)

**G** ()

Cheques or bank drafts should be made payable to **"India Fund Limited"** in Australian currency and crossed "Not Negotiable".

Cheque or Bank Draft Number

BSB

Account Number

**H**  -

Total Amount **A\$**

**LODGEMENT INSTRUCTIONS**

You must return your application so it is received before 5:00pm (AEST) on 15 August 2016 to:  
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

**INF IPO001**



# Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are India Fund Limited Shares. Further details about the Shares are contained in Prospectus dated 19 July 2016 ("Prospectus") issued by India Fund Limited. The Prospectus will expire on 18 August 2017. While the Prospectus is current, India Fund Limited will send paper copies of the Prospectus and the Application Form, free of charge on request.

The Australian Securities and Investment Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, India Fund Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from India Fund Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to India Fund Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B. Make your cheque or bank draft payable to "India Fund Limited" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected. If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

## LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEST) on 15 August 2016 at:

### Mailing Address

India Fund Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

### Hand Delivery

India Fund Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

**(do not use this address for mailing purposes)**

## PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

## CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
<b>Individual</b> Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
<b>Company</b> Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
<b>Joint Holdings</b> Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
<b>Trusts</b> Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
<b>Deceased Estates</b> Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
<b>Minor (a person under the age of 18 years)</b> Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
<b>Partnerships</b> Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
<b>Long Names</b>	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
<b>Clubs/Unincorporated Bodies/Business Names</b> Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
<b>Superannuation Funds</b> Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

## Public Offer Application Form

This is an Application Form for Shares in India Fund Limited under the Public Offer on the terms set out in the Prospectus dated 19 July 2016. You may apply for a minimum of 2,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (AEST) on 15 August 2016**.

**If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.**

Shares applied for  at **A\$1.00** Application Monies **B A\$**

(minimum 2,000, thereafter in multiples of 500)

**PLEASE COMPLETE YOUR DETAILS BELOW** (refer overleaf for correct forms of registrable names) **+**

Applicant #1  
 Surname/Company Name

**C**

Title First Name Middle Name

Joint Applicant #2  
 Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code  
 First Applicant Joint Applicant #2 Joint Applicant #3

**D**

TFN/ABN type – if NOT an individual, please mark the appropriate box  Company  Partnership  Trust  Super Fund

**PLEASE COMPLETE ADDRESS DETAILS**  
 PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

**E**

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESSE HIN (if you want to add this holding to a specific CHESSE holder, write the number here) **+**

**F** **X**

*Please note: that if you supply a CHESSE HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESSE, your Application will be deemed to be made without the CHESSE HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.*

Telephone Number where you can be contacted during Business Hours Contact Name (PRINT)

**G**

Cheques or bank drafts should be made payable to **“India Fund Limited”** in Australian currency and crossed **“Not Negotiable”**.

Cheque or Bank Draft Number BSB Account Number

**H**

Total Amount **A\$**

**LODGEMENT INSTRUCTIONS**

You must return your application so it is received before 5:00pm (AEST) on 15 August 2016 to:  
 Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.



# Your Guide to the Application Form

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The Australian Securities and Investment Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, India Fund Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from India Fund Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to India Fund Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B. Make your cheque or bank draft payable to "India Fund Limited" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected. If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

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### Mailing Address

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C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

### Hand Delivery

India Fund Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

**(do not use this address for mailing purposes)**

## PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

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## CORRECT FORMS OF REGISTRABLE NAMES

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<b>Joint Holdings</b> Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
<b>Trusts</b> Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
<b>Deceased Estates</b> Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
<b>Minor (a person under the age of 18 years)</b> Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
<b>Partnerships</b> Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
<b>Long Names</b>	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
<b>Clubs/Unincorporated Bodies/Business Names</b> Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
<b>Superannuation Funds</b> Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.



# Your Guide to the Application Form

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The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, India Fund Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from India Fund Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to India Fund Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.  
  
If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

## CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
<b>Individual</b> Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
<b>Company</b> Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
<b>Joint Holdings</b> Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
<b>Trusts</b> Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
<b>Deceased Estates</b> Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
<b>Minor (a person under the age of 18 years)</b> Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
<b>Partnerships</b> Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
<b>Long Names</b>	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
<b>Clubs/Unincorporated Bodies/Business Names</b> Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
<b>Superannuation Funds</b> Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

## Broker Firm Offer Application Form

This is an Application Form for Shares in India Fund Limited under the Broker Offer on the terms set out in the Prospectus dated 19 July 2016. You may apply for a minimum of 2,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

**If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.**

Shares applied for

Price per Share

Application Monies

**A**  ,  ,  ,  ,  ,  at **A\$1.00** **B** A\$  ,  ,  ,  ,  ,  .

(minimum 2,000, thereafter in multiples of 500)

**PLEASE COMPLETE YOUR DETAILS BELOW** (refer overleaf for correct forms of registrable names)

Applicant #1

Surname/Company Name

**C**

Title

First Name

Middle Name

Joint Applicant #2

Surname

Title

First Name

Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

**D**

TFN/ABN type – if NOT an individual, please mark the appropriate box

Company

Partnership

Trust

Super Fund

**PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c-)/Property name/Building name (if applicable)

**E**

Unit Number/Level

Street Number

Street Name

Suburb/City or Town

State

Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

**F** **X**

*Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.*

Telephone Number where you can be contacted during Business Hours

Contact Name (PRINT)

**G** ()

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

Cheque or Bank Draft Number

BSB

Account Number

**H**

Total Amount **A\$**

**LODGEMENT INSTRUCTIONS**

You must return your application so it is received by your Broker by the deadline set out in their offer to you.

# Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are India Fund Limited Shares. Further details about the Shares are contained in Prospectus dated 19 July 2016 ("Prospectus") issued by India Fund Limited. The Prospectus will expire on 18 August 2017. While the Prospectus is current, India Fund Limited will send paper copies of the Prospectus and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

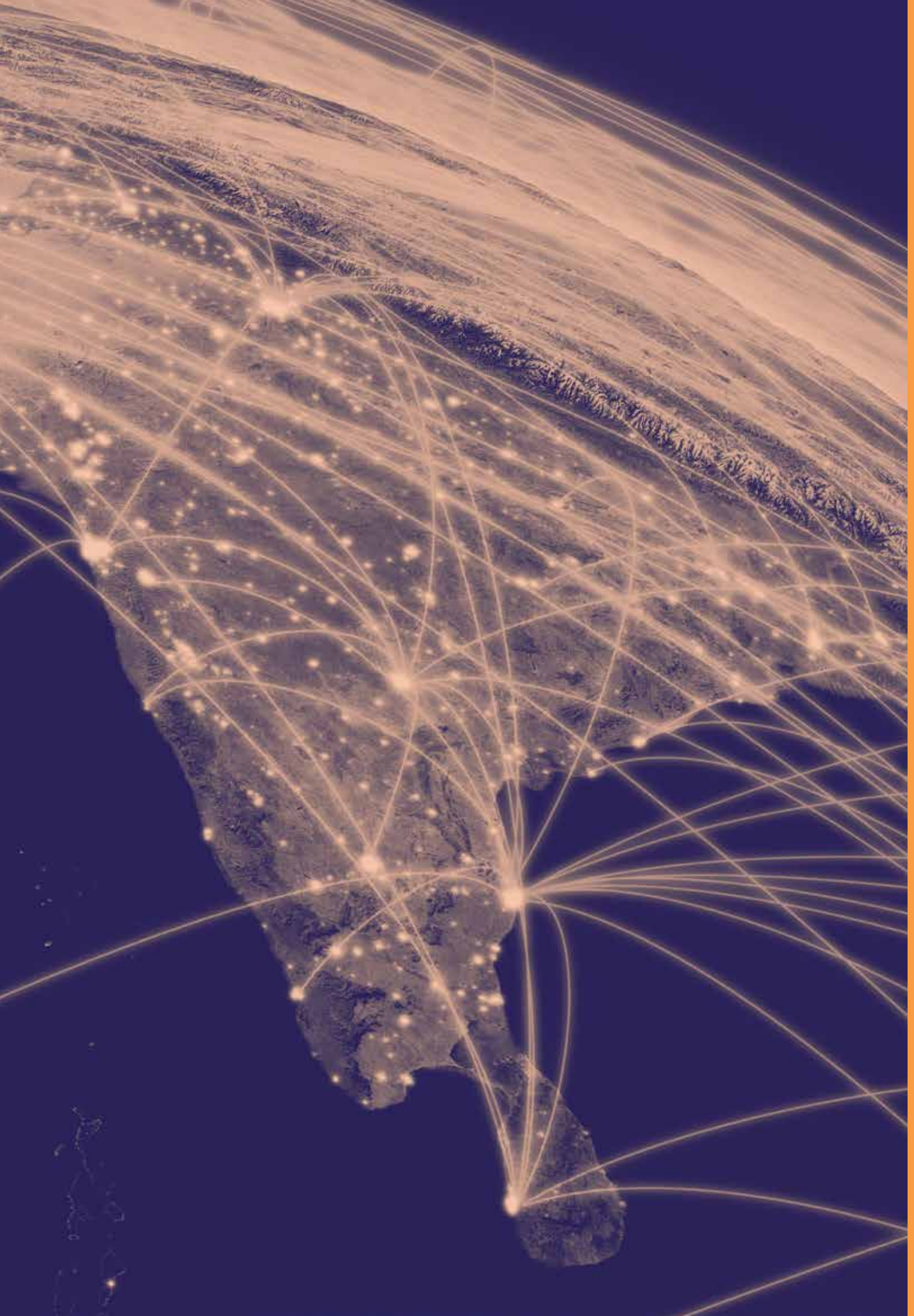
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<b>Minor (a person under the age of 18 years)</b> Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
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<b>Long Names</b>	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
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<b>Superannuation Funds</b> Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.





T 1300 788 598

[WWW.INDIAFUND.COM.AU](http://WWW.INDIAFUND.COM.AU)