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This document is an AIM Admission Document prepared in accordance with the AIM Rules for Companies in connection with the proposed admission to trading of the Subscription Shares on AIM. This document contains no offer to the public within the meaning of the Financial Services and Markets Act 2000 as amended ("FSMA") and, accordingly, it does not comprise a prospectus for the purposes of the Prospectus Rules and has not been approved by or filed with the Financial Conduct Authority ("FCA"). No offer of securities to the public (for the purposes of section 102B of FSMA) is being made in connection with the Subscription Shares which would require the publication of a prospectus in accordance with section 85 of FSMA.

The distribution of this document in jurisdictions other than the UK may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation to forward this document and/or the accompanying documents should read the paragraph entitled "Overseas Shareholders" in Part I of this document before taking any action.

The Directors of the Company, whose names appear on page 5 of this document, and the Company accept responsibility for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) and the Company the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

An application will be made for all the to be issued Subscription Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Subscription Shares will commence on AIM on 12 August 2014. The AIM Rules for Companies are less demanding than those of the Official List of the UK Listing Authority. It is emphasised that no application is being made for admission of the Subscription Shares to the Official List. No application has been made for the Subscription Shares to be listed on any other recognised investment exchange. Although the whole text of this document should be read, the attention of persons receiving this document is drawn to the section headed "Risk Factors" contained in Part VI of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of the Risk Factors set out in Part VI of this document.

INDIA CAPITAL GROWTH FUND LIMITED

(a collective investment scheme incorporated in Guernsey with registration number 43916 and authorised by the Guernsey Financial Services Commission as an authorised closed-ended collective investment scheme)

BONUS ISSUE OF SUBSCRIPTION SHARES, CONTINUATION RESOLUTION and NOTICE OF EXTRAORDINARY GENERAL MEETING

Nominated Adviser to the Company
Grant Thornton UK LLP

Broker to the Company
Numis Securities Limited

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Grant Thornton UK LLP, which is authorised and regulated in the United Kingdom by the FCA for the conduct of investment business, is acting exclusively for the Company and for no one else in connection with Admission and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Grant Thornton UK LLP or for providing advice in relation to Admission or any other matter referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Grant Thornton UK LLP by FSMA, no representation or warranty, express or implied, is made by Grant Thornton UK LLP as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Grant Thornton UK LLP for the accuracy of any information or opinion contained in this document or for the omission of any material information for which it is not responsible.

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Notice of an Extraordinary General Meeting of the Company to be held at 1st Floor Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB at 9.30 a.m. on 6 August 2014 is set out at the end of this document. Whether or not they intend to attend the Extraordinary General Meeting, Shareholders are requested to complete and return the accompanying Form of Proxy as soon as possible and, in any event, so as to be received by Capita Registrars (Guernsey) Limited not later than 9.30 a.m. on 4 August 2014, by one of the following methods: (i) by post to PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, (ii) by hand during normal business hours to the above address, or (iii) in the case only where Ordinary Shares are held in CREST, via the CREST Proxy Voting Service. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they subsequently wish to do so.

Copies of this document will be available during normal business hours on any day (except Saturdays, Sundays, bank and public holidays) free of charge to the public at the offices of the Company at 1st Floor Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB from the date of this document to the date one month from the date of Admission. A copy of this document will also be available, from Admission, at the Company's website at www.indiacapitalgrowth.com.

IMPORTANT NOTICES

Shareholders should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Shareholders should inform themselves as to: (a) the legal requirement within their own countries for the holding, transfer or other disposal of Subscription Shares and the exercise of the Subscription Share Rights; (b) any foreign exchange restrictions applicable to the holding, transfer or other disposal of Subscription Shares and the exercise of the Subscription Share Rights which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of holding, transfer or other disposal of Subscription Shares or the exercise of the Subscription Share Rights. Shareholders must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales and Guernsey and are subject to changes therein.

Forward-looking Statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the intentions, beliefs or current expectations of the Company and the Board, concerning, among other things, the Company’s results of operations, financial position, liquidity, prospects, growth, strategies and expectations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the development of the markets and those sectors are consistent with the forward-looking statements contained in this document, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in law or regulation, currency fluctuations, political and economic uncertainty and other factors discussed in the sections Part II “**Information on the Company**”, Part III “**The Investment Portfolio and Investment Outlook**”, Part IV, “**Financial Information relating to the Company**”, Part VI “**Risk Factors**” and Part VII “**Additional Information**” of this document.

Any forward-looking statements in this document reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s investing strategy. Investors should specifically consider the factors identified in this document which could cause results to differ before making an investment decision. These forward-looking statements speak only as at the date of this document. Subject to any applicable obligations, the Company undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document (including the Risk Factors set out in Part VI of this document) which could cause actual results to differ before making an investment decision. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statement made as to sufficiency of working capital in Part IV of this document.

TABLE OF CONTENTS

Page

EXPECTED TIMETABLE OF PRINCIPAL EVENTS	4
DEALING CODES.....	4
DIRECTORS, INVESTMENT MANAGER AND ADVISERS	5
PART I - CHAIRMAN'S LETTER	7
PART II - INFORMATION ON THE COMPANY	13
PART III - THE INVESTMENT PORTFOLIO AND INVESTMENT OUTLOOK	21
PART IV - FINANCIAL INFORMATION RELATING TO THE COMPANY	27
PART V - PARTICULARS OF THE SUBSCRIPTION SHARES.....	28
PART VI - RISK FACTORS.....	43
PART VII - ADDITIONAL INFORMATION	49
PART VIII - DEFINITIONS	74
NOTICE OF EXTRAORDINARY GENERAL MEETING	78

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	7 July 2014
Latest time and date for lodging forms of proxy for the General Meeting	9.30 a.m. 4 August 2014
Subscription Price of Subscription Shares calculated	As at 5.00 p.m. on 31 July 2014
Record Date for the Bonus Issue	5.00 p.m. on 4 August 2014
Extraordinary General Meeting	9.30 a.m. 6 August 2014
Admission of the Subscription Shares to trading on AIM and dealings in the Subscription Shares commence	8.00 a.m. on 12 August 2014
Crediting of CREST stock accounts in respect of the Subscription Shares	As soon as possible after 8.00 a.m. on 12 August 2014
Share certificates despatched in respect of the Subscription Shares (where applicable)	week commencing 18 August 2014

All references to time in this document are to London time unless otherwise stated

DEALING CODES

The dealing codes for the Subscription Shares will be as follows:

ISIN	GG00BGLCWK02
SEDOL	BGLCWK0
TIDM	IGCS

EXCHANGE RATES

For reference purposes only, the following exchange rate was prevailing on 30 June 2014:

GBP 1 : INR 102.3269

All amounts in this document expressed in the above currencies have, unless otherwise stated, been calculated using the above exchange rate.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors	Fred Carr, <i>Chairman</i> John Whittle Peter Niven Vikram Kaushik
Registered Office of the Company	1st Floor Tudor House Le Bordage St Peter Port Guernsey GY1 1DB
Investment Manager	Ocean Dial Asset Management Limited Cayzer House 30 Buckingham Gate London SW1E 6NN
Administrator and the Company Secretary	Apex Fund Services (Guernsey) Limited 1st Floor Tudor House Le Bordage St Peter Port Guernsey GY1 1DB
Nominated Adviser	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
Broker	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Solicitors to the Company <i>(as to English law)</i>	Speechly Bircham LLP 6 New Street Square London EC4A 3LX
Advocates to the Company <i>(as to Guernsey law)</i>	Collas Crill Glategny Court PO Box 140 Glategny Esplanade St Peter Port Guernsey GY1 4EW
Registrar	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
Auditors	Ernst & Young LLP PO Box 9 14 New Street St. Peter Port Guernsey GY1 4AF

Administrator to the Subsidiary

Apex Fund Services (Mauritius) Limited
4th Floor
Raffles Tower
19, Cybercity
Ebene
Mauritius

Custodian to the Subsidiary

SBI-SG Global Securities Services Private Limited
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Mumbai-400 054
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PART I

CHAIRMAN'S LETTER

INDIA CAPITAL GROWTH FUND LIMITED

(incorporated in Guernsey with registration number 43916 and authorised by the Guernsey Financial Services Commission as an authorised closed-ended collective investment scheme)

Directors:

Fred Carr (Chairman)
John Whittle
Peter Niven
Vikram Kaushik

Registered Office:

1st Floor Tudor House
Le Bordage
St Peter Port
Guernsey
GY1 1DB

7 July 2014

Dear Shareholder,

Proposals for a Bonus Issue of Subscription Shares and Amendments to the Continuation Resolution Arrangements

On 13 June 2014, the Company announced that the Board was considering proposals for the Company's future including, inter alia, a bonus issue of Subscription Shares and amendments to the continuation vote provisions. I am writing to give you details of these Proposals.

The purpose of this document, which also constitutes an Admission Document for the Subscription Shares, is to explain the Proposals and to convene the Extraordinary General Meeting at which the Resolutions will be proposed.

Bonus Issue of Subscription Shares

The Company is proposing to issue Subscription Shares by way of a bonus issue to Qualifying Shareholders of up to 37,500,731 of a new class of Subscription Shares free of payment on the basis of one Subscription Share for every two Ordinary Shares held on the Record Date. Each Subscription Share will confer the right (but not the obligation) to subscribe for one Ordinary Share upon exercise of the Subscription Share Rights and on payment of the Subscription Price as set out below. Fractions of Subscription Shares will not be allotted or issued and entitlements will be rounded down to the nearest whole number of Subscription Shares.

Whilst under the Articles, the Directors have authority to create new classes of shares in the Company, the general authority to issue new shares expired on 9 June 2014. Accordingly, the First 2014 Resolution to be proposed at the Extraordinary General Meeting grants the Directors authority to issue new shares to replace the authority previously set out in the Articles which expired on 9 June 2014 and specifically to issue the Subscription Shares and the new Ordinary Shares arising on exercise of the Subscription Shares. This authority is to issue (a) the new Subscription Shares and the new Ordinary Shares arising from the exercise of Subscription Share Rights; and (b) up to a maximum nominal value of £225,000 new Ordinary Shares (which authority will expire at the Company's annual general meeting in 2017, when the Directors intend to propose an ordinary resolution to renew the authority). The First 2014 Resolution also authorises the Directors to make market purchases of up to 14.99 per cent. of the Subscription Shares in issue. The Directors would only use such authority if they considered such purchases to be in the best interests of the Company and Shareholders as a whole.

The issue of the Subscription Shares is conditional upon the passing of the First 2014 Resolution at the Extraordinary General Meeting and Admission taking place by no later than 8.00 a.m. on 12 August 2014 (or such later date on or before 1 September 2014 as the Company and the Investment Manager may determine).

The Subscription Price per Ordinary Share, will be equal to the published unaudited NAV per Ordinary Share as calculated by the Administrator as at 5.00 p.m. on 31 July 2014 (the “**Calculation Date**”) rounded up to the nearest penny. The NAV for the purpose of calculating the Subscription Price will be the unaudited value of the Company’s assets calculated in accordance with the Company’s accounting policies (including revenue items for the current financial year) less all prior charges and other creditors at their fair value (including the costs of the Proposals). As at 5.00 p.m. on 30 June 2014, being the latest practicable date before the publication of this document, the unaudited NAV per Ordinary Share was 60.12 pence.

It is expected that an announcement of the Subscription Price will be made on 5 August 2014.

Setting the Subscription Price at the NAV per Ordinary Share as at the Calculation Date reflects the Board’s confidence in the Company’s prospects and its hope that holders of Subscription Shares will be able to exercise their Subscription Share Rights and acquire Ordinary Shares on favourable terms in the future.

Subscription Share Rights will be exercisable by holders of Subscription Shares on one date only, 6 August 2016 (the “**Subscription Date**”), after which the Subscription Share Rights shall lapse. Notice of the exercise of the Subscription Share Rights must be given by no later than 5.00 p.m. on the Subscription Date.

However, if at any time after 6 August 2015 the average middle market quotations (as derived from the London Stock Exchange Official Daily List) for an Ordinary Share for at least 10 consecutive dealing days is 5 per cent. or more above the Subscription Price, the Company has the right (but not the obligation) by announcement on a RIS to change the Subscription Date for exercise of the Subscription Share Rights to an earlier date being a date not less than 30 days after the Company’s announcement that it is bringing forward the Subscription Date (the “**Revised Subscription Date**”). In that event, an announcement will be made on a RIS and notice of the Revised Subscription Date will be given to all holders of Subscription Shares on the register as at 5.00 p.m. on the date falling three business days following the announcement of the Revised Subscription Date.

In that event, notice of the exercise of the Subscription Share Rights must be given by holders of Subscription Shares by no later than 5.00 p.m. on the Revised Subscription Date after which the Share Subscription Rights shall lapse unless the Revised Subscription Date has been cancelled, in the circumstances set out below.

Not later than 20 days before the Subscription Date or the Revised Subscription Date (as the case may be), the Company shall give notice in writing to the holders of the Subscription Shares then in issue reminding them of their Subscription Share Rights and, in relation to any Uncertificated Subscription Shares, stating the form of Uncertificated Subscription Notice prescribed by the Directors.

The Ordinary Shares arising on exercise of Subscription Share Rights will be issued within 14 days of the Subscription Date or Revised Subscription Date (as the case may be). The admission of the Subscription Shares to trading on AIM will be cancelled with effect from close of trading on the Subscription Date or Revised Subscription Date (as the case may be).

If in the period after the announcement of the Revised Subscription Date but before allotment of Ordinary Shares pursuant to exercise of Subscription Share Rights on the Revised Subscription Date, the middle market quotation (as derived from the London Stock Exchange Daily Official List) for an Ordinary Share is below the Subscription Price, if it considers in the best interests of Shareholders as a whole to do so, the Company may by announcement on a RIS cancel the Revised Subscription Date in which event Subscription Share Rights will remain exercisable on the Subscription Date and any monies received by the Company in purported exercise of Subscription Share Rights on the Revised Subscription Date will be returned to the relevant holders without interest at their risk.

Subscription Shares will rank equally with each other and will not carry the right to receive any dividends from the Company. Subscription Shares do not carry the right to attend and vote at any general meeting of the Company (although the holders of the Subscription Shares will have the right to vote if, for so long as the Subscription Shares are admitted to trading on AIM, a resolution is proposed in accordance with the AIM Rules relating to a reverse takeover by the Company, there is a fundamental change of the Company's business or a cancellation of the Subscription Shares to trading on AIM). The Ordinary Shares resulting from the exercise of the Subscription Rights will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares).

Following the Subscription Date (or if applicable the Revised Subscription Date), Subscription Shares will be converted into deferred shares and purchased by the Company for cancellation for an aggregate consideration of £1.

The full rights attaching to the Subscription Shares are set out in Part V of this document.

Continuation Resolution

The Company's AIM admission document issued on 16 December 2005 in connection with the initial admission to trading of the Ordinary Shares stated that "the Company currently does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company after an initial period of 10 years and periodically thereafter. Accordingly, at the Annual General Meeting of the Company in 2015 (and every five years thereafter) an ordinary resolution will be proposed that "the Company should continue as presently constituted".

In light of the intention to issue the Subscription Shares with a potential two year duration, the Board will also propose at the Extraordinary General Meeting the Second 2014 Resolution to amend the Company's continuation vote provisions as set out below. If the Second 2014 Resolution is approved:

- the 2015 Resolution referred to in the Company's original AIM admission document will not be proposed; and
- the Company will undertake that in 2017 (and every three years thereafter) the Board will carry out an assessment of the Company's performance (the "**Three Yearly Assessment**") and will thereafter propose an ordinary continuation resolution only in the event that either of the following criteria are met:
 - i. the Company's monthly average market capitalisation being less on average than £30 million over the one year period preceding the relevant Three Yearly Assessment taking the market capitalisation as at the last trading day of each month; or
 - ii. the Company's published diluted NAV per Ordinary Share (adjusted, if appropriate, for any dividends payable to Shareholders) underperforming the BSE Mid Cap Total Return Index by in excess of a cumulative 5 per cent. over the three year period preceding the relevant Three Yearly Assessment, save that if any new Ordinary Shares have been issued pursuant to the exercise of the Subscription Share Rights, the published NAV per Ordinary Share as at the date of the 2017 Three Yearly Assessment will be adjusted by adding back in pence per Ordinary Share terms the aggregate of (a) the dilutive effect of the new Ordinary Share issue and (b) the figure in (a) multiplied by the percentage change in the NAV per Ordinary Share between the issue date of the new Ordinary Shares and the date of the 2017 Three Yearly Assessment.

If the Second 2014 Resolution is not approved, the Company will revert to its undertaking in its original AIM admission document to propose the 2015 Resolution and will not issue the Subscription Shares. The Second 2014 Resolution is however not conditional on the approval of the First 2014 Resolution.

Discount/Premium

The Board intends that the return to Shareholders through the Company's share price should, where possible, match the returns that are achieved in the Company's NAV. Accordingly the Board will continue to monitor the performance of the NAV per Ordinary Share in relation to the Ordinary Share price closely and, in the event that there is a discount and it were to consistently exceed 20 per cent. over a three month period, will consider and discuss with major Shareholders whether any policy changes would be in the best interests of the Shareholders as a whole.

Should the Ordinary Shares trade at a premium to the Net Asset Value per Ordinary Share and the Directors determine that an issue would be in the best interests of the Company and Shareholders as a whole, the Company may issue new Ordinary Shares at a price that is not less than the prevailing Net Asset Value per Ordinary Share.

Performance Fee

As announced on 26 June 2014, the Board has agreed with the Investment Manager that with effect from 1 January 2014 the Investment Manager will no longer be entitled the current performance fee.

Benefits of the Bonus Issue

The Directors believe the Bonus Issue of Subscription Shares will have the following advantages:

- Qualifying Shareholders will receive securities which carry the right to subscribe for Ordinary Shares at a predetermined price in order to benefit from any future growth in the Company;
- Qualifying Shareholders will receive securities with a monetary value which may be traded in a similar fashion to their existing Ordinary Shares or exercised to subscribe for Ordinary Shares;
- on any exercise of the Subscription Share Rights, the capital base of the Company will increase allowing operating costs to be spread across a larger number of Ordinary Shares and hence should cause the total expense ratio to fall;
- following the exercise of any Subscription Share Rights, the Company will have an increased number of Ordinary Shares in issue, which may in due course improve the liquidity in the market for its Ordinary Shares;
- Qualifying Shareholders will receive Subscription Shares which should be qualifying investments for the purposes of the stocks and shares component of an ISA and permitted investments for the purposes of a SIPP; and
- the right of the Company to bring forward the Subscription Date to the Revised Subscription Date is intended to limit the dilution to NAV per Ordinary Share should the Subscription Shares move into the money.

Consideration for the Subscription Shares

Under the Companies Law, the Board must decide the consideration for which the Subscription Shares will be issued and the terms on which they will be issued and the Subscription Price and terms on which the new Ordinary Shares will be issued and resolve that, in its opinion, the respective consideration for and the terms of the issue are fair and reasonable to the Company and all existing Shareholders. A consideration certificate must be approved accordingly. Such consideration certificate has been signed on behalf of the Board.

Admission and dealings

The Subscription Shares will be in registered form and may be issued either in certificated or uncertificated form. No temporary documents of title will be issued. Pending dispatch of definitive certificates, transfers of Subscription Shares in certificated form will be certified against the Register. All documents or remittances sent by or to Shareholders will be sent through the post at the risk of the Shareholder.

An application will be made for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission will occur, and that dealings will commence, in respect of the Subscription Shares on 12 August 2014. On their Admission, the Subscription Shares will confer rights to subscribe for new Ordinary Shares representing, in aggregate, due to rounding, a little under 33.3 per cent. of the then issued ordinary share capital of the Company.

Costs of the Proposals

The Company's expenses in connection with the Proposals are estimated to amount to approximately £109,150 (excluding Value Added Tax).

Net Proceeds from the Subscription Shares

Although there can be no certainty as to whether any or all of the Subscription Share Rights will be exercised, if the Bonus Issue proceeds and all of the Subscription Share Rights were exercised in full, the maximum net proceeds that could arise on such exercise would be approximately £22.44 million, based on a Net Asset Value per Ordinary Share of 60.12 pence on 30 June 2014, the latest practicable date prior to publication of this document, and assuming that 37,500,731 Subscription Shares are issued pursuant to the Bonus Issue.

Overseas Shareholders

The issue of the Subscription Shares to persons who have a registered or mailing address in any territory outside of the United Kingdom or Guernsey may be affected by the law or regulatory requirements of the relevant jurisdiction. Any Shareholder who is in any doubt as to his position should consult an appropriate independent professional adviser without delay.

The Subscription Shares to be issued under the Bonus Issue are not being issued to Overseas Shareholders. The Board will issue any Subscription Shares due under the Bonus Issue to Overseas Shareholders to a market maker who will sell such Subscription Shares promptly at the best price obtainable. The proceeds of sale will be paid to the Overseas Shareholders entitled to them save that entitlements of less than £5 per Overseas Shareholder will be retained by the Company for its own account.

Notwithstanding any other provision of this document, the Company reserves the right to permit any Overseas Shareholder to take up Subscription Shares under the Bonus Issue if the Company, in its sole and absolute discretion, is satisfied at any time that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Any Shareholder who is in any doubt as to his position should consult an appropriate independent professional adviser without delay.

Non-Mainstream Pooled Investments

As announced on 26 June 2014 the Company currently conducts its affairs so that the Shares issued by the Company are not categorised as non-mainstream pooled investments under the FCA rules and intends to continue to do so for the foreseeable future.

The Company has received legal advice that its Shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments principally because the returns to investors are, and are expected to continue to be, wholly or predominantly linked to, contingent on, highly sensitive to or dependent on, the performance of or changes in the value of its underlying portfolio of shares.

Taxation

The attention of Shareholders is drawn to Part VII of this document for details of the taxation of the Group and of Shareholders in the UK and Guernsey.

Shareholders should note that Subscription Shares should be qualifying investments for the stocks and shares component of an ISA and will constitute permitted investments for the purposes of a SIPP. The exercise of Subscription Share Rights may affect the annual subscription limit available for further investment into an ISA in the year of exercise.

Any Shareholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom or Guernsey should consult their professional adviser.

Action to be taken

You will find set out at the end of this document the notice convening the Extraordinary General Meeting, at which the Resolutions will be proposed as Ordinary Resolutions.

Whether or not you intend to attend the Extraordinary General Meeting, Shareholders are requested to complete and return the accompanying form of proxy as soon as possible and, in any event, so as to be received by Capita not later than 9.30 a.m. on 4 August 2014, by one of the following methods: (i) by post to PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, (ii) by hand during normal business hours to the address above, or (iii) in the case only where Ordinary Shares are held in CREST, via the CREST Proxy Voting Service. The completion and return of a form of proxy will not preclude Shareholders from attending the Extraordinary General Meeting and voting in person should they subsequently wish to do so.

Recommendation

The Board considers that the Proposals are in the best interest of the Shareholders. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as the Board intend to do in respect of their own beneficial holdings of Ordinary Shares, which amount to approximately 0.23 per cent. of the issued Ordinary Shares.

Yours sincerely,

Fred Carr
Chairman

PART II

INFORMATION ON THE COMPANY

Introduction

India Capital Growth Fund Limited is a non-cellular company limited by shares and is authorised by the Guernsey Financial Services Commission as an authorised closed-ended collective investment scheme in accordance with The Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and The Authorised Closed-Ended Investment Schemes Rules 2008, with one wholly owned subsidiary, ICG Q Limited, incorporated in Mauritius. The Group was established to take advantage of long-term investment opportunities in companies based in India, in accordance with the Group's investment objective and policy as set out in this document. The Company was admitted to trading on AIM on 22 December 2005.

The Investment Manager of the Company, Ocean Dial Asset Management Limited, is a UK subsidiary of Ocean Dial Investment Company (Singapore) Private Limited. Further details in relation to the Investment Manager are set out below.

The Company has an indefinite life but in the light of the statements set out in the Company's AIM admission document dated 16 December 2005, the Second 2014 Resolution will be proposed as an ordinary resolution at the Extraordinary General Meeting on 6 August 2014. Thereafter, depending on the performance of the Company on a rolling three year basis, further resolutions as to the continuance of the Company may be proposed to Shareholders, further details of which are set out in Part I of this document under the heading "Continuation Resolution".

As at 30 June 2014, the Company had net assets of £45.09 million and the unaudited NAV per Ordinary Share was 60.12 pence.

Structure of the Group

The Group consists of the Company and its wholly owned Mauritian subsidiary, ICG Q Limited. The Group's assets are held in the Subsidiary. All investments in Indian companies are implemented through the board of the Subsidiary, in accordance with the recommendations of the Investment Manager. Details in respect of the taxation position of the Group under Indian and Mauritian taxation legislation are set out at paragraphs 15 and 16 of Part VII of this document. The board of directors of the Subsidiary consists of two Mauritian residents.

Investment Policy and Objective

The Company's investment objective was, on initial admission to trading on AIM, and continues to be, to provide long-term capital appreciation by investing directly or indirectly, in companies based in India. The investment policy permits the Group to make investments in a range of Indian equity and equity-linked securities and predominantly in listed mid and small cap Indian companies with a smaller proportion in unlisted Indian companies. Investment may also be made in large-cap listed Indian companies and in companies incorporated outside India which have significant operations or markets in India.

While the principal focus is on investment in listed or unlisted equity securities or equity linked securities, the Company has the flexibility to invest in bonds, including non-investment grade bonds, convertibles and other types of securities.

Investment Restrictions

The Group may, for the purposes of hedging and investing, use derivative instruments such as financial futures, options and warrants. The Company may, from time to time use borrowings to provide short-term liquidity and, if the Board deem it prudent, for longer term purposes. The Directors intend to restrict borrowings on a longer term basis to a maximum amount equal to 25 per cent. of the net assets of the Group at the time of the drawdown. It is the Group's current policy not to hedge the exposure to the Indian Rupee.

The Group will not invest in other UK listed investment companies including UK investment trusts.

Dividend Policy

In view of the comparatively low yields available in India, the Directors do not expect income (net of expenses) to be significant and do not currently expect to declare any dividends. In the event that net income is significant, the Directors may consider the distribution of net income in the form of dividends. Dividends, if any, are expected to be paid in Sterling.

Investment Philosophy

The Investment Manager believes that in India, optimal returns will be generated over time by investing in companies that are well placed to benefit from the structural growth potential of the domestic economy, combined with the highest quality of management best able to exploit this opportunity. The Investment Manager uses a consistent and disciplined bottom up stock picking process to select investments. Investee companies are chosen having undergone a rigorous selection procedure which focuses on identifying companies with the highest quality management, a healthy balance sheet, a strong historic track record of consistent cash generation, and an established position in their market. The Investment Manager endeavours to have a full and up to date understanding of the investee companies and adopts a value mind-set that ensures that portfolio companies are acquired at a price that limits capital destruction, whilst offering strong long term potential wealth creation.

Investment Strategy

The investment strategy is focused on delivering absolute returns for investors over the medium to long term, with a strong bias towards capital preservation. It is built around the Investment Manager's belief that risk is best defined as the long term destruction of capital. The strategy to generate wealth, whilst minimising risk, is achieved by investing in a concentrated portfolio of companies across a broad market cap range but sticking to areas of the economy that are well known and understood by the Investment Manager. The portfolio concentration of between 30-35 stocks ensures the Investment Manager has a thorough understanding of the investee companies, and is capable of monitoring operational performance in sufficient detail to react quickly to the dynamic economic environment.

Core to the investment strategy is an evaluation of the quality of the companies that make up the portfolio. As part of the strategy, the Investment Manager draws on a framework of principles whereby potential investee companies must meet well-established criteria to merit selection. These are based on analytical models that seek to identify robust businesses, high quality managements who understand the concept of "economic earnings power" and a sound business model. The investment time frame is over the medium to long term, and therefore the strategy is to invest in companies which can be expected to comfortably survive an economic cycle. Management of investee companies must display a corporate track record of rational capital allocation, a clear succession plan, and an alignment of interest between shareholders, owners and the management. The business itself must have a sound competitive position, a healthy balance sheet, and be generating sufficient amounts of free cash flow to sustain its growth expectations.

Central to the strategy is the price at which the stock is acquired for the portfolio, minimising impact cost on the net asset value, and ensuring that there is sufficient “margin of safety” in the purchase cost to reduce the risk of capital loss. Once acquired, it is expected that the power of compounding returns will expedite the realisation of absolute value. Seeking out “value” in potential investments is core to the process of reducing the risk of capital loss and maximising the opportunity to generate absolute returns.

The strategy seeks to avoid market timing, strives to minimise turnover and transaction costs, and disregards an approach of “index hugging”. Although the investment strategy has a “deep value” bias, the Investment Manager recognises that growth can create its own value, and that high quality businesses are seldom cheap. Thus the strategy does not concentrate solely on areas of the market that are considered “cheap”, but it is to hunt for value in “special situations”, non-consensus sectors, or over looked situations across the mid-cap spectrum. The Investment Manager adopts a disciplined selling process which seeks to take profits in a position where it is clear that the stock price has run well beyond the assumptions of fair value identified at the time the stock was initially acquired.

Investment Process

The Investment Manager operates the fund from London, with daily support from an advisory team in Mumbai, using a set of well established but flexible principles that make up the investment process. The Investment Manager works directly with the advisory team in Mumbai in generating investment ideas through a standard practice, which includes a systematic screening process, regular meetings with senior management of potential investee companies, and sell-side generated research reports. The research analysts are responsible for the screening process, for building analytical models on investee companies and liaising with sell side equity analysts, working under the direction of the Head of Equities.

At each stage of the process the Investment Manager works with the advisory team on potential investments and their suitability for the portfolios. This involves travelling to India to meet the management teams of recommended companies as well regular internal stock review meetings. The stock selection process concludes with a recommendation from the research team on individual companies. The Investment Manager is responsible for making the final decision on whether to accept the recommendation or not. A strategy on the timing and the price at which the investment should enter the portfolio is agreed in consultation with the advisory team. The Investment Manager is also responsible for managing the portfolio maintenance process, as well as the production of regular reports to the Board and to Shareholders. The Investment Manager also manages a “top down macro” meeting which are held monthly with the assistance and support of the Mumbai team.

Liquidity

In order to ensure that the underlying investments in the portfolio can be liquidated in a timely manner without unduly affecting the Net Asset Value of the portfolio, the Investment Manager runs a monthly liquidity screen. This tracks the changes in average trading volumes for all securities held in the portfolio over one month and three month periods. The screen calculates the number of days it would take for the Investment Manager to sell individual securities in the portfolio, assuming the Company’s dealing in the single stock trades did not exceed more than one third of the average daily trading volume for the respective security. The results are aggregated to calculate the number of days it would take to raise the cash level of the total portfolio to 100 per cent. The screen highlights to the Investment Manager on a regular basis changes that are occurring in underlying liquidity trends on each security which, if deteriorating sufficiently, would impact the net asset value if it was desirable to sell a particular holding or if liquidation of the entire portfolio became a necessity. Adjustments to the unit size of the securities in question would then be made in order to reduce the time required to liquidate the entire portfolio to an acceptable level.

Management of the Company

The Board

Francis (Fred) Christopher Carr - Chairman

Fred Carr (aged 69), was appointed to the Board as Chairman on 17 September 2009. He spent his career in stockbroking and investment management, ultimately (1993 - 2004) as Chief Executive of Carr Sheppards Crosthwaite. He is Chairman of M&G High Income Investment Trust Plc. He is also a Fellow of the Chartered Institute of Securities and Investment, and is resident in the UK.

Vikram Girish Kaushik

Vikram Kaushik (aged 63) is a resident of India where he has worked throughout his career. In 1999 he was appointed a Director of Colgate Palmolive and then in 2004 he was appointed Managing Director and chief executive officer of Tata Sky, the satellite television provider. Mr. Kaushik retired from Tata Sky recently and now consults with PricewaterhouseCoopers and is Advisor to Voltas, a Tata Group company. He was formerly a director of Prasar Bharati, the body that oversees public service broadcasting services in India and is a director of Sistema Shyam Teleservices, a telecoms major in India. He has recently served on the Government Committee for Restructuring Public Service Broadcasting in India and was the Chairman of the Working Group on Global Initiatives. Apart from this he actively advises global Private Equity firms investing in India. He was appointed to the Board on 14 June 2012.

Peter Niven

Peter Niven (aged 60) is a resident of Guernsey. He has worked in the Financial services industry in the UK, offshore and internationally for 40 years, 30 of those with the Lloyds Banking Group from which he retired in 2005 as the head of the Group's Offshore Banking Division.

Since then Mr Niven has worked for the Guernsey Government and the local financial services sector, through Guernsey Finance, with the remit to develop and promote the island on the world stage as a premier international finance centre. He retired from that role in December 2012.

He now acts as a non-executive director on a broad portfolio of listed (LSE, AIM, CISE) and unlisted investment funds investing in asset classes including property, hedge funds, emerging markets and private equity with wide experience of both chairing Boards, Audit and Management Committees.

He is also a director of ABTA's Guernsey captive insurance entity.

Mr Niven is a Fellow of the Institute of Bankers, a Member of the Institute of Directors and a Chartered Director.

John Richard Whittle

John Whittle (aged 58) is a Chartered Accountant and was until recently Finance Director of Close Fund Services where he successfully initiated a restructuring of client financial reporting services and was a key member of the business transition team. He was at Price Waterhouse in London before embarking on a career in business services, predominantly in telecoms. He co-led the business turnaround of Talkland International (now Vodafone Retail). He is a non-executive director of FTSE 250 listed International Public Partnerships Limited, Starwood Europe Real Estate Finance Limited, (LSE) Advanced Frontier Markets Fund Limited and Globalworth Real Estate Investments Ltd (both AIM) as well as a small number of unlisted investment funds. He is a resident of Guernsey and was appointed to the Board on 17 November 2011.

Governance

As an AIM quoted company, the Company is not required to comply with the UK Corporate Governance Code. However, the Directors place a high degree of importance on ensuring that high standards of corporate governance are maintained. Accordingly, the Board seeks to comply with the AIC Code, which the UK Financial Reporting Council has stated will be deemed to constitute compliance with the UK Corporate Governance Code. Accordingly, the Company will be deemed to comply with the GFSC Finance Sector Code of Corporate Governance published by the Guernsey Financial Services Commission by virtue of reporting in compliance with the AIC Code.

The Company is a member of the Association of Investment Companies, in the sector “Country Specialists: Asia Pacific”.

All of the Directors are independent of the Investment Manager.

The Company’s audit committee comprises Peter Niven (Chairman) and John Whittle. Its remit is to meet bi-annually and to consider, *inter alia*, annual and interim financial statements, auditors reports and terms of appointment and remuneration for the auditors.

The areas of non-compliance by the Company with the UK Corporate Governance Code along with an explanation of the reasons for such non-compliance are as follows:

- there is no chief executive position within the Company, which is not in accordance with provision A.2.1 of the UK Corporate Governance Code and no senior independent director which is not in accordance with provision A.4.1 of the UK Corporate Governance Code. As an investment company, the Company has no employees and therefore considers it has no requirement for a chief executive or a senior independent director;
- as all the Directors are non-executive, the Board has resolved that it is not appropriate to form a remuneration committee and remuneration of the Directors is reviewed and discussed by the Board as a whole with independent advice; and
- the Board does not consider that a nominations committee is necessary. The Board considers as a whole the composition of the Board and of any Board committees at least annually.

The Investment Manager

The Company is managed by Ocean Dial Asset Management Limited, a UK subsidiary of Ocean Dial Investment Company (Singapore) Private Limited. Ocean Dial Asset Management Limited is an investment management company registered in England and Wales (registration number 05583807) and is authorised and regulated by the Financial Conduct Authority.

Ocean Dial Asset Management Limited was previously called India Investment Partners Limited and was incorporated on 5 October 2005.

The Investment Manager is owned by Mr Raju Shukla, the majority shareholder in Ocean Dial Investment Company (Singapore) Private Limited, and the Investment Manager’s management team, led by David Cornell and Robin Sellers.

The portfolio manager with primary responsibility for the day-to-day management of the Company’s portfolio is David Cornell, who has 18 years’ industry experience.

The Company and the Subsidiary have entered into an Investment Management Agreement with the Investment Manager, dated 16 December 2005, further details of which are set out in Part VII of this document. The Investment Management Agreement is for an indefinite period but may be terminated by either the Company or the Investment Manager giving no less than 12 months written notice to the other. Under the Investment Management Agreement, the Investment Manager is entitled to receive a management fee payable monthly in arrears by the Company and the Subsidiary, at a rate equivalent to 1.5 per cent. per annum of the value of the Company's Total Assets.

The key management of the Investment Manager are as follows:

David Cornell – Chief Investment Officer

David Cornell joined the Investment Manager in January 2010 from Henderson Global Investors. He started his career in 1995 covering India for Robert Fleming Securities, ran the BDT Emerging Market Fund from 2004 to 2008 which compounded at over 25 per cent. per annum during his tenure and then co-managed New Star's Institutional Emerging Market Fund. He has a degree in English and History from the University of Durham and was in the British Army from 1991 to 1995.

Robin Sellers – Chief Executive Officer

Robin Sellers joined the Investment Manager in December 2011 having spent many years in the financial services industry, almost exclusively with Close Brothers Group plc. During his 16 years at Close Brothers, Robin was Head of Group Finance, Group Company Secretary and Finance Director of Close Brothers Limited, the group's regulated bank. Robin qualified as a Chartered Accountant in 1984 and spent the early part of his professional career with international accountants, Coopers & Lybrand, both in the UK and Australia.

The Investment Adviser

The Investment Manager receives research information and non-binding advice from Ocean Dial Advisers Pvt Limited, based in Mumbai. The key management of the Investment Adviser are as follows:

Sanjoy Bhattacharyya – Principal Adviser

Sanjoy Bhattacharyya has a career in the Indian capital markets that spans 25 years, initially as Head of Research at UBS Warburg Securities, before becoming CIO of HDFC Asset Management. Latterly he joined New Vernon Advisory as a Partner before setting up Fortuna Capital to manage the Aristos Fund and domestic equities for a local fund manager. He has an MBA from the Indian Institute of Management, Ahmedabad.

Gaurav Narain – Head of Equities

Gaurav Narain joined the Group in November 2011, having been immersed in the Indian equity markets for the previous 18 years. He has held senior positions as both a fund manager and an equities analyst in New Horizon Investments, ING Investment Management India and SG (Asia) Securities India. He holds a Masters degree in Finance and Control and a Bachelor of Economics degree from Delhi University.

Valuation

The Net Asset Value and the Net Asset Value per Ordinary Share is calculated in Sterling by the Administrator (or such other person as the Directors may appoint for such purpose from time to time) based on information supplied by the Mauritian Administrator (in turn based upon the valuations of the assets of the Group provided by the Investment Manager). The Net Asset Value per Ordinary Share is published on a monthly basis through a regulatory information service. An estimated Net Asset Value per Ordinary Share is also published on a weekly basis.

The Directors do not expect at any point to suspend the monthly calculations of the Net Asset Value and Net Asset Value per Ordinary Share. However, should the Directors suspend the monthly calculations, they have undertaken to notify investors through a RIS.

The Net Asset Value represents the value of all assets of the Company less the liabilities to creditors (including the provisions for such liabilities) of the Company determined in accordance with the valuation guidelines adopted by the Directors from time to time.

Under current valuation guidelines adopted by the Directors, such values are determined in accordance with applicable accounting standards. Shareholders should note that an independent valuation agent has not been appointed and no third party will value the Group's assets on an independent basis.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case, or generally, they may adopt such other valuation procedure as they consider is reasonable in the circumstances. The Directors may delegate to the Investment Manager any of their discretions under the valuation guidelines.

Administration and Company Secretarial Arrangements

Services to the Company of a company secretarial, accounting and administrative nature, including the calculation of the NAV of the Ordinary Shares, are currently provided by the Administrator, Apex Fund Services (Guernsey) Limited. Apex Fund Services (Mauritius) Limited act as Mauritian Administrator to the Subsidiary. In such capacity, the Mauritian Administrator carries out services of a company secretarial, accounting and administrative nature. The Mauritian Administrator calculates the Net Asset Value per Ordinary Share of the Subsidiary, convenes board meetings, keeps statutory books and records, maintains its register of shareholders and make all returns required to be made by the Subsidiary under the laws of Mauritius. The Mauritian Administrator is also responsible for all tax filings in Mauritius relating to the Subsidiary. Further details of the administration agreements are set out in Part VII of this document.

SBI-SG Global Securities Services Pvt. Limited acts as the principal custodian of the assets of the Subsidiary. Further details of the custodian agreements are set out in Part VII of this document.

Financial Statements

The Company prepares its consolidated financial statements in conformity with IFRS as adopted by the EU and applicable law.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for Investment Trusts issued by the Association of Investment Companies (AIC) in January 2009 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

Reports to Shareholders and Annual General Meetings

The Company's annual report and financial statements are prepared as at 31 December each year in accordance with the requirements of IFRS and the Company also prepares unaudited half-yearly reports as at 30 June each year. The Company's annual general meetings are usually held in June of each year.

Further Issue of Shares

Assuming the First 2014 Resolution is passed, the Directors have authority to allot and issue further Ordinary Shares in the share capital of the Company. Further issues of Ordinary Shares would only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include Net Asset Value performance, share price and perceived investor demand. In the case of further issues of Ordinary Shares, such Shares will only be issued at prices which are not less than the then prevailing NAV per Ordinary Share. There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of Shares.

The proceeds from the issue of Shares will be used in accordance with the Company's investment objective and policy, as described above, which can only be changed in a material respect with the approval of Shareholders.

Share Repurchases

The Directors believe that the most effective means of minimising any discount to Net Asset Value which may arise on the Company's share price, is to deliver strong, consistent performance from the Company's investment portfolio in both absolute and relative terms. However, the Board recognises that wider market conditions and other considerations will affect the rating of the Shares in the short term and the Board may seek to limit the level and volatility of any discount to Net Asset Value at which the Shares may trade. The means by which this might be done may include the Company repurchasing Shares. Therefore, subject to the requirements of the Companies Law, the Company's Articles and other applicable legislation, the Company may purchase Ordinary Shares in the market in order to address any imbalance between the supply of and demand for Ordinary Shares or to enhance the Net Asset Value per Ordinary Share.

In deciding whether to make any such purchases the Directors will have regard to what they believe to be in the best interests of Shareholders and to the applicable Guernsey legal requirements which require the Directors to be satisfied on reasonable grounds that the Company will, immediately after any such repurchase, satisfy a solvency test prescribed by the Companies Law and any other requirements in its memorandum and articles of incorporation. The making and timing of any buybacks will be at the absolute discretion of the Board and not at the option of the Shareholders. Any such repurchases would only be made through the market for cash at a discount to Net Asset Value per Ordinary Share.

An ordinary resolution was passed at the Company's annual general meeting on 19 June 2014 granting the Directors general authority to purchase in the market up to 14.99 per cent. of the Ordinary Shares in issue at a price not exceeding 5 per cent. above the average mid-market values of Ordinary Shares for the five Business Days before the purchase is made. The Directors intend to seek annual renewal of this authority from the Shareholders at the Company's next annual general meeting.

Pursuant to this authority, and subject to the Companies Law and the discretion of the Directors, the Company may purchase Shares in the market on an on-going basis with a view to addressing any imbalance between the supply of and demand for Shares.

Shares purchased by the Company may be cancelled or held as treasury shares.

The Company may borrow and/or realise investments in order to finance such Share purchases.

Shareholders and prospective Shareholders should note that the purchase of Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

PART III

THE INVESTMENT PORTFOLIO AND INVESTMENT OUTLOOK

1. Principal Investments

The principal investments of the Company as at 30 June 2014 are:

1.1 Federal Bank Ltd (5.4 per cent. of the portfolio)

Federal Bank Ltd (“**Federal**”) is a private sector bank with a network of over 1,000 branches, and a dominant presence in the southern Indian state of Kerala.

As at 31 March 2014, Federal reported a turnover of INR 69.4 billion, representing a 13 per cent. growth from 31 March 2013. Profit before tax increased by 2 per cent. to INR 12.1 billion during the same period.

Sources: Federal Bank 2014 & 2013 audited accounts, Federal Bank website.

1.2 Dewan Housing Finance Corporation Ltd (4.5 per cent. of the portfolio)

Dewan Housing Finance Corporation Ltd (“**Dewan**”) is India’s second largest private housing finance company. It was established in 1984 and over the last 25 years, it has concentrated on the low to middle income segment by providing finance to low cost houses.

As at 31 March 2014, Dewan reported a turnover of INR 49.7 billion, representing a 22 per cent. growth from 31 March 2013. Profit before tax increased by 20 per cent. to INR 7.3 billion during the same period.

Sources: Dewan Housing 2014 & 2013 audited accounts, Dewan Housing website.

1.3 Tech Mahindra Ltd (4.0 per cent. of the portfolio)

Tech Mahindra Ltd (“**Tech Mahindra**”) is a leading offshoring company with revenues of USD 3.1 billion for the year ended 31 March 2014 and over 89,000 employees. It was set up as a joint venture between Mahindra & Mahindra Limited and British Telecom, with focus on the telecom sector. In 2009, it acquired 42 per cent. stake in Satyam, after which the merger was completed in July 2013. Other than telecom, the integrated entity has sizeable presence in banking, manufacturing verticals as well as in enterprise applications.

As at 31 March 2014, Tech Mahindra reported a turnover of INR 188.3 billion, representing a 33 per cent. growth from 31 March 2013. Profit before tax increased by 42 per cent. to INR 36.9 billion during the same period.

Sources: Tech Mahindra 2014 & 2013 audited accounts, Tech Mahindra company website.

1.4 Motherson Sumi Systems Ltd (4.0 per cent. of the portfolio)

Motherson Sumi Systems Ltd (“**Motherson**”) is a supplier of components, modules and systems, primarily to customers operating in the automotive industry. The company was founded in 1986, and has since grown to become one of the largest manufacturers in India for wiring harnesses and rear-view mirrors for passenger cars, moulded components and modules, cabins for large size dump trucks, gear cutting tools, and plastic air intake manifolds.

As at 31 March 2014, Motherson reported a turnover of INR 307.2 billion, representing a 20 per cent. growth from 31 March 2013. Profit before tax increased by 91 per cent. to INR 15.9 billion during the same period.

Sources: Motherson 2014 & 2013 audited accounts, Motherson company website.

1.5 Kajaria Ceramics Ltd (3.9 per cent. of the portfolio)

Kajaria Ceramics Ltd (“**Kajaria**”) is the second largest tile manufacturer in India with an annual aggregate capacity of 46.6 million square metres. The company was incorporated in 1985, and went public on the Bombay Stock Exchange in 1988. Kajaria now offers over 1,200 options in ceramic wall and floor tiles, vitrified tiles and designer tiles.

As at 31 March 2014, Kajaria reported a turnover of INR 18.4 billion, representing a 16 per cent. growth from 31 March 2013. Profit before tax increased by 26 per cent. to INR 2.0 billion during the same period.

Sources: Kajaria 2014 & 2013 audited accounts, Kajaria company website.

1.6 KPIT Technologies Ltd (3.6 per cent. of the portfolio)

KPIT Technologies Ltd (“**KPIT**”) is a mid-sized Indian IT services company that specialises in the automotive, manufacturing, energy and utilities segments. The company has grown over the years through both in-house research, and acquisitions, and now possess more than 50 patents and a workforce of over 9,200 people.

As at 31 March 2014, KPIT reported a turnover of INR 26.9 billion, representing a 20 per cent. growth from 31 March 2013. Profit before tax increased by 20 per cent. to INR 3.4 billion during the same period.

Sources: KPIT 2014 & 2013 audited accounts, KPIT company website.

1.7 Jyothy Laboratories Ltd (3.5 per cent. of the portfolio)

Jyothy Laboratories Ltd (“**Jyothy**”) is a producer and distributor of fabric care products, household insecticides, household fragrances, and soaps in India. The company was established in 1916, and subsequently went public on the Bombay Stock Exchange in 2007. In June 2011, the company acquired Henkel India, further diversifying their product range.

As at 31 March 2014, Jyothy reported a turnover of INR 13.2 billion, representing a 20 per cent. growth from 31 March 2013. Profit before tax increased by 94 per cent. to INR 858 million during the same period.

Sources: Jyothy 2014 & 2013 audited accounts, Jyothy company website.

1.8 Eicher Motors Ltd (3.4 per cent. of the portfolio)

Eicher Motors Ltd (“**Eicher**”), incorporated in 1982, is the flagship company of the Eicher Group in India and a leading player in the Indian automobile industry. Its 50-50 joint venture with the Volvo group, VE Commercial Vehicles Limited, designs, manufactures and markets reliable, fuel-efficient commercial vehicles of high quality and modern technology, engineering components and provides engineering design solutions. Eicher manufactures and markets the iconic Royal Enfield motorcycles.

As at 31 December 2013, Eicher reported a turnover of INR 68 billion, representing a 6.6 per cent. increase from 31 December 2012. Profit before tax increased by 12 per cent. to INR 6.7 billion.

Sources: Eicher 2013 & 2012 audited accounts, Eicher company website.

1.9 Yes Bank Ltd (3.2 per cent. of the portfolio)

Yes Bank Ltd (“**Yes Bank**”) is the 4th largest private sector bank in India. It commenced operations in November 2004 and is the only greenfield bank approved by RBI in last decade. It has branch network of 560 at the end of March 2014.

As at 31 March 2014, Yes Bank reported a turnover of INR 99.8 billion, representing a 20 per cent. growth from 31 March 2013. Profit before tax increased by 21 per cent. to INR 23.2 billion during the same period.

Sources: Yes Bank 2014 & 2013 audited accounts, Yes Bank company website.

1.10 Divis Laboratories Ltd (3.1 per cent. of the portfolio)

Divis Laboratories Ltd (“**Divis**”) provides contract research and manufacturing services (CRAMS) to the global pharmaceutical industry. The company undertakes custom manufacture of APIs (active product ingredients) for innovator pharmaceutical companies.

As at 31 March 2014, Divis reported a turnover of INR 25.3 billion, representing a 18 per cent. growth from 31 March 2013. Profit before tax increased by 26.8 per cent. to INR 9.9 billion during the same period.

Sources: Divis 2014 & 2013 audited accounts, Divis company website.

1.11 NIIT Technologies Ltd (3.0 per cent. of the portfolio)

NIIT Technologies (“**NIIT**”) provides custom software development and maintenance, and enterprise integration services. NIIT primarily serves customers in the finance, transport, retail and manufacturing industries.

As at 31 March 2014, NIIT reported a turnover of INR 23 billion, representing a 14 per cent. growth from 31 March 2013. Profit before tax increased by 10.3 per cent. to INR 3.2 billion during the same period.

Sources: NIIT 2014 & 2013 audited accounts, NIIT company website.

1.12 Sobha Developers Ltd (3.0 per cent. of the portfolio)

Sobha Developers Ltd (“**Sobha**”) is one of the leading real estate development and construction companies in India, focusing on residential and contractual projects. The company has a backward integrated business model, with all operations from conceptualisation to execution done in house.

As at 31 March 2014, Sobha reported a turnover of INR 21.7 billion, representing a 17 per cent. growth from 31 March 2013. Profit before tax increased by 16 per cent. to INR 3.7 billion during the same period.

Sources: Sobha 2014 & 2013 audited accounts, Sobha company website.

1.13 The Jammu & Kashmir Bank Ltd (3.0 per cent. of the portfolio)

The Jammu & Kashmir Bank Ltd (“**J&K**”) functions as a universal bank in Jammu and Kashmir and as a specialised bank in the rest of the country. Incorporated in 1938, the bank has over 800 branches and enjoys a dominant position in Jammu and Kashmir with more than 60 per cent. market share in advances as well as deposits in the state.

As at 31 March 2014, J&K reported a turnover of INR 67.7 billion, representing a 10 per cent. increase from 31 March 2013. Profit before tax increased by 15 per cent. to INR 17.5 billion.

Sources: J&K 2014 & 2013 audited accounts, J&K website.

2. Investment portfolio (unaudited)

As at the close of business on 30 June 2014 the top twenty investments of the Company by value and industrial sector constituting 66.7 per cent. of the net assets of the Company, were as follows:

Holding	Type	Sector	Per cent. of portfolio
The Federal Bank Ltd	Mid Cap	Financials	5.4
Dewan Housing Finance Corporation Ltd	Small Cap	Financials	4.5
Tech Mahindra Ltd	Large Cap	IT	4.0
Motherson Sumi Systems Ltd	Large Cap	Consumer Discretionary	4.0
Kajaria Ceramics Ltd	Small Cap	Consumer Discretionary	3.9
KPIT Technologies Ltd	Small Cap	IT	3.6
Jyothy Laboratories Ltd	Small Cap	Consumer Staples	3.5
Eicher Motors Ltd	Mid Cap	Industrials	3.4
Yes Bank Ltd	Mid Cap	Financials	3.2
Divis Laboratories Ltd	Mid Cap	Healthcare	3.1
NIIT Technologies Ltd	Small Cap	IT	3.0
Sobha Developers Ltd	Small Cap	Financials	3.0
The Jammu & Kashmir Bank Ltd	Mid Cap	Financials	3.0
Icpa Laboratories Ltd	Mid Cap	Healthcare	2.9
PI Industries Ltd	Small Cap	Materials	2.8
Indusind Bank Ltd	Large Cap	Financials	2.8
Max India Ltd	Mid Cap	Industrials	2.7
Indian Bank	Mid Cap	Financials	2.7
Dish TV India Ltd	Mid Cap	Consumer Discretionary	2.7
Emami Ltd	Mid Cap	Consumer Staples	2.6
Total top 20 equity investments			66.7
Small Cap	14 Companies		33.2
Mid Cap	16 Companies		43.1
Large Cap	7 Companies		19.0
Unlisted			0
Total equity investments			95.3
Net cash			4.7
Total Portfolio			100

Note:

Large Cap comprises of companies with a market capitalisation above INR 250 billion (£2.5 billion)

Mid Cap comprises of companies with a market capitalisation between INR 60 billion and INR 250 billion (£615 million - £2.5 billion)

Small Cap comprises of companies with a market capitalisation below INR 60 billion (£615 million)

3. Investment outlook

2013 proved to be a weak period for India's equity and currency markets. This was as a consequence of on-going political and economic uncertainty on the domestic stage combined with the gradual reduction of monetary stimulus introduced by the US Federal Reserve following the Global Financial Crisis of 2007/08. The withdrawal of the so called "quantitative easing" policies shook investors' confidence in India's ability to manage its macro-economic imbalances causing substantial asset price volatility.

2014 is proving to be more resilient. Investor sentiment has recovered on the back of improving macro-economic data, reduced volatility in the Indian Rupee, and crucially the belief that the sustained period of political and economic mismanagement was drawing to a close. This has translated into better absolute returns for investors. Thus the NAV per Ordinary Share has risen 29.8 per cent. in GBP for the year to 30 June 2014 (all of which has come from the appreciation in the NAV, whilst the GBP:INR rate has remained flat over the period) and recovering all the losses incurred in 2013. The NAV as at 30 June 2014 has risen 17.8 per cent. since the beginning of 2013 as opposed to the Company's notional benchmark which is up 14.1 per cent. over the same period.

3.1 *Economy and politics*

Economic growth in India has continued to stagnate in spite of efforts by politicians and bureaucrats to reverse the collapse in GDP that began in the 2011 financial year. In late 2012, under pressure from the markets and with the International Rating Agencies threatening to downgrade India's debt status to junk, the then Finance Minister put in place a number of reforms designed to reduce India's ballooning deficits, opening up certain sectors to foreign direct investment (FDI), with the intention of reversing the rapidly declining market sentiment and quickly restoring India's growth potential. Despite these positives, events in the global market place beyond India's control exposed further the vulnerability of its economy. The rising import bill (driven by fuel and gold), coupled with weaker export growth, added further pressure to the elevated current account deficit, which in turn fuelled weakness in the currency, which is prone to the risk appetite of international capital flows. This pressure intensified following the US Federal Reserve Chairman Ben Bernanke's announcement of a potential "tapering" of quantitative easing as the US economy gained traction. It was the appointment of Mr Raghuram Rajan as the Governor of the Reserve Bank of India in August 2013 that brought about the first positive change in investor sentiment and stability to asset prices. The new Governor introduced effective policies designed to increase foreign exchange reserves, reduce the current account deficit, and bring inflation under control. Much of the success of these policies hinged on reversing monetary policy; but by raising interest rates to 8 per cent. he sacrificed an immediate recovery in growth in order to secure economic stability.

These policies have been successful in so much that India's currency reserves have risen from \$280 billion in mid-2013 to circa \$312 billion currently, whilst the currency has strengthened from its low of 106.4 against Sterling to a rolling 12 month average of 99 INR versus GBP, (as at end May 2014). In tandem with the more stable currency, India's current account deficit has also recovered from a deficit of 4.7 per cent. GDP in the 2013 financial year to 1.7 per cent. in the 2014 financial year and for the next fiscal year the current account deficit is expected to remain broadly at current levels. Similarly the currency is forecast to trade within its current range on lower volatility. Inflation is falling, with both wholesale and consumer price inflation reducing; and barring any adverse shocks to agricultural output as a consequence of poor rains, this trend is expected to continue. However in spite of the improvement in economic data, India's recovery has failed to gain traction. Quarterly GDP growth rates have remained sub-par in the region of 4.5-4.7 per cent. and Corporate India has been cautious about future investment plans. Key to understanding the delay has been business and investors natural reluctance to commit significant investment into India ahead of the General Election, the results of which were announced in May 2014. Although the stock market has already started to anticipate the benefits of a pro-business government, the real economy takes longer to adjust. Specific areas of Corporate India remain over leveraged, delaying the revival of an investment cycle. In addition, larger parts of the banking system are struggling with poor quality assets on their lending books limiting the extension of credit, and whilst there is huge pockets of pent-up demand in the economy, areas of over capacity still exist. In addition the Reserve Bank's reluctance to cut interest rates, due to persistently high (but falling) inflation reduces the economy's ability to expand at its full potential. The success of the BJP, led by Narendra Modi, in winning a full mandate (the first time India has had majority government in the last 30 years), in the opinion of the Investment Manager, now provides India with the best opportunity for many decades of reviving growth and generating positive stock market returns.

3.2 *Outlook*

Since the election of a new BJP administration led by Narendra Modi in May 2014, the Investment Manager believes that the outlook for the Indian economy is improving rapidly. Not only does Mr Modi have a proven track record of delivering growth as Chief Minister of Gujarat, well in excess of the country's average, but contrary to expectations and recent history, this new government has an overall majority in the legislative assembly. This will ensure that politically tough, growth sensitive reforms will be passed into law with minimum disruption, at a time when restructuring is scarcely evident. The BJP's overall mandate will reassure Corporate India that the new government can survive a full five year term. This is likely to encourage investment to pick up quickly, confident that widely anticipated pro-business policies will be implemented and will remain in place for sufficient time to make the risk reward worthwhile. In addition, the BJP has articulated to voters its intention to revive growth in an honest, transparent and accountable manner. If this is backed up with hard policy initiatives foreign direct investors and portfolio investors alike are likely to begin to reconsider India as a credible investment destination, following a long layoff. Although it is too early to expect definitive policy announcements, it is anticipated that priority will be given to those areas which are both relatively straightforward to tackle, and have an immediate economic impact. The Investment Manager expects these to come in the area of agricultural reform, transparent tax policies for foreign investors, implementation of a country wide VAT based tax system, and enabling critical, but much delayed infrastructure projects to be restarted. The latter will depend on ensuring a smooth functioning bureaucracy working closely with a recently streamlined political infrastructure in order to fast track project approvals in an efficient manner. Such has been the delays in this regard over the last few years it is plausible to expect positive change can happen quite quickly off a low base. Indeed, in slimming down his cabinet and merging a number of inter dependant ministries; Mr Modi has already taken crucial first steps towards clearing the way for a reform process that has a long journey. The necessary structural changes to labour laws required facilitating job creation, and land reform (essential for urbanisation and infrastructure development), will both take time to enshrine. These are longer term issues, but on the basis of what has been achieved in Gujarat under Mr Modi's leadership to date, it is only a question of time before they will be addressed. The Investment Manager expects positive developments in other areas of the economy such as increasing foreign direct investment limits in key sectors (notably defence and insurance), banking sector reform, and the reduction of a subsidy based payment system to the less privileged in order to manage the fiscal balance more responsibly. In conclusion, it is the belief of the Investment Manager that this is the right time to be investing in India, ahead of momentous change, ensuring India inches closer to fulfilling its true potential.

PART IV

FINANCIAL INFORMATION RELATING TO THE COMPANY

1. The Audited Consolidated Financial Statements of the Group for the three financial years ended 31 December 2011, 2012 and 2013, in respect of which the Company's auditor has given unqualified opinions that the accounts give a true and fair view of the state of affairs of the Group and of its profit for each of the three financial years ended 31 December 2011, 2012 and 2013 and have been properly prepared in accordance with the International Financial Reporting Standards (as adopted by the EU) and The Companies (Guernsey) Law, 2008, have been incorporated in this document by reference.
2. The auditor to the Company for the financial years ended 31 December 2011, 2012 and 2013 was Ernst & Young LLP of PO Box 9, 14 New Street, St. Peter Port, Guernsey GY1 4AF. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England and Wales.
3. Copies of the Company's audited consolidated annual reports and financial statements for the three financial years ended 31 December 2011, 2012 and 2013 are available for inspection at the registered office of the Company at 1st Floor Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB and from the Company's website at www.indiacapitalgrowth.com.
4. In the Directors' opinion, having made due and careful enquiry, the working capital available to the Company and its Group will be sufficient for its present requirements, that is, for at least 12 months from the date of Admission of the Subscription Shares to trading on AIM.

PART V

PARTICULARS OF THE SUBSCRIPTION SHARES

The Subscription Shares were created by Board resolution on 3 July 2014 and are expected to be issued on 6 August 2014 conditional only on Admission and will carry the rights set out below which shall be binding on all holders of Subscription Shares.

Subscription Share Rights

- 1.1 A registered holder for the time being of a Subscription Share (a “**Subscription Shareholder**”) shall have rights (“**Subscription Share Rights**”) exercisable on 6 August 2016 (“**Subscription Date**”) to subscribe for all or any of the Ordinary Shares to which his Subscription Shares relate at the price per Ordinary Share to be determined by the Company as being approximately equal to the unaudited published Net Asset Value attributable to one Ordinary Share as at 5.00 p.m. on 31 July (the “**Calculation Date**”), converted to Sterling at the prevailing exchange rate as quoted on Bloomberg as at 5.00 p.m. on the Calculation Date and then rounded up to the nearest whole penny (the “**Subscription Price**”).

The Subscription Date is subject to revision to an earlier date (the “**Revised Subscription Date**”) as provided in 1.14 below.

The Subscription Price shall be payable in full in Sterling on subscription.

Each Subscription Share relates to one Ordinary Share, but the Subscription Price (and/or the number of Subscription Shares outstanding) will be subject to adjustment as provided in paragraph 1.13 below.

The **Net Asset Value** or **NAV** for the purpose of calculating the Subscription Price means the unaudited value of all the Company’s assets calculated in accordance with the Company’s accounting policies (including revenue items for the current financial year) less all prior charges and other creditors at their fair value (including the costs of the Bonus Issue). Prior charges include all loans and overdrafts that are to be used for investment purposes.

It is expected that the Subscription Price will be announced via a RIS on or around 5 August 2014.

- 1.2 Subscription Shares will be issued in registered form and may be held as either Certificated Subscription Shares or Uncertificated Subscription Shares. In the case of:
- 1.2.1 Certificated Subscription Shares, a holder of Subscription Shares will be entitled to a share certificate in respect of his holding of Subscription Shares (the “**Certificated Subscription Shares**”); and
- 1.2.2 Uncertificated Subscription Shares, the title of a holder of Subscription Shares will be recorded in the relevant register as being held in such form as will by virtue of the CREST system enable the transfer of title to the Subscription Shares to be effected without a written instrument (the “**Uncertificated Subscription Shares**”).
- 1.3 In order to exercise, in whole or in part, the Subscription Share Rights which are conferred by any Certificated Subscription Shares, the holder of such Certificated Subscription Shares must lodge the relevant Subscription Share certificate(s) (or such other document(s) as the Directors may, in their absolute discretion, accept) at the office of the registrar by not later than 5.00 p.m. on the Subscription Date or the Revised Subscription Date (as the case may be), having completed the notice of exercise of Subscription Share Rights thereon (or by giving such other notice of exercise of Subscription Share Rights as the Directors may, in their absolute discretion, accept), accompanied by a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Share Rights are being exercised. Any notice of exercise received after 5.00 p.m. on the Subscription Date or the

Revised Subscription Date (as the case may be) will be treated as having been received on the following business day, being a day on which banks in London and Guernsey are open for business (“**Business Day**”). Once lodged, a notice of exercise of Subscription Share Rights shall be irrevocable save with the consent of the Directors. For the exercise of the Subscription Shares to be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.

- 1.4 The Subscription Share Rights which are conferred by any Uncertificated Subscription Shares on the Subscription Date shall be exercisable, in whole or in part, (and treated by the Company as exercised) on the Subscription Date or Revised Subscription Date (as the case may be) if, not later than 1.00 p.m. on the Subscription Date or the Revised Subscription Date (as the case may be), (i) an Uncertificated Subscription Notice is received and (ii) a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Share Rights are being exercised is received by the Company (or by such person as it may require for these purposes).

For these purposes, an Uncertificated Subscription Notice shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company (or by such person as it may require for these purposes) in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the regulations and the facilities, rules and requirements of the CREST system).

The Directors may, in addition but subject to the regulations and facilities and requirements of the CREST system, determine when any such Uncertificated Subscription Notice is to be treated as received by the Company or by such person as it may require for these purposes. Without prejudice to the generality of the foregoing, the effect of the Uncertificated Subscription Notice may be such as to divest the holder of the Subscription Shares concerned of the power to transfer such Subscription Shares to another person. Once lodged, an Uncertificated Subscription Notice shall be irrevocable save with the consent of the Directors.

For the exercise of the Subscription Share Rights to be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.

- 1.5 Not later than 20 days before the Subscription Date or the Revised Subscription Date (as the case may be), the Company shall give notice in writing to the holders of the Subscription Shares then in issue reminding them of their Subscription Share Rights and, in relation to any Uncertificated Subscription Shares, stating the form of Uncertificated Subscription Notice prescribed by the Directors.
- 1.6 Ordinary Shares issued pursuant to the exercise of the Subscription Share Rights which are conferred by any Certificated Subscription Shares will be issued within 14 days of the Subscription Date or the Revised Subscription Date (as the case may be), and subject to receipt by the Company’s registrars of cleared funds. The Ordinary Shares arising upon exercise of the Subscription Share Rights shall be issued with effect from the date of their issue by the entry of such issue in the register of members of the Company (and not the date upon which the notice of exercise is given or deemed given in accordance with paragraph 1.3 above). Certificates in respect of such Ordinary Shares, will be despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the issue date to the person(s) in whose name(s) the Subscription Share is registered at the date of exercise (and, if more than one, to the first-named, which shall be sufficient dispatch for all) or (subject as provided by law and to the payment of any tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the registrars (and, if more than one, to the first-named, which shall be sufficient dispatch for all).

- 1.7 Ordinary Shares issued pursuant to the exercise of Subscription Share Rights which are conferred by any Uncertificated Subscription Shares will be issued within 14 days of the Subscription Date or the Revised Subscription Date (as the case may be), and subject to receipt by the Company's registrars of cleared funds. The Ordinary Shares arising upon exercise of the Subscription Share Rights shall be issued with effect from the date of their issue by the entry of such issue in the register of members of the Company (and not the date upon which the Uncertificated Subscription Notice is given in accordance with paragraph 1.4 above). The Company shall procure that the appropriate instructions are given to enable such Ordinary Shares to be credited in Uncertificated form to the relevant account within the CREST system of the person(s) in whose name(s) the Subscription Shares in respect of which Subscription Share Rights have been exercised were registered as at the date of such exercise or (subject as provided by law, to the payment of any tax as may be applicable, to such terms and conditions as the Directors may from time to time prescribe for this purpose, to the regulations, and the facilities, rules and requirements of the CREST system) to such other person(s) (not being more than four in number) as may be named in the properly authenticated dematerialised instruction and/or other instruction or notification in such form.
- 1.8 For the avoidance of doubt, unless the Directors otherwise determine or unless the regulations or the facilities, rules or requirements of the CREST system otherwise require, the Ordinary Shares issued on the exercise of any Subscription Share Rights shall be issued in certificated form where such Subscription Share Rights were conferred by Certificated Subscription Shares and in Uncertificated form where such Subscription Share Rights were conferred by Uncertificated Subscription Shares.
- 1.9 Ordinary Shares issued pursuant to the exercise of Subscription Share Rights will not rank for any dividends or other distributions declared, paid or made on the Ordinary Shares by reference to a record date prior to the issue date but, subject thereto, will rank in full for all dividends and other distributions declared, paid or made on the Ordinary Shares and otherwise will rank *pari passu* in all other respects with the Ordinary Shares in issue at the relevant issue date.
- 1.10 For so long as the Company's Ordinary Shares are admitted to trading on the London Stock Exchange's AIM market, it is the intention of the Company to apply to the London Stock Exchange for the Ordinary Shares issued pursuant to the exercise of Subscription Share Rights to be admitted to trading on the London Stock Exchange's AIM market. The Ordinary Shares arising pursuant to an exercise of Subscription Share Rights will be issued subject to admission to trading on the London Stock Exchange's AIM market.
- 1.11 Each notice of exercise of Subscription Share Rights and each Uncertificated Subscription Notice will be deemed to contain a representation that at the time of submission to the Company, the holder of the Subscription Shares concerned is not a US Person or a person in Canada, Australia, Japan or the Republic of South Africa or their respective territories or possessions or, if he is such a person, that his exercise of Subscription Share Rights is permitted by, and will not infringe, the securities laws of the relevant jurisdiction.
- 1.12 Without prejudice to the generality of the final sentences of paragraphs 1.3 and 1.4 above, the exercise of Subscription Share Rights by any beneficial owner of the Subscription Shares who is a US Person or a person in Canada, Australia, Japan or the Republic of South Africa or their respective territories or possessions and/or the right of such a holder of Subscription Shares or beneficial owner to receive the Ordinary Shares falling to be issued to him following the exercise of his Subscription Share Rights, will be subject to such requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its sole discretion, for the purpose of complying with (or for avoiding any requirement which would otherwise arise to comply with) the securities laws of the United States (including, without limitation, the United States Securities Act of 1933, as amended, the United States Investment Company Act 1940, and any rules or regulations promulgated under such Acts) and the laws of Canada, Australia, Japan and the Republic of South Africa or their respective territories or possessions.

Adjustments of Subscription Share Rights

1.13 The Subscription Price (and/or the number of Subscription Shares outstanding) shall from time to time be adjusted in accordance with the provisions of this paragraph 1.13:

1.13.1 If and whenever there shall be an alteration on a date (or by reference to a record date) on or before the Subscription Date or the Revised Subscription Date (as the case may be) in the nominal amount of the Ordinary Shares as a result of a consolidation or sub-division, the Subscription Price in force immediately prior to such alteration shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the nominal amount of one such Ordinary Share immediately after such alteration and (y) the denominator shall be the nominal amount of one such Ordinary Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect.

1.13.2 If and whenever the Company shall issue to holders of Ordinary Shares any Ordinary Shares credited as fully paid by way of capitalisation of reserves or profits (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend) on a date (or by reference to a record date) on or before the Subscription Date or the Revised Subscription Date (as the case may be), the Subscription Price in force immediately prior to such issue shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the aggregate nominal amount of the issued Ordinary Shares immediately before such issue and (y) the denominator shall be the aggregate nominal amount of the issued and issued Ordinary Shares immediately after such issue and such adjustment shall become effective as at the date of issue of such Ordinary Shares.

1.13.3 If on a date (or by reference to a record date) on or before the Subscription Date or the Revised Subscription Date (as the case may be), the Company makes any offer or invitation (whether by way of rights issue, open offer or otherwise but not being an offer made in connection with scrip dividend arrangements) to the holders of the Ordinary Shares (subject to such exclusions as may be necessary to deal with legal, regulatory or practical problems in any jurisdiction) to subscribe for new Ordinary Shares or for securities convertible into or exchangeable for Ordinary Shares or conferring rights to subscribe for Ordinary Shares, or any offer or invitation (not being an offer to which paragraph 1.19.6 below applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the then holders of Subscription Shares as if their Subscription Share Rights had been exercised on the date immediately preceding the record date for such offer or invitation on the terms (subject to any adjustment made previously pursuant to paragraphs 1.13.1 to 1.13.6) on which the same could have been exercised on that date, provided that, if the Directors so resolve in the case of any such offer or invitation made by the Company, the Company shall not be required to procure that the same offer or invitation is made to the then holders of Subscription Shares but the Subscription Price shall be adjusted:

- (i) in the case of an offer of new Ordinary Shares for subscription (by way of rights issue or open offer) at a price less than the net asset value per Ordinary Share as at the close of business on the business day immediately preceding the date of announcement of the terms (including pricing) of the offer (the “**Pricing Date**”) (a “**Dilutive Ordinary Share Offer**”), by multiplying the Subscription Price in force immediately before the Pricing Date by a fraction of which (x) the numerator is the Fully Diluted NAV per Share as at the close of business on the business day immediately preceding the Pricing Date and (y) the denominator is the diluted NAV per Share as at the close of business on the business day immediately preceding the Pricing Date; and

- (ii) In the case of an offer under which securities convertible into, or exchangeable for Ordinary Shares or conferring rights of subscription for Ordinary Shares are offered by the Company (by way of rights issue or open offer) and the price at which such securities are convertible into or exchangeable for Ordinary Shares or the price at which Ordinary Shares may be subscribed pursuant to the rights conferred by such securities (as the case may be) is less than the net asset value per Ordinary Share as at the close of business on the Business Day immediately preceding the Pricing Date (a “**Dilutive Alternative Securities Offer**”) by multiplying the Subscription Price in force immediately before the Pricing Date by a fraction of which (x) the numerator is the Fully Diluted NAV per Share as at the close of business on the business day immediately preceding the Pricing Date and (y) the denominator is the Diluted NAV per Share as at the close of business on the business day immediately preceding the Pricing Date; and
- (iii) in any other case, in such manner as the independent financial advisers appointed by the Board (the “**Financial Advisers**”) shall report in writing to be fair and reasonable.

For the purposes of this paragraph 1.13.3:

- (a) “**Relevant Securities**” means any securities of the Company (including the Subscription Shares) in issue as at the relevant date which are convertible into, or exchangeable for, Ordinary Shares or which confer rights of subscription for Ordinary Shares or which otherwise could result in the issue of new Ordinary Shares, in each case at a price less than the then prevailing net asset value per Ordinary Share;
- (b) the “**Diluted NAV per Share**” shall be the amount calculated in accordance with the following formula:

$$DNAV = \frac{(A+B)}{(C+D)}$$

where:

DNAV = the Diluted NAV per Share;

A = the net assets of the Company as at the close of business on the business day immediately preceding the Pricing Date;

B = an amount equal to the product of (x) the number of new Ordinary Shares which would fall to be issued by the Company if the rights conferred by all Relevant Securities were exercisable and had been exercised in full on the business day immediately preceding the Pricing Date at the conversion, exchange or subscription price (as the case may be) applicable on the next occasion on which such rights are then capable of exercise (disregarding, in the case of the Subscription Shares, any adjustment required by reason of the relevant offer or invitation under this paragraph 1.13 and (y), such conversion, exchange or subscription price (as the case may be));

C = the number of Ordinary Shares in issue as at the Pricing Date;

D = the number of new Ordinary Shares that would result from the exercise in full (on the basis set out in B above) of all the rights conferred by the Relevant Securities; and

- (c) the “**Fully Diluted NAV per Share**” shall be the amount calculated in accordance with the following formula:

$$\text{FDNAV} = \frac{(A + B + E)}{(C + D + F)}$$

where:

FDNAV = the Fully Diluted NAV per Share;

A = the net assets of the Company as at the close of business on the business day immediately preceding the Pricing Date;

B = an amount equal to the product of (x) the number of new ordinary shares which would fall to be issued by the Company if the rights conferred by all Relevant Securities were exercisable and had been exercised in full on the business day immediately preceding the Pricing Date at the conversion, exchange or subscription price (as the case may be) applicable on the next occasion on which such rights are then capable of exercise (disregarding, in the case of the Subscription Shares, any adjustment required by reason of the relevant offer or invitation under this paragraph 1.13) and (y), such conversion, exchange or subscription price (as the case may be);

C = the number of Ordinary Shares in issue as at the Pricing Date;

D = the number of new Ordinary Shares that would result from the exercise in full (on the basis set out in B above) of all the rights conferred by the Relevant Securities;

E = (i) in the case of a Dilutive Ordinary Share Offer, an amount equal to the number of new Ordinary Shares offered for subscription multiplied by the issue price less the expenses of the offer; and (ii) in the case of Dilutive Alternative Securities Offer, an amount equal to the aggregate of (a) the product of (x) the number of new Ordinary Shares which would fall to be issued by the Company if the rights to be conferred by all the securities the subject of the offer were exercisable and had been exercised in full on the business day immediately preceding the Pricing Date at the initial conversion, exchange or subscription price (as the case may be) and (y) such conversion, exchange or subscription price as the case may be), less the expenses of the Dilutive Alternative Securities Offer and (b) the net proceeds of such offer to be received by the Company to the extent (if any) not reflected in (a); and

F = (i) in the case of a Dilutive Ordinary Share Offer, the number of new Ordinary Shares the subject of the offer assuming the same had been issued on the business day immediately preceding the Pricing Date and (ii) in the case of a Dilutive Alternative Securities Offer, the number of new Ordinary Shares that would result from the exercise in full of the rights conferred by all the securities the subject of the offer if such rights were exercisable and had been exercised in full on the business day immediately preceding the Pricing Date.

1.13.4 No adjustment will be made to the Subscription Price pursuant to paragraphs 1.13.1, 1.13.2 and 1.13.3 above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph 1.13.1 above) if it would result in an increase in Subscription Price and, in any event, no adjustment will be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph 1.13) be less than 1 per cent. of the Subscription Price then in force and on any adjustment the adjusted Subscription Price will be rounded down to the nearest whole penny. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment.

1.13.5 Whenever the Subscription Price is adjusted as provided in accordance with paragraphs 1.13.1 to 1.13.3 above (other than by reason of and to reflect a consolidation of Ordinary Shares as referred to in paragraph 1.13.1 above), the Company shall issue, for no payment, additional Subscription Shares to each holder of Subscription Shares at the same time as such adjustment takes effect and such shares shall be paid up in full in accordance with paragraph 1.18.8(v). The number of additional Subscription Shares to which a holder of Subscription Shares will be entitled shall be the number of existing Subscription Shares held by him before such adjustment multiplied by the following fraction:

$$\frac{X - Y}{Y}$$

where:

X = the Subscription Price (for the next Subscription Date) immediately before the adjustment of the Subscription Price; and

Y = the Subscription Price (for the next Subscription Date) immediately after the adjustment of the Subscription Price.

Fractions of Subscription Shares will not be issued to holders of Subscription Shares but all such fractions will be aggregated and, if practicable, sold in the market. The net proceeds will be paid to the holder of Subscription Shares entitled thereto at the risk of such persons, save that amounts of less than £5.00 will be retained for the benefit of the Company. Subscription Share certificates relating to such additional Certificated Subscription Shares will be issued within 21 days of the said adjustment taking effect or the Company will procure that appropriate instructions are given to enable such additional Uncertificated Subscription Shares to be credited to the relevant account within the CREST system of the person(s) in whose name(s) the Subscription Shares are registered as at the date of the adjustment.

1.13.6 Whenever the Subscription Price is adjusted in accordance with this paragraph by reason of a consolidation of Ordinary Shares as referred to in paragraph 1.13.1 above, the number of Ordinary Shares into which each holder of Subscription Shares is entitled to convert such Subscription Shares will be reduced accordingly.

1.13.7 The Company shall give notice to holders of Subscription Shares within 28 days of any adjustment made pursuant to paragraphs 1.13.1 to 1.13.6 above.

1.13.8 If a holder of Subscription Shares shall become entitled to exercise his Subscription Share Rights pursuant to paragraphs 1.13.1 to 1.13.6 above, the Subscription Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the Financial Advisers in accordance with the following formula:

$$A = (B + C) - D$$

where:

A = the reduction in the Subscription Price;

B = the Subscription Price which would, but for the provisions of this paragraph 1.13.8, be applicable (having taken into account any adjustments previously made pursuant to paragraphs 1.13.1 to 1.13.6 above) on the date on which the Company shall become aware as provided in paragraph 1.14.6 below;

- C = the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for one Subscription Share for the 10 consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 1.14.6 below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made; and
- D = the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for one Ordinary Share for the 10 consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 1.14.6 below (or where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made, provided that no adjustment shall be made to the Subscription Price where the value of D exceeds the aggregate value of B and C in the above formula.

The notice required to be given by the Company under paragraph 1.14.6 below shall give details of any reduction in the Subscription Price pursuant to this paragraph 1.13.8.

- 1.13.9 Notwithstanding the provisions of paragraphs 1.13.1 to 1.13.8 above, in any circumstances, where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided under the said provisions, the Company may appoint the Financial Advisers to consider whether for any reason whatsoever the adjustment to be made (or the absence of adjustment) would or might not appropriately reflect the relative interests of the persons affected thereby and, if the Financial Advisers shall consider this to be the case, the adjustment shall be modified or nullified, or another adjustment made instead, or no adjustment made, in such manner including without limitation making an adjustment calculated on a different basis and to take effect from such other date and/or time as shall be reported by the Financial Advisers to be in their opinion appropriate.

Revision of Subscription Date

1.14

- 1.14.1 If at any time after 6 August 2015, the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for an Ordinary Share for 10 or more consecutive dealing days is 5 per cent. or more above the Subscription Price, the Company may by announcement on a RIS change the Subscription Date for exercise of the Subscription Share Rights to an earlier date being a date not less than 30 days after the date of such announcement. Such date shall be the "Revised Subscription Date". An announcement of the Revised Subscription Date will be made on a RIS and notice will be given to all holders of Subscription Shares on the register as at 5.00 pm on the date falling three business days following such announcement.
- 1.14.2 If in the period after the announcement of the Revised Subscription Date but before allotment of the Ordinary Shares pursuant to exercise of Subscription Share Rights on the Revised Subscription Date, the middle market quotation (as derived from the London Stock Exchange Daily Official List) for an Ordinary Share is below the Subscription Price, if it considers in the best interests of Shareholders as a whole to do so, the Company may by announcement on a RIS cancel the Revised Subscription Date in which event, Subscription Share Rights will remain exercisable on the Subscription Date and any monies received by the Company in purported exercise of Subscription Share Rights on the Revised Subscription Date will be returned to the relevant holders without interest at their risk.

Other provisions

1.15 So long as any Subscription Share Rights remain capable of exercise:

1.15.1 the Company shall not (except with the sanction of an Extraordinary Resolution of the holders of Subscription Shares):

- (a) make, pay or declare any distribution of capital profits or capital reserves except by means of a capitalisation issue in the form of fully paid Ordinary Shares;
- (b) issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares or the issue of further Subscription Shares to the holders of Subscription Shares in accordance with the rights attaching to the Subscription Shares; or
- (c) on or by reference to a record date falling within the period of six weeks ending on the Subscription Date or the Revised Subscription Date (as the case may be), make any such issue as is referred to in paragraph 1.13.2 above or any such offer or invitation as is referred to in paragraph 1.13.3 above (except by extending to the holders of Subscription Shares any such offer or invitation as may be made by a third party);

1.15.2 the Company shall not (except with the sanction of an Extraordinary Resolution of the holders of Subscription Shares) in any way modify the rights attached to its existing Ordinary Shares as a class, or create or issue any new class of equity share capital except for shares which carry, as compared with the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividend or return of capital (save as to the date from which such shares shall rank for dividends or distributions), provided that nothing herein shall restrict the right of the Company to increase, consolidate or sub-divide its share capital or to issue further ordinary shares which carry, as compared to the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividends or return of capital;

1.15.3 the Company shall not (except with the sanction of an Extraordinary Resolution of the holders of the Subscription Shares or in connection with a purchase of shares made in accordance with paragraph 1.17 below or for a reduction not involving any payment to shareholders) reduce any of its share capital or any uncalled or unpaid liability in respect of any of its share capital;

1.15.4 except in the circumstances where paragraph 1.13.3 applies, the Company shall not grant (or agree to grant) any option in respect of, or create any rights of subscription for, or conversion into, any Ordinary Shares, the nominal amount of which, together with the aggregate nominal amount of any Ordinary Shares over which options or rights of subscription or conversion (including those of the Subscription Shares) shall be subsisting at the date of such grant or creation, would exceed in the aggregate 20 per cent. of the nominal amount of the Ordinary Shares (excluding any treasury shares) then in issue, nor (except with the sanction of an Extraordinary Resolution of the holders of Subscription Shares) will the Company grant (or offer or agree to grant) any such option in respect of, or create any such rights of subscription for, or issue any securities or loan capital carrying rights of conversion into, Ordinary Shares if the price at which any such option or right is exercisable is lower than the Subscription Price for the time being;

- 1.15.5 subject as provided in paragraph 1.15.6 below, if at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware on or before the Final Subscription Date that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons as aforesaid, the Company shall give notice to the holders of Subscription Shares of such vesting or pending vesting within 14 days of it becoming so aware, and each such holders of Subscription Shares shall be entitled, at any time within the period of 20 days immediately following the date of such notice, to exercise his Subscription Share Rights on the terms (having taken into account any adjustments pursuant to paragraphs 1.13.1 to 1.13.6 and 1.13.8 above) on which the same could have been exercised if they had been exercised on the date on which the Company shall become aware as aforesaid. The publication of a scheme of arrangement providing for the acquisition by any person of the whole or any part of the issued ordinary share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 1.15.5 and reference herein to such an offer shall be read and construed accordingly;
- 1.15.6 if under any offer as referred to in paragraph 1.15.4 above the consideration shall consist solely of the issue of ordinary shares of the offeror and the offeror shall make available an offer of securities to subscribe for ordinary shares in the offeror in exchange for the Subscription Shares, which offer the Financial Advisers to the Company (acting as experts and not as arbitrators) shall consider to be fair and reasonable (having regard to the terms of the offer and any other circumstances which may appear to such financial advisers to be relevant), then a holder of Subscription Shares shall not have the right to exercise his Subscription Share Rights on the basis referred to in paragraph 1.15.5 above and, subject to the offer as referred to in paragraph 1.15.5 above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued ordinary share capital of the Company not already owned by it or its associates, any Director shall be irrevocably authorised as attorney for the holders of Subscription Shares who have not accepted the offer of securities to subscribe for ordinary shares in the offeror in exchange for the relevant Subscription Shares and who have not exercised the Subscription Share Rights attaching to their Subscription Shares before such offer becomes or is declared unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued ordinary share capital of the Company not already owned by it or its associates:
- (a) to execute a transfer of the Subscription Shares held by such holders in favour of the offeror in consideration of the issue of securities to subscribe for ordinary shares in the offeror as aforesaid, whereupon all the Subscription Share Rights shall lapse; and
 - (b) to do such acts and things as may be necessary or appropriate in connection therewith;
- 1.15.7 if an order is made or an effective resolution is passed for winding-up the Company (except for the purpose of reconstruction, amalgamation or unitisation on terms sanctioned by an Extraordinary Resolution of the holder of Subscription Shares), each holder of Subscription Shares shall be entitled to receive out of the assets available in the liquidation, *pari passu*, with the holders of the Ordinary Shares and *pro rata* to their holding of Subscription Shares as at the commencement of the liquidation, such proportion of the assets available for distribution and distributed in the liquidation as is equal to the proportion produced by the following formula:

$$\frac{IV \times N}{SA}$$

where:

IV = the excess of the Diluted NAV per Share over the Subscription Price immediately prior to the commencement of the liquidation

N = the number of Subscription Shares in issue immediately prior to the commencement of the liquidation

SA = the surplus assets available in the liquidation.

For the avoidance of doubt, the entitlement of holders of Subscription Shares pursuant to this paragraph 1.15.7 shall be payable out of the assets available in the liquidation without the holder of Subscription Shares having to make any subscription or payment. Subject to the foregoing, all Subscription Share Rights shall lapse on liquidation of the Company.

Notwithstanding the foregoing provisions of this paragraph 1.15.7, where the Directors, in their reasonable opinion, shall consider that the economic result produced by the application of such provisions would or might not fairly and appropriately reflect the relative interests of the persons affected thereby, the Directors may appoint the Financial Advisers to consider and report on what (if any) adjustments should be made to such provisions so as to produce an economic result which, in the opinion of the Financial Advisers, fairly and appropriately reflects the relative interests of the persons affected thereby, and in the event of any such report by the Financial Advisers the provisions of this paragraph 1.15.7 shall be deemed to be varied and take effect accordingly;

1.15.8 notwithstanding paragraphs 1.15.1 to 1.15.8 above, the Company may, without the sanction of Extraordinary Resolution of the holders of Subscription Shares:

- (a) purchase any of its own equity share capital (whether by tender, by private treaty or through the market);
- (b) hold its Ordinary Shares in treasury and sell any such Ordinary Shares held in treasury; and
- (c) issue new Ordinary Shares at a premium to NAV.

1.16 **Modification of Rights**

All or any of the rights for the time being attached to the Subscription Shares and any of these terms and conditions may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of an Extraordinary Resolution of the holders of Subscription Shares.

1.17 **Purchase**

Subject to the provisions of the Companies Law, the Company (or any of its subsidiaries) shall have the right to purchase Subscription Shares in the market, by tender or by private treaty but:

- 1.17.1 such purchases will be limited to a maximum price per Subscription Share which (other than in the case of purchases by tender) will not exceed the higher of (i) 5 per cent. above the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for a Subscription Share for the 5 consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made and (ii) the value of a Subscription Share calculated on the basis of the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of Subscription Shares on the trading venue where the purchase is carried out; and
- 1.17.2 if such purchases are by tender, such tender will be available to all holders of Subscription Shares alike. All Subscription Shares so purchased shall forthwith be cancelled and shall not be available for re-issue or resale.

1.18 **Transfer**

Each Subscription Share will be in registered form and will be transferable:

- 1.18.1 in the case of Certificated Subscription Shares, by an instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors; and
- 1.18.2 in the case of Uncertificated Subscription Shares, by giving the appropriate instructions for transfer by means of the CREST system.

No transfer of a fraction of a Subscription Share may be effected.

1.19 **General**

- 1.19.1 The Company will, concurrently with the issue of the same to the holders of the Ordinary Shares) send to each holder of Subscription Shares (or, in the case of joint holders, to the first named) a copy of each published annual report and accounts of the Company (or such abbreviated or summary financial statement sent to holders of Ordinary Shares in lieu thereof), together with all documents required by law to be annexed thereto, and a copy of every other statement, notice or circular issued by the Company to holders of ordinary shares.
- 1.19.2 For the purposes of the rights attaching to the Subscription Shares, an “**Extraordinary Resolution of the Subscription Shareholders**” means a resolution proposed at a meeting of the holders of Subscription Shares duly convened and passed by a majority consisting of not less than three-fourths of the votes cast, whether on a show of hands or on a poll.
- 1.19.3 Any determination or adjustment made pursuant to the rights attaching to Subscription Shares by the Financial Advisers shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on the Company and each of the holders of Subscription Shares.
- 1.19.4 Subject and without prejudice to paragraph 1.15.7 above Subscription Shares carry no right to any dividend or other distribution by the Company and (save to the extent that the Directors elect in connection with an exercise of Subscription Share Rights as provided in paragraph 1.19.8 below), no right to be redeemed (although the Company may elect to purchase Subscription Shares pursuant to paragraph 1.17) and no right to share in any surplus in the event of liquidation beyond the right to be repaid the amount paid up on each Subscription Share (in respect of which Subscription Share Rights have not been exercised) held (which right ranks immediately after the right of the holders Ordinary Shares to be repaid the nominal value of £0.01 for each Ordinary Share), but subject and without prejudice to paragraph 1.15.7 above.

1.19.5 The Subscription Shareholders shall, by virtue of or in respect of their holdings of Subscription Shares, have the right to receive notice of a general meeting of the Company and to attend, speak and vote at a general meeting of the Company only if (i) for so long as the Subscription Shares are admitted to trading on AIM, a resolution is proposed in accordance with the AIM Rules relating to a reverse takeover by the Company, a fundamental change of the Company's business or a cancellation of the Subscription Shares to trading on AIM; or (ii) a resolution is proposed abrogating, varying or modifying any of the rights or privileges of the Subscription Shareholders and then only on such resolution. Save as aforesaid, whether or not the Subscription Rights shall have expired, the Subscription Shares shall not confer on the holders thereof the right to attend, speak or vote at any general meeting of the Company and references in the Articles to "members", "shareholders" and "holders", in relation to receiving notice of, attending or voting at general meetings of the Company shall be construed accordingly, but they shall entitle the holders of Subscription Shares to receive copies of notices of general meetings for information only and of the annual consolidated audited accounts of the Company and the Subsidiary as if they were holders of Ordinary Shares.

Subscription Trustee

1.19.6 Within seven days following the Subscription Date or the Revised Subscription Date (as the case may be), the Company shall appoint a trustee (the "**Subscription Trustee**") who, provided that in such trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Share Rights, shall within the period of 14 days following the Subscription Date or the Revised Subscription Date (as the case may be) exercise either (i) all the Subscription Share Rights which shall not have been exercised or (ii) at the trustee's discretion such number of Subscription Share Rights as will, in such trustee's opinion, result in the Ordinary Shares being sold in the market for such net proceeds as will exceed the costs for exercising such number of Subscription Share Rights and in either case on such terms as the same could have been exercised on the Subscription Date or the Revised Subscription Date (as the case may be) (having taken into account any adjustments previously made pursuant to paragraph 1.13 above) and sell in the market the Ordinary Shares resulting from such exercise.

The Subscription Trustee shall distribute pro rata the net proceeds of any such sale less such costs of exercising the Subscription Share Rights and any other fees, costs and expenses in the case of an exercise of all Subscription Share Rights not exercised on the Subscription Date or the Revised Subscription Date (as the case may be) to the persons entitled thereto or in the case of a partial exercise of such Share Subscription Rights pro rata in proportion to the number of Subscription Shares held to all holders of Subscription Shares with Subscription Rights not exercised on the Subscription Date or the Revised Subscription Date (as the case may be) at the risk of such persons within 56 days of the Subscription Date or the Revised Subscription Date (as the case may be), provided that entitlements of under £5.00 shall be retained for the benefit of the Company.

If the Subscription Trustee shall not exercise the Subscription Share Rights within the period of 14 days following the Final Subscription Date or the Revised Subscription Date (as the case may be) as set out in this paragraph 1.19.6 (and such trustee's decision in respect thereof shall be final and binding on all holders of outstanding Subscription Shares), all Subscription Share Rights shall lapse.

1.19.7 The Subscription Trustee shall have no liability of any nature whatsoever where such trustee has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.

1.19.8 The exercise of the Subscription Share Rights shall be effected in accordance with this paragraph 1.19.8 or in such manner as may be authorised by law. For the purposes of this paragraph 1.19.8 the “Relevant Shares” shall mean those Subscription Shares in respect of which Subscription Share Rights are exercised. No exercise of Subscription Share Rights shall be permitted if the Directors, in their absolute discretion conclude that the Company cannot or, immediately following the exercise of any Subscription Share Rights would be unable to, satisfy the Solvency Test (as defined under the Companies Law). The exercise of the Subscription Share Rights shall be effected as follows:

(i) To enable such subscription to be effected, the Directors may determine to purchase for £0.001 each the Relevant Shares on the Subscription Date or the Revised Subscription Date (as the case may be). In such event, a Relevant Share shall confer upon the holder thereof the right to subscribe for and such holder shall be deemed to have appointed the Secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on such holder’s behalf for, one Ordinary Share at such price as shall represent the aggregate of:

(a) the Subscription Price; and

(b) the amount of purchase moneys to which the holder is entitled.

and any in such case, the Subscription Notice given by such holder shall be deemed irrevocable to authorise and instruct such agent to apply the purchase moneys payable to such holder in subscribing for such Ordinary Shares at such price.

(ii) To enable such subscription to be effected, the Directors may determine to purchase for £0.001 each of the Relevant Shares on the Subscription Date or the Revised Subscription Date (as the case may be) out of the proceeds of a fresh issue of Ordinary Shares. In the event that the Directors determine to purchase Relevant Shares at par out of such proceeds, a Relevant Share shall confer upon the holder thereof the right to subscribe for, and such holder shall be deemed to have authorised the Secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on such holder’s behalf, one Ordinary Share at such price as shall represent the aggregate of:

(a) the Subscription Price; and

(b) the amount of purchase moneys to which the holder is entitled

and in any such case, the subscription notice given by such holder shall be deemed irrevocably to authorise and instruct such agent to apply the purchase moneys payable to such holder in subscribing for such Ordinary Shares at such price.

- (iii) In relation to any Relevant Shares that are to be purchased in accordance with paragraph 1.19.8(i) or 1.19.8(ii) and that are, on the Subscription Date or the Revised Subscription Date (as the case may be), in uncertificated form, the Directors shall be at their absolute discretion to determine the procedures for the purchase of such Relevant Shares (subject always to the regulations and the facilities, rules and requirements of the CREST system). Without prejudice to the generality of the foregoing, the procedures for the purchase any such Relevant Shares may involve or include the sending by the Company or by any person on its behalf of any issuer instruction to the operator of the CREST system requesting or requiring the deletion of any computer based entries in the CREST system concerned that relate to the holding of the Relevant Shares concerned, and/or the Company may, if the Directors do determine (by notice in writing to the holder concerned) require the holder of the Relevant Shares concerned to change the form of the relevant shares from uncertificated form to certificated form prior to the issue date concerned (and in such case the Directors shall determine the procedure for such purchase).
- (iv) To enable any subscription to be effected in accordance with paragraph 1.19.8(i) or 1.19.8(ii) above or the issue of any additional Subscription Shares pursuant to paragraphs 1.13.5 above the Directors may capitalise any part of the amount then standing to the credit of any of the Company's reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the share premium account, capital redemption reserve, profit and loss accounts or otherwise available for the purpose and the same shall be applied in paying up in full at par shares, issued and credited as fully paid, to and amongst the holders of the Subscription Shares in accordance with paragraph 1.13.5.
- (v) For the avoidance of doubt the Subscription Share Rights attached to a Subscription Share shall be capable of being exercised on one occasion only. Immediately following the lapse of all Subscription Share Rights attaching to any Subscription Shares then outstanding the Directors shall, subject to the Companies Law, redeem all such Subscription Shares without sanction of the holders for an aggregate consideration of £1.00.

PART VI

RISK FACTORS

The Directors consider the factors set out below to be those which are material at the date of this document. The information below does not purport to be an exhaustive list or summary of the risks which the Group may encounter and is not set out in any order of priority. If Shareholders are in doubt as to the consequences of acquiring, holding or disposing of the Subscription Shares or exercising the Subscription Share Rights they should consult an independent financial adviser authorised under the FSMA.

The following risks are those material risks relating to the Group, an investment in the Ordinary Shares and in the Subscription Shares. Additional risks and uncertainties which are not currently known to the Directors, or that the Directors currently deem immaterial, may also have a material adverse effect on the Group.

General Risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.

Investment in the Company should not be regarded as short term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Changes in economic conditions including, for example, interest rates, currency exchange rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Company's prospects.

Risks Relating to the Company and its Business

An investment in the Company may not be suitable for all recipients of this document. Before making any investment decision, prospective investors are strongly advised to consult an independent adviser authorised under the FSMA who specialises in advising upon investments.

The Company is an closed-ended investment holding company. Investment companies aim to generate returns for shareholders by investing in other companies. As an investment fund may invest in a range of different companies and sectors, it may represent a method for investors to gain a diversified investment exposure. However, prospective investors should be aware of certain factors which apply to the Company and to investment companies generally:

- a) There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objective of the Company will be achieved. The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.
- b) The Company invests predominantly in listed companies based in India. The value of the Group's investments may be affected generally by factors affecting the Indian securities' exchanges, such as price and volume volatility in the capital markets, interest rates, changes in policies of the government of India, taxation laws or policies and other political and economic developments and have an adverse impact on the value of the Company's Ordinary Shares and Subscription Shares.

Ordinary Shares

- a) The price of the Ordinary Shares will be determined by the interaction of supply and demand in the market as well as the NAV per Ordinary Share. The market price of the Ordinary Shares is therefore likely to fluctuate and may represent either a discount or premium to the NAV per Ordinary Share.
- b) The rating of the Ordinary Shares is itself variable as conditions for supply and demand change. This means that the Ordinary Share price may go down as well as up and the Ordinary Share price can fall when the NAV per Ordinary Share rises, or vice versa.
- c) The exercise of Subscription Share Rights at a time when the NAV per Ordinary Share is greater than the prevailing Subscription Price would cause the NAV per Ordinary Share to be diluted and the perceived risk of dilution may cause the market price of the Ordinary Shares to reflect a lesser sensitivity to increase in the NAV per Ordinary Share than might otherwise be expected.
- d) Market liquidity in shares traded on AIM is frequently inferior to the market liquidity of shares issued by larger companies traded on the Main Market of the London Stock Exchange. It is possible that there may not be a liquid market in the Ordinary Shares and investors may have difficulty in selling such securities.

Subscription Shares

- a) Investment in the Subscription Shares may not be suitable as a short term investment. The value of a Subscription Share may go down as well as up.
- b) Subscription Shares represent a geared investment, so a relatively small movement in the market price of the Ordinary Shares may result in a disproportionately large movement, unfavourable or favourable, in the market price of the Subscription Shares. The market price of the Subscription Shares may therefore be volatile.
- c) The published market price of the Subscription Shares will typically be their mid-market price. Due to the potential difference between the mid-market price of the Subscription Shares and the price at which Subscription Shares can be sold, there is no guarantee that the realisable value of the Subscription Shares will reflect their published market price.
- d) In the case of any Subscription Shares whose Subscription Share Rights have not been exercised on or before the date for exercising such rights, such Subscription Shares will cease to have any value unless a trustee appointed by the Company determines that the net proceeds of sale of the Ordinary Shares that would arise on the exercise of such rights after deduction of all the costs and expenses of sale would exceed the costs of exercise of such rights. In such circumstances, the trustee would either exercise (i) all the outstanding Subscription Share Rights or (ii) at the trustee's discretion such Subscription Share Rights as would exceed the cost of exercise of such rights and sell the Ordinary Shares issued on such exercise in the market, or (iii) if it appears to the trustee that doing so is likely to raise greater net proceeds, it may accept any offer available to the Subscription Shareholders for the purchase of the outstanding Subscription Shares. The net proceeds of any such sale (after deducting the costs of exercising the Subscription Share Rights, if applicable, and any other costs and expenses incurred in relation to such sale) will be remitted to the Subscription Shareholders unless the amount to which a Subscription Shareholder is entitled is less than £5 in which case such sum shall be retained for the benefit of the Company.
- e) Although Subscription Shares are tradable securities, market liquidity of Subscription Shares may be less than the market liquidity of Ordinary Shares. It is possible that there may not be a liquid market in the Subscription Shares and investors may have difficulty in selling such securities.
- f) The Company has applied for the Subscription Shares to be admitted to trading on AIM. The London Stock Exchange has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Subscription Shares may affect the ability of Shareholders to realise their investments.

- g) The Subscription Shares, in so far as they give an entitlement to subscribe for Ordinary Shares, are affected by the same risk factors as the Ordinary Shares as set out in this section.
- h) The intrinsic value of a Subscription Share at any time will be the prevailing market price of an Ordinary Share less the price payable on the exercise of the Subscription Share Rights and, as such, it is expected to rise or fall depending on whether the market price of an Ordinary Share rises or falls. The market price of a Subscription Share may be higher than the intrinsic value of a Subscription Share, reflecting the potential geared returns available from an investment in the Subscription Shares. However, the market price of the Subscription Shares will be determined by market forces and there is no guarantee that they will have a market value.

Investment Strategies

The success of the Company will depend on the Investment Manager's ability to identify attractive investments and to realise them in accordance with the Company's investment objectives. Any factor which would make it more difficult to buy or sell investments may have an adverse effect on the profitability of the Company. No assurance can be given that the Company will be able to invest its capital on attractive terms or to generate returns for Shareholders or that the strategies to be used will be successful under all or any market conditions.

The performance of the Company's investment programme depends to a great extent on the correct assessments of the future course of price movements of securities and other investments selected by the Investment Manager. There can be no assurance that the Investment Manager will accurately predict these price movements.

Political and Country Risks

The Group will invest in companies based in India where the regulatory framework is still developing. The value of the investments made by the Group may be affected by foreign exchange rates and controls, interest rates, changes in Government policy, social and civil unrest and other political, economic and other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalisation; however, there is no assurance that future political and economic conditions in India will not result in its government adopting different policies with respect to foreign investment. Any such changes in policy may affect ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, thereby influencing the Group's ability to generate profits. Such policy changes could extend to the expropriation of assets.

Companies based in India are subject to accounting, auditing and financial reporting standards, practices and disclosure requirements that are generally less stringent than those applicable to companies incorporated in the United Kingdom. In addition, there is generally less government supervision and regulation of stock exchanges, brokers and listed companies.

Trading volume on the Indian securities' exchanges can be substantially less than on the leading stock markets of the developed world, so that accumulation and disposal of holdings may be time consuming and may need to be conducted at unfavourable prices. Volatility of prices can be greater than in more developed markets. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from the sale of securities. Any inability of the Group to make intended securities purchases due to settlement problems could also cause the Group to miss investment opportunities.

In recent years India has witnessed various terrorist attacks, civil unrest and other acts of violence or war, and it is possible that future such events as well as other adverse social, economic or political events in India may affect the value of the securities held by the Group thereby affecting the capacity of the Group to generate profits.

Discounts

The price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the NAV per Ordinary Share. The share price of an Ordinary Share can therefore fluctuate and may represent a discount or premium to the NAV per Ordinary Share. This discount or premium is itself variable as conditions for supply and demand for the shares change. This can mean that the share price per can fall when the NAV per Ordinary Share rises, or vice versa.

Liquidity

The Company is a closed-ended vehicle. Accordingly, Shareholders have no right to have their Ordinary Shares or Subscription Shares repurchased by the Company at any time. Shareholders wishing to realise their investments in the Company will therefore be required to dispose of their Ordinary Shares or Subscription Shares on the stock market.

Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares or the Subscription Shares. The market for shares in smaller public companies, including the Company, is less liquid than for larger public companies.

Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price (or at the prevailing NAV per Ordinary Share) or their Subscription Shares at the quoted market price or, in either case, at all.

Interest Rates

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Group's variable rate cash borrowings.

Calculation of NAV

In calculating the Company's monthly unaudited NAV, the Administrator may rely on estimates of the values of companies or their securities in which the Company invests. Such estimates may be unaudited or may be subject to little verification or other due diligence and may not comply with IFRS or other valuation principles.

Dividends and Income

In view of the comparatively low yields available in India, there is no guarantee that significant income will be available for dividends and the Directors' current policy is not to declare dividends.

Dilution

The allotment of the Subscription Shares will mean that, due to rounding, the equivalent of just under 33.3 per cent. of the Company's issued ordinary share capital is under option immediately following the Bonus Issue. When the Subscription Shares Rights are exercised this will dilute the ordinary shareholding of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Share Rights attaching to their Subscription Shares or who have sold their Subscription Shares. However, if a Shareholder continues to hold the Subscription Shares issued to them pursuant to the Bonus Issue and exercises their Subscription Share Rights before their expiry, that Shareholder's percentage interest in the ordinary share capital of the Company will not ultimately be reduced below his percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue.

If, as is likely, the NAV per Ordinary Share at the time of exercise of the Subscription Share Rights exceeds the applicable Subscription Price, the issue of the Ordinary Shares upon such exercise will also have a dilutive effect on the NAV per Ordinary Share. The extent of such dilution will depend on the number of Subscription Shares which are exercised on each occasion and the difference between the applicable Subscription Price and the NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to the exercise of the Subscription Share Rights.

Currency

The Group's total return and balance sheet are affected by foreign exchange movements because the Group's portfolio will comprise predominantly Rupee denominated investments whilst the Group's base currency is Sterling. Any depreciation in the Rupee could have an adverse impact on the performance of the Group.

Gearing

The Company may use gearing. Gearing can be employed in a variety of ways including direct borrowing and the use of futures, warrants, options and other derivative products. Generally, gearing is used to increase the overall level of investment in a portfolio. Higher investment levels may offer the potential for higher returns. Gearing exposes investors to increased risk as it increases the portfolio's market exposure and volatility.

Rights of Subscription Shares on Liquidation

In the event of the winding-up of the Company prior to the exercise of the Subscription Share Rights, Subscription Shareholders may receive a payment out of the assets which would otherwise be available for distribution amongst the Ordinary Shareholders.

Potential Conflicts of Interest

The Investment Manager may from time to time act for other clients which have a similar or different investment objective and policy to that of the Group. Circumstances may arise where investment opportunities will be available to the Group and which are also suitable for one or more such clients of the Investment Manager. Where a conflict arises in respect of an investment opportunity, the Investment Manager will allocate the opportunity on a basis they consider to be fair.

In the event of a conflict arising, the Investment Manager will have regard to their obligations under their agreement with the Group or otherwise they will act in a manner that they consider fair, reasonable and equitable having regard to their obligations to other clients when potential conflicts of interest arise.

Taxation

Any change in the Company's tax status, the Subsidiary's tax status, or in taxation legislation in Guernsey, the United Kingdom, Mauritius, India or elsewhere could affect the value of the Group's investments and the Group's ability to achieve its investment objective, or alter the post-tax returns to Shareholders.

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors.

If you are in any doubt as to your tax position, you should consult an appropriate independent professional adviser.

Legal and Regulatory

Legal and regulatory changes could occur that may adversely affect the Group. Changes in the regulation of investment companies may adversely affect the value of the Group's investments and the ability of the Group to successfully pursue its investment strategy.

Alternative Investment Fund Managers Directive

The EU Alternative Investment Fund Managers Directive (No. 2011/61/EU) (“**AIFM Directive**”) was required to be transposed into the national legislation of each EU Member State by 22 July 2013. The AIFM Directive may significantly increase management costs, including regulatory and compliance costs and may affect the Company’s flexibility as to the structures and methods it can use to deploy its capital.

The AIFM Directive initially allows the continued marketing of non-EEA alternative investment funds (“**AIFs**”), such as the Company, by the Investment Manager or its agent under national private placement regimes of those EEA Member States that have private placement regimes for unregulated funds. Such marketing is subject to, amongst other things, (a) the requirement that appropriate cooperation agreements are in place between the supervisory authorities of the relevant EEA member states and the GFSC, (b) Guernsey not being on the Financial Action Task Force money-laundering blacklist and (c) compliance by the Investment Manager with certain aspects of the AIFM Directive (such as disclosure and transparency requirements). It is intended that, over time, a passport will be phased in to allow the marketing of non-EEA AIFs, such as the Company, and that private placement regimes will be phased out. Both the adoption of the passport and the phasing out of national private placement regimes are subject to certain criteria. Consequently, there are likely to be restrictions on the marketing of the Company’s shares in the EEA, which in turn may have a negative effect on marketing and liquidity generally.

Exchange Controls and Withholding Tax

The Company may, from time to time, purchase investments that will subject the Company to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company’s investments, the effect will generally be to reduce the income received by the Company on such investments.

Economic Conditions

Changes in economic conditions can substantially and adversely or favourably affect the Company’s prospects and the value of the Company’s portfolio.

Financial Statements

The Company prepares its consolidated financial statements in conformity with IFRS as adopted by the EU and applicable law. The accounting treatments are subject to change and this may affect the Company’s calculation of NAV. Changes in the Company’s accounting policies could also adversely affect Shareholders.

PART VII

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Company, whose registered office address appears on page 5 of this document and the Directors, whose names appear on page 5 of this document, accept responsibility for all the information contained in this document including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company and the Investment Manager

2.1 *The Company*

- 2.1.1 The Company was incorporated in Guernsey on 11 November 2005 with the name India Capital Growth Fund Limited with the registration number 43916 as a non-cellular company limited by shares under the Companies Law.
- 2.1.2 At the date of this document, the Company has one wholly-owned subsidiary, ICG Q Limited. The Subsidiary was incorporated in Mauritius on 1 December 2005 with registration number 59808 as a company limited by shares.
- 2.1.3 The principal legislation under which the Company operates is the Companies Law and regulations promulgated thereunder. The Company is domiciled in Guernsey.
- 2.1.4 The Company's registered office is at 1st Floor Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB with telephone number +44 20 7802 8900.
- 2.1.5 The address of the Company's website which discloses the information required by Rule 26 of the AIM Rules for Companies is www.indiacapitalgrowth.com.
- 2.1.6 The Company has an indefinite life but in the light of the statements set out in the Company's admission document dated 16 December 2005, the Continuation Resolution will be proposed as an Ordinary Resolution at the Extraordinary General Meeting on 6 August 2014. Thereafter, depending on the performance of the Company on a rolling three year basis, further resolutions as to the continuance of the Company may be proposed to Shareholders, further details of which are set out in Part I under the heading "Continuation Resolution".
- 2.1.7 The Company is registered as an authorised closed-ended collective investment scheme with the Guernsey Financial Services Commission.
- 2.1.8 The Company's Ordinary Shares are admitted to trading on AIM. The ISIN of the Ordinary Shares is GB00B0P8RJ60.

2.2 *The Investment Manager*

The Investment Manager is a private limited company, incorporated in England and Wales on 5 October 2005 under company number 05583807. The Investment Manager is authorised and regulated by the Financial Conduct Authority. Under the transitional provisions in the AIFM Regulations, the Investment Manager is authorised to continue to manage the Company provided it has before 22 July 2014 submitted an application to the FCA to vary its permission so as to become a small authorised UK AIFM, which the Investment Manager intends to do. The principal legislation under which the Investment Manager operates is the FSMA. The address of the registered office of the Investment Manager is Cayzer House, 30 Buckingham Gate, London SW1E 6NN.

3. Share Capital

3.1 As at the date of this document, the issued share capital of the Company is £750,014.63 divided into 75,001,463 fully paid Ordinary Shares of 1 pence each.

3.2 The issued share capital of the Company immediately following Admission will be:

Ordinary Shares	Subscription Shares
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75,001,463	up to 37,500,731
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3.3 As fractions of Subscription Shares will not be issued and entitlements of Ordinary Shareholders will be rounded down to the nearest whole number of Subscription Shares, the actual number of Subscription Shares that will be issued will depend on the holdings of Qualifying Shareholders as at the Record Date. The history of the Company's share capital since incorporation on 11 November 2005 is as follows:

3.3.1 Upon incorporation of the Company on 11 November 2005, the Company issued two Ordinary Shares. These subscription shares were transferred to a third party as part of the issue of Ordinary Shares at paragraph 3.3.2 below.

3.3.2 On 22 December 2005, the Company issued 75,000,000 new Ordinary Shares of 1 pence each.

3.3.3 At this time, the Company also issued 15,000,000 warrants (with ISIN GB00B0P8RS51) (the "**Warrants**"). Each Warrant conferred the right to subscribe for one Ordinary Share at a subscription price of £1.00. The Warrant holders were entitled to exercise their subscription rights between four and eight weeks following publication of the Company's annual accounts, commencing with the publication of the Company's annual accounts in 2009 and ending with the publication of the Company's annual accounts in 2011.

3.3.4 By way of a special resolution passed on 20 October 2006, it was resolved that the amount standing to the credit of the share premium account of the Company following completion of the issue referred to at 3.3.2 above (less any formation and initial expenses set off against the share premium account) be cancelled and the amount so cancelled be credited as a distributable reserve.

3.3.5 Between 23 April 2009 and 21 May 2009, being the first exercise period for the Warrants, 63 Warrants were exercised and the share capital of the Company increased by 63 Ordinary Shares to 75,000,063.

3.3.6 Between 12 April 2010 and 11 May 2010, being the second exercise period for the Warrants, 1,400 Warrants were exercised and the share capital of the Company increased by 1,400 Ordinary Shares to 75,001,463.

3.3.7 No Warrants were exercised during the final exercise period, being 27 April 2011 to 25 May 2011. Accordingly, the Warrants lapsed and admission of the Warrants to trading on AIM ceased with effect from 9 June 2011.

3.3.8 The Board by resolution passed on 3 July 2014 created a new class of an unlimited number of Subscription Shares having the rights set out in Part V above.

4. Articles

The Company's objects are unlimited. The Articles contain, amongst other things, material provisions as summarised in paragraphs 4.1 to 4.10 below.

4.1 *Issue of Shares*

Subject to the Companies Law and to the Articles:

- 4.1.1 the Directors may determine to issue one or more classes of shares. Any shares unissued at the date of adoption of the Articles and any shares hereafter created shall be under the control of the Board, which may grant options over the same and attach to such shares preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, provided always that no share shall be issued at a discount to its prevailing net asset value and so that the amount payable on application on each share shall be fixed by the Board; and
- 4.1.2 any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by ordinary resolution determine.

4.2 *Voting rights*

Subject to any rights or restrictions attached to any class or classes of shares, each Shareholder who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by him.

4.3 *Disclosures of interests in shares*

- 4.3.1 The Directors may serve notice on any member requiring that member to disclose to the Company the identity of any person (other than the member) who has an interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine. The Directors may be required to exercise their powers under the relevant Articles on the requisition of members holding at the date of the deposit of requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings.
- 4.3.2 If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more of the issued shares of the relevant class), the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the “**default shares**”) and any other shares held by the member, the member shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the issued shares of the relevant class of shares concerned the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest), and that no transfer of shares (other than a transfer approved under the Articles) shall be registered until the default is rectified.

4.4 *Dividends*

- 4.4.1 The Company in general meetings may declare a dividend but no dividend shall exceed the amount recommended by the Directors.

- 4.4.2 No dividend shall be paid otherwise than in accordance with the Companies Law and provided that after payment of the dividend, the Company will pass the solvency test set out in the Companies Law.
- 4.4.3 All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No unclaimed dividend shall bear interest against the Company. Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.
- 4.4.4 The Directors are also empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to distribute.

4.5 *Transfer of Shares*

- 4.5.1 The Board shall have the power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of CREST.
- 4.5.2 Subject to each of the instructions below as may be applicable, any Shareholder may transfer all or any of his uncertified shares by means of a relevant system authorised by the Board subject to the Companies Law or other relevant rules. Each member may, in the case of certified shares, transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board from time to time. Such instrument must be in respect of only one class of share and be signed by or on behalf of the transferor. The transferor will be deemed to remain the holder of the shares until the name of the transferee is entered in the Register in respect thereof.
- 4.5.3 The Board may, in its absolute discretion and without giving any reason, refuse to register a transfer of a share in certified form if:
- (a) it is in favour of more than four joint holders;
 - (b) the Company has a lien in respect of the share;
 - (c) it is in respect of more than one class of share; and
 - (d) in the case of a partly paid-up share, the instrument of transfer is not signed by both the transferor and the transferee.
- 4.5.4 The Board may also refuse to register a transfer of uncertificated shares in circumstances as set out in regulations issued for this purpose under the Companies Law and where in the case of a transfer to joint holder, the number of joint holders exceeds four.
- 4.5.5 The Company will refuse to register any transfer of a Share that could result in it being required to register under the US Investment Company Act of 1940. Shares may not be transferred to or held by US Plan Investors, and the Company will refuse to register any transfer of a Share a US Plan Investor.
- 4.5.6 The Directors may give notice in writing to the Shareholder of any Share which appears to have been acquired in violation of the transfer restrictions contained in the above paragraph requiring him within 21 days (or such extended time as in all the circumstances the Directors shall consider reasonable or such shorter time as the Directors may determine in the case of a transfer to, or the holding of, a Share by the US Plan Investor) to transfer (and/or procure the disposal of interests in) such Share to another person so that the violation will be remedied.

On and after the date of such notice, and until registration of a transfer of the Share to which it relates, the Share shall not confer any right to receive notice of or to attend or vote at general meetings of the Company and of any class of Shareholders and the rights to attend (whether in person or by proxy), to speak and to demand a vote on a poll which would have attached to the Share had it not appeared to the Directors to have been acquired in violation of transfer restrictions shall vest in the Directors of any such meeting. The manner in which the Directors exercise or refrain from exercising any such rights shall be entirely at their discretion.

- 4.5.7 If within 21 days after the giving of any notice pursuant to the paragraph above (or such extended time as in all the circumstances the Directors shall consider reasonable or such shorter time as the Directors may determine in the case of a transfer to, or holding of, a Share by a US Plan Investor) such notice is not complied with to the satisfaction of the Directors, the Directors shall arrange for the Company to sell such Share at the best price reasonably obtainable to another person such that the violation of the transfer restrictions will be remedied. For this purpose the Directors may, in the case of a Share in certificated form, authorise in writing any officer or employee of the Company to execute on behalf of the Shareholder a transfer of the Share to a purchaser and may issue a new certificate to the purchaser and, in the case of a Share in uncertificated form, the Directors may rematerialize such Share and take such other steps (including the giving of directions to or on behalf of the Shareholder who shall be bound by them) as they think fit to effect the transfer of the Share to that person. The net proceeds of the sale of such Share shall be received by the Company whose receipt shall be a good discharge for the purchase money and shall be paid over by the Company to the former Shareholder (together with interest at such rate as the Directors consider appropriate) upon surrender by him or them of the certificate for the Share.

4.6 *Variation of rights*

All or any of the rights for the time being attached to any share or class of shares may be varied (subject to the right (if any) of aggrieved members to apply to the Court for a variation or cancellation as provided in the Companies Law) either (1) with the consent in writing of the holders of at least 75 per cent. majority of the issued shares of that class or (2) with the sanction of a resolution passed by at least a 75 per cent. majority of the votes of the holders of shares of the class affected and passed at a separate general meeting of the holders of those shares, to which the provisions of the Articles relating to general meetings shall apply.

4.7 *Change of Investment Policy*

The Company shall not without the previous consent in writing of the holders of a simple majority of the Ordinary Shares in issue or the sanction of a resolution passed by the same majority of votes cast at a separate general meeting of the shareholders at such meeting, make any material change in the investment policy of the Company.

4.8 *Alteration of share capital*

The Company in general meeting may from time to time by ordinary resolution:

- 4.8.1 consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- 4.8.2 cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;

- 4.8.3 subject to the provisions of the Companies Law, sub-divide its shares or any of them into shares of smaller amount, and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares;
- 4.8.4 convert the whole, or any particular class, of its preference shares into redeemable preference shares;
- 4.8.5 issue shares which entitle the holder to no voting right or entitle the holder to a restricted voting right; and
- 4.8.6 convert all or any of its fully paid shares, the nominal amount of which is expressed in a particular currency, into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange current on the date of the resolution or on such other date as may be specified therein.

4.9 *Directors*

- 4.9.1 Unless otherwise determined by the Company by ordinary resolution, the number of Directors shall not be less than two. A majority of the Directors shall not be resident in the United Kingdom or the United States for the purposes of United Kingdom or United States taxation as the case may be.
- 4.9.2 The Directors shall be entitled to receive such remuneration for their services as the Board may determine, provided always that the aggregate remuneration of all Directors shall not exceed £100,000 per annum, or such higher amount as may be approved by the Company in a general meeting. The Directors shall also be entitled to be repaid all reasonable travelling, hotel and other incidental of attending and returning from meetings of the Directors or general meetings and all expenses properly and reasonable incurred by them in the conduct of the Company's business or in the discharge of their duties as Directors.
- 4.9.3 The office of a Director shall be vacated:
 - (a) if a receiving order is made against him or he makes any arrangement or composition with his creditors generally;
 - (b) if he absents himself from the meetings of the Board during a continuous period of twelve months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;
 - (c) if he is prohibited from being a Director by any order made under any provision of the Companies Law;
 - (d) if in England or Guernsey or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
 - (e) if by notice in writing given to the Company he resigns his office or if he is requested so to resign by all of the other Directors; or

- (f) if he is removed from office pursuant to the Articles; or
 - (g) if, subsequent to his appointment, he becomes resident for tax purposes in the United Kingdom or the United States and as a result thereof a majority of the Directors are so resident in the United Kingdom or the United States, as the case may be.
- 4.9.4 No Director shall be disqualified from his office from contracting with the Company either as vendor, purchaser or otherwise. No such contract or arrangement entered into on behalf of the Company in which any Director is in any way directly or indirectly interested will be liable to be avoided. No Director contracting or being so interested will be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office.
- 4.9.5 A Director shall not vote or be counted in the quorum in relation to any resolution of the Board concerning any contract or arrangement or any other proposal whatsoever in which he is (or any person connected with him) to his knowledge materially interested otherwise than by virtue of his interests in shares or debentures or other securities or otherwise in or through the Company, save that this prohibition shall not apply in respect of a resolution relating to:
- (a) the giving of a guarantee, security or indemnity to him in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
 - (c) any contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub underwriting thereof;
 - (d) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company in which he (and any persons connected with him) is interested and whether as an officer, shareholder, creditor or otherwise howsoever, provided that he is not to his knowledge the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company;
 - (e) any contract, arrangement, transaction or proposal relating to any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings under which he benefits or may benefit in a similar manner as the employees and which does not accord to him as a Director any privilege or advantage not generally accorded to the employees to whom the arrangement relates; or
 - (f) any contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy under which a Director may benefit.
- 4.9.6 The Articles do not contain a provision which disqualifies any person from being appointed as a Director or which requires him to vacate the office of Director by reason only of the fact that he has attained 70 years of age.

4.9.7 The Board shall have the power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, provided that no person shall be appointed as a Director under any provision of the Articles if his appointment would cause or permit the aggregate of the number of Directors resident in the United Kingdom or the United States for the purposes of United Kingdom or United States taxation, as the case may be, to constitute a majority of Directors. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

4.10 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money of an amount up to such limit and subject to such restrictions either in respect of the Company as a whole as may be set out in any admission document published from time to time and to guarantee, mortgage, hypothecate, pledge or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Any person lending money to the Company shall be entitled to assume that the Company is acting in accordance with the Articles and shall not be concerned to enquire whether such provisions have in fact been complied with.

4.11 *General meetings*

4.11.1 *Notice*

AGMs shall be held at such place in Guernsey and at such time as the Board may determine.

The Board may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Companies Law.

All general meetings shall be convened by not less than 14 clear days' notice in writing. The notice shall specify the nature of the meeting, the place, day and time of the meeting, and in the case of special resolutions, waiver resolutions or unanimous resolutions (as defined in the Articles), the text of the proposed resolution.

Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in person and proxy shall have one vote, and on a poll, every member present in person or by proxy shall have one vote for each share of which he is the holder.

4.11.2 *Quorum*

No business shall be transacted unless two persons entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, are present. If within fifteen minutes from the time appointed for the holding of the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time as the Board may determine. If at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the members present in person or by proxy shall be a quorum.

4.12 *Untraced Shareholders*

The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a member or any share or stock to which a person is entitled by transmission if and provided that:

- 4.12.1 for a period of twelve years prior to the date of publication of the advertisements referred to below (or if published on different dates, the first thereof) no cheque or warrant sent by the Company through the post in a pre paid letter addressed to the member or to the person entitled by transmission to the share or stock at his address on the Register, or other the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent, has been cashed and at least three dividends in respect of the shares in question have become payable and no dividend has been claimed, and no communication has been received by the Company from the member or the person entitled by transmission; and
- 4.12.2 the Company has at the expiration of the said period of twelve years by advertisement in two national daily newspapers and in a newspaper circulating in the area in which the address referred to below is located given notice of its intention to sell such share or stock; and
- 4.12.3 the Company has not during the further period of three months after the date of such advertisements (or, if published on different dates, the last thereof) and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission.

4.13 *Distribution on a winding-up*

The liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the assets of the Company, whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purposes, may set such value as he deems fair upon any one of more class or classes of property and may determine how such division shall be carried out as between Shareholders or classes of Shareholders.

5. Interests of Directors, Major Shareholders and Related Party Transactions

5.1 *Directors' Interests*

As at 30 June 2014 (being the latest practicable date before the publication of this document), the Directors had a beneficial interest in the following number of Ordinary Shares and will, if the Bonus Issue is made, have a beneficial interest in the following number of Subscription Shares (assuming that their holdings do not change):

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>per cent. of issued ordinary share capital</i>	<i>Number of Subscription Shares to be issued under the Bonus Issue</i>	<i>per cent. of subscription share capital*</i>
Fred Carr	130,000	0.17	65,000	0.17
John Whittle	20,000	0.03	10,000	0.03
Peter Niven	25,000	0.03	12,500	0.03
Vikram Kaushik	0	0	0	0

*Assuming that 37,500,731 Subscription Shares are issued.

- 5.2 Save as disclosed in paragraph 6.1 above, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

5.3 *Directors' Contracts with the Company*

5.3.1 The services of the Directors are provided under the terms of letters of appointment between the Company and each of them. For the year ended 31 December 2013, the Directors' fees were as follows:

Name	Fees(£)
Fred Carr	25,000
Jamie Cayzer-Colvin (resigned 29 May 2014)	16,000
John Whittle	16,000
Peter Niven	19,000
Vikram Kaushik	18,000

5.3.2 There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed, and no such service contract was entered into or amended in the six months preceding the date of this document.

5.3.3 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

5.4 *Other Interests*

5.4.1 Over the five years preceding the date hereof, the Directors have held the following directorships (apart from their directorships of the Company or subsidiaries of the Company) and/or partnerships:

Name	Current directorship/partnership	Previous directorship/partnership
Fred Carr	M&G High Income Investment Trust plc	Minories Holdings Limited SVM UK Active Fund Plc The National Gardens Scheme Investec Capital Accumulator Trust Ltd Fredneedle Ltd
John Whittle	Pont du Val Ltd International Public Partnerships Ltd The IPM Renewable Energy Fund ICC Ltd The Solar Park Fund (GBP) IC Limited Sciens Global Strategic Fund Ltd Mid Europa III Management Limited EMP Europe (CI) Limited Mid Europa IV Management Limited The Offshore Mutual Fund PCC Ltd Guernsey International Management Company Ltd Perusa Partners Management Ltd CPL Guernsey Limited CPL GP Limited Steadfast Capital III (GP) Ltd B&Q (Retail) Guernsey Ltd B&Q (Retail) Jersey Ltd Advance Frontier Markets Fund Ltd	Close Fund Services Ltd Legion International Ltd GS Volatility Strategy IC Ltd GS High Frequency MSS UK Property Index Fund Management Ltd Aurora II GP Ltd Blue Skye GP Ltd Merchant Asset Management (Guernsey) Limited Avoca Senior Loans Europe Ltd FTSE UK Commercial Property Index Fund Limited Saunderton Data Centre GP Ltd The Sustainable Forestry ICC Ltd Sustainable Teak and Agarwood IC Ltd

	Starwood European Real Estate Finance Ltd	Sustainable Agroforestry IC Ltd
	Starfin Public GP Limited	Sustainable Red IC Ltd
	Global Worth Real Estate Investments Limited	Sustainable Earth IC Ltd
	Globalworth Investment Advisers Limited	GC Dynamic Investments ICC Ltd Dynamic Fund IC Ltd Sciens Acqua Master Fund Merchant Financing Funds ICC The Merchant Gemini Turnaround Fund IC The V2R Northern Ireland Opportunities Fund IC Aurora Russia Ltd
Peter Niven	ABTA Insurance PCC Limited (formerly known as ABTA Travel Insurance Company Limited) AnaCap FP GP Limited AnaCap FP GP II Limited AnaCap FP GP III Limited AnaCap Atlantic Co-Investment GP Limited (+ 4 LPs) AnaCap Derby Co-Investment GP Limited (+2 LPs) AnaCap Debt Opportunities Limited AnaCap FP Debt Opportunities GP Limited F&C Commercial Property Trust Limited (was New FCPT Limited) F&C Commercial Property Holdings Limited F&C Holdings Limited (formerly F&C Commercial Property Limited) F&C Commercial Property Finance Limited SCP Estate Holdings Limited SCP Estate Limited Winchester Burma Limited Prime Four Limited Equinox Russian Opportunities Fund Limited (formerly Russian Opportunities Fund Limited) Saltus (Channel Islands) Limited Guernsey Portfolios PCC Limited Bramshott General Partner Inc Lotus Global Asset Holdings Limited Asset Holdings Limited Brick Global Asset Limited Thorntonhall Limited SQN Asset Finance Income Fund Limited	ABTA (Guernsey) Limited (formerly known as ABTA Insurance Company (Guernsey) Limited) Close European Accelerated Fund Limited Investec Capital Accumulator Trust Limited Phaunos Timber Fund Limited Jaguar Capital Guernsey Limited Resolution Limited Resolution Holdings (Guernsey) Limited (formerly known as Sussex Holdings (Guernsey) Limited) PSource Structured Debt Limited PSD SVP2 Inc Dexion Trading Limited Threadneedle Asset Backed Income Limited
Vikram Kaushik	Sistema Shyam TeleServices Limited	Tata Sky Limited Advertising Standards Council of India Prasar Bharati Limited Vaibhav Global Limited

- 5.5 There is no provision in the Company's Articles which require the Directors to seek re-election on a periodic basis. There is no limit on length of service, nor is there any upper age restriction. The Board considers that there is significant benefit to the Company arising from continuity and experience among Directors, and accordingly does not intend to introduce restrictions based on age or tenure. It does, however, believe that Shareholders should be given the opportunity to review membership of the Board on a regular basis. The Board has therefore resolved, as from the 2013 AGM, that any Director who has served for more than nine years should offer him or herself for re-election annually, and that one third of the remaining Directors should retire by rotation at each AGM and be eligible to seek re-election.
- 5.6 Save as disclosed, none of the Directors, members of any administrative, management and supervisory body, nor any senior manager has any conflict of interest between any duties to the Company and to his private interest or to any other duties.
- 5.7 In the five year period prior to the date of this document, none of the Directors:
- 5.7.1 had any convictions in relation to indictable offences;
- 5.7.2 was associated with any bankruptcies or individual voluntary arrangements;
- 5.7.3 was associated with any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where such director was a director at the time of or within the twelve months preceding such events;
- 5.7.4 was associated with any compulsory liquidations, administrations or partnership voluntary arrangements of any partnership where such director was a partner at the time of or within the twelve months preceding such events;
- 5.7.5 was associated with any receiverships of any assets of such director or of a partnership of which the director was a partner at the time of or within the twelve months preceding such events; or
- 5.7.6 received any public criticisms by statutory or regulatory authorities (including designated professional bodies) and has not been disqualified by a court from acting as a member of the administration, management of supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

5.8 **Major Shareholders**

- 5.8.1 As at 30 June 2014 (being the latest practicable date before publication of this document) insofar as known to the Company, the following persons hold an interest of 3 per cent. or more in the Company's voting rights:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>per cent of voting rights</i>
Lazard Asset Management	12,911,540	17.22
Advance Emerging Capital	8,020,473	10.75
1607 Capital Partners	7,000,000	9.38
Rathbones	5,227,127	7.01
Sofina SA	5,000,000	6.70
Gramercy	4,335,000	5.81
Miton Asset Management	3,850,000	5.13
Henderson Global Investors	2,900,000	3.89
Lombos Limited	2,710,000	3.63

- 5.8.2 All Shareholders have the same voting rights in respect of the share capital of the Company.
- 5.8.3 The Company and the Directors are not aware of any person, who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 5.8.4 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

6. Related Party Transactions

No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company.

7. Other Material Interests

7.1 Interests in Shares

The Investment Manager and its connected persons hold, in aggregate, 622,581 (0.83 per cent.) Ordinary Shares as at 30 June 2014. Save as disclosed above, none of the Custodian, Administrator, Mauritian Administrator, Investment Manager, Registrars or Auditor of the Company have any interest in the Ordinary Shares.

7.2 Conflicts of Interests

The Company is receiving legal and financial advice from Speechly Bircham LLP, Collas Crill and Grant Thornton UK LLP respectively, in addition to certain administrative services from third parties in connection with the Bonus Issue. The legal and financial advisers act for many other clients, including others in the investment funds sector and, on occasion, the professional advisers may face conflicts of interest as a result of acting both for the Company and such other clients. In the event of a conflict of interest, the legal and financial advisers will take such reasonable steps to ensure it is resolved fairly.

Save as disclosed, none of the Directors has any conflict of interest between any duties to the Company and his private interests and any other duties. The Investment Manager, the Secretary, their respective directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an “Interested Party”) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

8. Disclosure of Interests in Shares

There are no provisions under the Companies Law requiring disclosure of interests in Shares. The AIM Rules require the Company to use all reasonable endeavours to comply with the provisions of chapter 5 of the FCA’s Disclosure Rules and Transparency Rules (the “Disclosure and Transparency Provisions”) as if the Company were classified as an “issuer” whose “Home State” is the “United Kingdom” (as such terms are defined in the FCA Glossary) notwithstanding that Guernsey law does not contain provisions that are similar to the Disclosure and Transparency Provisions.

The Disclosure and Transparency Provisions detail the circumstances in which a person may be obliged to notify the Company that he has an interest in voting rights in respect of Ordinary Shares (a “notifiable interest”). An obligation to notify the Company arises: (a) when a person becomes or ceases to be interested (by way of direct or indirect holding of shares or of certain “Qualifying Financial Instruments” (as defined in the Disclosure and Transparency Provisions and which will include Subscription Shares) or other instruments creating a long position on the economic performance of the Ordinary Shares) in three per cent. or more of the voting rights attaching to the Ordinary Shares; and (b) where such person’s interest alters by a complete integer of one per cent. of the voting rights attaching to the Ordinary Shares and/or of Qualifying Financial Instruments.

9. Material Contracts

Save as described below, the Company has not (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the publication of this document; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this document.

9.1 *Investment Management Agreement*

The Investment Management Agreement dated 16 December 2005 between, inter alia, the Company (1), the Investment Manager (2) and the Subsidiary (3) as amended by a supplemental agreement dated 30 June 2014 whereby the Investment Manager was appointed to manage the investments of the Group in accordance with the investment policy from time to time approved by the Directors. Under the terms of the Investment Management Agreement, subject to the overall supervision of the Directors, the Investment Manager has authority to make investments for the Group and to manage the assets of the Group.

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive a management fee payable jointly by the Company and the Subsidiary equivalent to 1.5 per cent. per annum of the Company’s Total Assets plus VAT, if applicable, calculated and payable monthly in arrears. Prior to entry into the supplemental agreement dated 30 June 2014, the Investment Manager was also entitled to receive a semi-annual performance related fee from the Company, but with effect from 1 January 2014 no performance fee is payable.

The Investment Management Agreement contains an indemnity in favour of the Investment Manager against claims by third parties except to the extent that the claim is due to the negligence, wilful default or fraud of the Investment Manager or any party to whom the Investment Manager has delegated any of its functions. The agreement is governed by English law.

The Investment Management Agreement may be terminated by either the Investment Manager or the Company by giving 12 months written notice to the other party.

The Investment Management Agreement may be terminated by either party with immediate effect if:

- 9.1.1 an order has been made or an effective resolution passed for the liquidation of the other party (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the first party);
- 9.1.2 a receiver or similar officer has been appointed in respect of the other party or of any of such party’s assets or the other party becomes subject to an administration order;
- 9.1.3 the other party entered into an arrangement with its creditors or any of them or the other party is or is deemed to be unable to pay its debts;

- 9.1.4 the other party ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business as carried on at the date of the Investment Management Agreement; or
- 9.1.5 the other party has committed a material breach of its obligations under the Investment Management Agreement (whether or not, for the avoidance of doubt, such breach would otherwise be a repudiatory breach) and (where such breach is capable of remedy) fails to remedy such breach within 28 days after receiving written notice requiring the same to be remedied.

The Investment Management Agreement may be terminated by the Company only with immediate effect if:

- 9.1.6 if the Investment Manager ceases to be regulated by the FCA or the Company is required by any relevant regulatory authority to terminate the Investment Manager's appointment;
- 9.1.7 on the liquidation of the Company resulting from the passing of a resolution to wind up the Company; or
- 9.1.8 if the Investment Manager breach any of the Applicable Requirements (as defined in the Investment Management Agreement) and such breach results in (i) the Company or the Subsidiary or the Investment Manager or any of its Associates being in breach of any applicable law or regulation, or (ii) the securities of the Company ceasing to qualify for trading on AIM.

9.2 ***Administration and Secretarial Agreement***

The Administration and Secretarial Agreement, dated 20 December 2013, between the Company (1) and Apex Fund Services (Guernsey) Limited (2) pursuant to the terms of which the Administrator has been appointed the Administrator of the Company.

Under the terms of the Administration and Secretarial Agreement, the Administrator will be entitled to such fees as may be agreed from time to time between the Administrator and the Company. The Administrator will also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred by it in the performance of its duties.

The Administration and Secretarial Agreement contains provisions under which the Company exempts the Administrator from liability and indemnifies the Administrator, its directors, officers, employees, servants or agents in connection with the performance of its duties by the Administrator, save where such liabilities arise from the Administrator's own negligence, wilful misconduct or fraud or material breach of the Agreement. These exemptions from liability and indemnities are of a customary nature for contracts of this type.

The Administration and Secretarial Agreement became effective on 1 January 2014 and may be terminated after the first anniversary of the Agreement on not less than ninety days' written notice, provided that the Administration and Secretarial Agreement may be determined immediately:

- (i) if either party commits a material breach of any of its obligations under the Administration and Secretarial Agreement which is not remedied within thirty days of a notice requiring the same to be remedied;
- (ii) if either party commences liquidation proceedings (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or a receiver is appointed over any of its assets;
- (iii) if any authorisation by the GFSC is revoked.

Upon termination, the Administrator will be entitled to receive all fees accrued due to the date of termination but is not entitled to compensation in respect of such termination.

The Administration and Secretarial Agreement is governed by Guernsey law.

9.3 *Mauritian Administration Agreement*

The Mauritian Administration Agreement dated 1 January 2014, between the Company (1), the Subsidiary (2) and Apex Fund Services (Mauritius) Ltd (“**Apex Mauritius**”) (3) pursuant to which the Apex Mauritius has been appointed to act as the administrator of the Subsidiary with effect from 1 January 2014.

Under the terms of the Mauritian Administration Agreement, Apex Mauritius shall be entitled to an annual fee for other services including administration and registrar services.

After the first anniversary of the Agreement, the Agreement may be terminated by either party on 90 days’ notice.

The Mauritian Administration Agreement is terminable forthwith in the event that:

- (i) a party goes into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party);
- (ii) there is a material breach of the Agreement which is unremedied after a period of 30 days from written notice of such breach; or
- (iii) either party loses its regulatory authorisation.

On termination of the Agreement, Apex Mauritius shall be entitled to such fees due to it at the date of such termination.

The Mauritian Administration Agreement contains provisions under which the Company exempts Apex Mauritius from liability and indemnifies Apex Mauritius, its directors, officers or employees in connection with the performance of its duties by Apex Mauritius, save where such liabilities arise from Apex Mauritius’s own negligence, wilful misconduct or fraud or material breach of the Agreement. These exemptions from liability and indemnities are of a customary nature for contracts of this type.

The Mauritian Administration Agreement is governed by Mauritian law.

9.4 *Custody Agreement*

The Custody Agreement, dated 29 November 2013, between the Subsidiary (1) and SBI-SG Global Securities Services Private Limited (“SBI”) (2) pursuant to the terms of which SBI has been appointed to act as custodian of the Subsidiary.

Under the terms of the Custody Agreement, SBI shall be entitled to a fixed fee of 2.25 basis points plus additional fees for services including transaction fees, FX service and proxy voting. The Custody Agreement is governed by the laws of India and may be terminated on not less than 90 days’ written notice by either SBI or the Subsidiary (in respect of services provided to such entity).

9.5 ***Registrar Agreement***

The Registrar Agreement, dated 16 December 2005, between the Company (1) and Capita Registrars (Guernsey) Limited (2), pursuant to the terms of which the Registrar has been appointed as registrar to the Company for a period commencing on the date of the agreement subject thereafter to termination on 3 months' written notice given by either party, such notice to expire no earlier than the first anniversary of the date of the Registrar Agreement in the case of a notice given by the Company. Under the Registrar Agreement the Registrar is entitled to receive a fee of £2 per Shareholder per annum subject to a minimum annual fee of £6,500 together with other agreed transaction charges.

The Registrar Agreement is governed by Guernsey law.

9.6 ***Nomad Agreement***

The Nomad Agreement, dated 3 December 2010, between the Company (1) and Grant Thornton UK LLP (2) pursuant to the terms of which Grant Thornton has been appointed to act as nominated adviser of the Company. Under the terms of the Nomad Agreement, Grant Thornton shall be entitled to an annual retainer fee subject to any variation agreed in writing between the parties.

The Nomad Agreement will automatically terminate if the Company's Shares or other securities issued by the Company cease to be quoted on AIM and otherwise, either party may terminate the Nomad Agreement by 30 days' written notice.

The Nomad Agreement is governed by the laws of England and Wales.

9.7 ***Broker Agreement***

The Broker Agreement, dated 3 December 2010, between the Company (1) and Numis Securities Limited (2) pursuant to the terms of which Numis has been appointed in relation to the provision of advisory and corporate broker services. Under the terms of the Broker Agreement, Numis shall be entitled to an annual retainer fee (subject to any variation agreed in writing between the parties).

The Broker Agreement can be terminated with immediate effect by either party at any time.

The Broker Agreement is governed by the laws of England and Wales.

10. **Mandatory Bids, Squeeze Out and Sell Out Rights Relating to the Shares**

- 10.1 The City Code applies to the Company. Under the City Code, if an acquisition of Shares were to increase the aggregate holding of the acquirer and its concert parties to Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties) would be required, except with the consent of the Takeover Panel, to make a cash offer for the outstanding Shares in the Company at a price not less than the highest price paid for any interests in the Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of Shares by a person holding (together with its concert parties) Shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.
- 10.2 Shares may be subject to compulsory acquisition in the event of a takeover offer which satisfies the requirements of Part XVIII of the Companies Law, or in the event of a scheme of arrangement under Part VIII of the Companies Law.

- 10.3 In order for a takeover offer to satisfy the requirements of Part XVIII of the Companies Law, the prospective purchaser must prepare a scheme or contract (in this paragraph, the “Offer”) relating to the acquisition of the Shares and make the Offer to some or all of the Shareholders. If, at the end of a four month period following the making of the Offer, the Offer has been accepted by Shareholders holding 90 per cent. in value of the Shares affected by the Offer, the purchaser has a further two months during which it can give a notice (in this paragraph, a “Notice to Acquire”) to any Shareholder to whom the Offer was made but who has not accepted the Offer (in this paragraph, the “Dissenting Shareholders”) explaining the purchaser’s intention to acquire their Shares on the same terms. The Dissenting Shareholders have a period of one month from the Notice to Acquire in which to apply to the Court for the cancellation of the Notice to Acquire. Unless, prior to the end of that one month period the Court has cancelled the Notice to Acquire or granted an order preventing the purchaser from enforcing the Notice to Acquire, the purchaser may acquire the Shares belonging to the Dissenting Shareholders by paying the consideration payable under the Offer to the Company, which will hold it on trust for the Dissenting Shareholders.
- 10.4 A scheme of arrangement is a proposal made to the Court by the Company in order to effect an “arrangement” or reconstruction, which may include a corporate takeover in which the Shares are acquired in consideration for cash or shares in another company. A scheme of arrangement is subject to the approval of a majority in number representing at least 75 per cent. (in value) of the members (or any class of them) present and voting in person or by proxy at a meeting convened by the Court and subject to the approval of the Court. If approved, the scheme of arrangement is binding on all Shareholders.
- 10.5 In addition, the Companies Law permits the Company to effect an amalgamation, in which the Company amalgamates with another company to form one combined entity. The Shares would then be shares in the capital of the combined entity.

11. Taxation

All Shareholders, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of holding, transferring or otherwise disposing of Ordinary Shares, Subscription Shares or exercising the Subscription Share Rights under the laws of their country and/ or state of citizenship, domicile or residence.

The following is intended only as a brief (and necessarily incomplete) summary of certain Guernsey and United Kingdom tax consequences that may affect the Company and its Shareholders. The following is subject to change and does not constitute legal, tax or exchange control advice. The following relates to a Shareholder holding Shares as an investment and is based on law and practice in force in the relevant jurisdictions at the date of this document. There can be no guarantee that the tax position or the proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely.

Prospective Shareholders should consult their own professional advisers on the implications in the relevant jurisdiction(s) of buying, holding, disposing of or redeeming Shares, including the provisions of the laws of the jurisdiction in which they reside, hold citizenship or are domiciled or are otherwise subject to tax.

The Company may be subject to local withholding taxes in respect of income or gains derived from its investments in certain countries and underlying investments. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the Company and to Shareholders may change from time to time.

12. Guernsey Taxation

12.1 *The Company*

The Company has applied for and been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 by the Director of Income Tax in Guernsey for the current year. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £600 and is not dependent on the number of cells comprised within the Company, provided the Company qualifies under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company is and will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than from a relevant bank deposit. It is anticipated that no income other than from a relevant bank deposit will arise in Guernsey and therefore the Company will not incur any additional liability to Guernsey tax.

12.2 *Capital Taxes and Stamp Duty*

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Shares in the Company.

12.3 *EU Savings Tax Directive*

Although not a Member State of the EU, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the “EU Savings Directive”) as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are equivalent to a UCITS, guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements indicate that the Company is not, under the existing regime, regarded as an undertaking for collective investment established in Guernsey that is equivalent to a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the EU Savings Directive in Guernsey.

The European Commission is currently reviewing the scope and operation of the EU Savings Directive. Any review will affect EU Member States. Guernsey, along with other dependent and associated territories, will consider the effect of any proposed changes to the EU Savings Directive in the context of existing bilateral treaties and domestic law, once the outcome of that review is known. If changes are implemented, the position of Shareholders of the Company in relation to the EU Savings Directive may be different to that set out above.

12.4 *Shareholders*

Provided the Company maintains its exempt status, Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will suffer no deduction of tax by the Company from any dividends payable by the Company but the Administrator will provide details of distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Director of Income Tax in Guernsey, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares, with details of the interest. Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of distributions paid in relation to any Shares owned by them nor on the redemption or disposal of their holding of Shares in the Company.

13. **UK Taxation**

The following statements are based upon current UK tax law and what is understood to be the current practice of HM Revenue & Customs, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and do not constitute legal or tax advice and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold shares as an investment rather than trading stock and who are the absolute beneficial owners of those shares.

13.1 *The Company*

It is intended that the Company will be managed and controlled in such a way that it should not be resident in the UK for UK tax purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated there) the Company will not be subject to UK income or corporation tax other than on certain types of UK sourced payments.

13.2 *Shareholders*

13.2.1 UK Offshore Funds Rules

The tax treatment of UK Shareholders will be affected by whether the Company is an “offshore fund”. A company will be an offshore fund if, under the terms of the arrangements, a reasonable investor participating in the arrangements would expect to be able to realise all or part of an investment in the arrangements on a basis calculated entirely, or almost entirely, by reference to the net asset value of the property that is the subject of the arrangement. There are a number of exceptions in the relevant legislation which can, however, enable a company to fall outside the definition of an offshore fund.

The Directors have been advised that, under current law in force at the date of this document, the Company should not, and any separate class of Share should not, be an “offshore fund” for the purposes of UK taxation and that the legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 should not apply.

If the Company were to be an offshore fund then, unless the Company elects to become a “reporting fund”, investors resident in the UK would be subject to tax on making a disposal or part disposal of their interests as if any disposal proceeds were income, whereas if it was not an offshore fund a disposal should result in charge to tax as capital gains. However, if the Company were to be a reporting fund, UK resident investors would be taxed on income as it arises (whether or not it is distributed). If HM Revenue & Customs’ interpretation of the offshore funds legislation should change, then the advice obtained by the Company may be subject to revision.

13.2.2 Taxation of Capital Gains

For the purposes of United Kingdom capital gains tax and corporation tax on chargeable gains, the receipt of Subscription Shares arising from the Bonus Issue will be a reorganisation of the share capital of the Company. Accordingly, the Subscription Shares will be treated as the same asset as the Shareholder’s holding of Ordinary Shares and as having been acquired at the same time as the Shareholder’s holding of Ordinary Shares was acquired and with the same original base cost spread across both the original Ordinary Shares and the Subscription Shares. On the exercise of the right to subscribe for Ordinary Shares, the Ordinary Shares issued pursuant to the Subscription Share Rights will be treated as the same asset as the Subscription Shares in respect of which the Subscription Share Rights are exercised. The base cost of each such Ordinary Share will be the deemed base cost of the Subscription Share that it replaces, plus the Subscription Price.

Shareholders who are not resident in the UK for tax purposes will not generally be subject to taxation of chargeable gains on the disposal or deemed disposal of Subscription Shares or Ordinary Shares unless such shares are used, held or acquired for the purpose of a trade, profession or vocation carried on in the UK through a branch, agency or permanent establishment. Such Shareholders may be subject to non-UK taxation on any gain under local law.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax at the flat rate of 18 per cent. if they are basic rate taxpayers or 28 per cent. if they are higher or additional rate taxpayers in respect of any gain arising on a disposal or deemed disposal of Subscription Shares or Ordinary Shares. No indexation allowance will be available to such Shareholders. However, each individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,000 for the tax year 2014-2015.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of Subscription Shares or Ordinary Shares. The indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

13.2.3 Taxation of dividends

The Directors do not currently expect to declare and pay dividends. An individual Shareholder who is resident and domiciled in the UK for tax purposes and who receives a dividend from the Company should generally be entitled to a tax credit provided he holds less than 10 per cent. or more of the Company's issued share capital or any class of shares in respect of which the distribution is made. An individual UK resident Shareholder will be liable to income tax on the sum of the tax credit and the dividend (the gross dividend). The tax credit equals 10 per cent. of the gross dividend. The tax credit therefore also equals one-ninth of the cash dividend received.

A UK resident individual Shareholder who is subject to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend. This means that the tax credit will satisfy in full such a Shareholder's liability to income tax on the dividend. UK resident individual Shareholders who are subject to tax at the higher rate will be subject to tax on dividends at the dividend upper rate of 32.5 per cent. but are entitled to offset the 10 per cent. tax credit against such liability (which has the effect of lowering the effective rate of income tax on qualifying dividends to 25 per cent. for higher rate taxpayers). UK resident individuals who receive taxable income in excess of £150,000 are subject to tax on dividends at the dividend additional rate of 37.5 per cent., but are entitled to offset the 10 per cent. tax credit against such liability (which has the effect of lowering the effective rate of income tax on qualifying dividends to 30.6 per cent. for additional rate taxpayers). For this purpose dividends are treated as the top slice of an individual's income.

There will be no repayment of all or part of the tax credit to an individual Shareholder whose liability to income tax on all or part of the gross dividend is less than the amount of the tax credit. This will include a Shareholder who holds Subscription Shares or Ordinary Shares through an ISA. UK resident tax payers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim a repayment of the tax credit attaching to dividends paid by the Company.

Shareholders that are bodies corporate resident in the UK for tax purposes may be able to rely on the exemptions for certain classes of dividends in Part 9A of the Corporation Tax Act 2009.

A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. It is particularly important that Shareholders who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

13.2.4 Stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax will arise on the issue of Subscription Shares.

No UK stamp duty will be payable on a transfer of Subscription Shares or Ordinary Shares provided that all instruments effecting or evidencing the transfer are not executed in the UK and no matters or actions relating to the transfer are performed in the UK.

Provided that Subscription Shares or Ordinary Shares are not registered in any register kept in the UK by or on behalf of the Company and that Subscription Shares or Ordinary Shares are not paired with shares issued by a UK incorporated company, any agreement to transfer such shares will not be subject to stamp duty reserve tax.

The Finance Bill 2014 introduces an exemption for stamp duty and stamp duty reserve tax for transfers of securities which are admitted to trading on a "Recognised Growth Market" but are not listed on that or any other market. To qualify as a "Recognised Growth Market" certain conditions need to be met. HM Revenue & Customs have accepted that AIM is a "Recognised

Growth Market”. The exemption is stated as coming into effect from 28 April 2014 but it should be noted that the Finance Bill 2014 has not yet received Royal Assent.

13.2.5 ISAs

The Subscription Shares and the Ordinary Shares arising on the exercise of the Subscription Share Rights should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£15,000 from 1 July 2014 in the tax year 2014 - 2015).

13.2.6 Other UK Tax Considerations

The UK’s “controlled foreign company” regime has recently been substantially reformed and is now contained in Part 9A of the Taxation (International and Other Provisions) Act 2010. These new rules apply for accounting periods of controlled foreign companies (CFCs) beginning on or after 1 January 2013. UK resident corporate Shareholders who consider that they may be affected by these rules should take their own advice.

Individuals resident in the UK are advised that Chapter 2 of Part 13 of the Income Tax Act 2007, which contains provision for preventing avoidance of income tax by transactions resulting in the transfer of assets to persons (including a company) abroad, may render them liable to taxation which in respect of undistributed income and profits of the Company.

The attention of Shareholders resident in the UK is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, chargeable gains made by the Company or a subsidiary may be attributed to a Shareholder (in proportion to his holding) who holds, alone or together with associated persons, Shares which broadly entitle him to more than 25 per cent. of any such gains.

14. **FATCA and related Intergovernmental Agreements**

- 14.1 The Hiring Incentives to Restore Employment Act passed in the United States of America (“US”) in March 2010 resulted in new provisions to the Internal Revenue Code: the Foreign Account Tax Compliance Act (“FATCA”). These provisions were in response to concerns that US tax payers were evading their income tax obligations through foreign entities and foreign financial institutions. In response to this legislation, Guernsey has entered into an Inter-Governmental Agreement (“IGA”) with the US Government on the implementation of FATCA. A further IGA between Guernsey and the United Kingdom has also been completed with respect to UK tax payers.
- 14.2 The exact details of subsidiary regulations and guidance on these regulations are still being finalised but the Company understands the current position, in summary, to be as follows.
- 14.3 The IGAs and the regulations define Guernsey financial institutions, which includes the Company, as Foreign Financial Institutions (“FFIs”). As an FFI, the Company will be required to make an annual return to the Guernsey tax authorities to the extent that it has any Shareholders who are either US citizens/US tax resident or UK tax resident. If there is doubt on the status of Shareholders then, in the absence of suitable evidence, they will be included on the return.
- 14.4 The first such return is to be made by 30 June 2015 in respect of reportable accounts as at 30 June 2014 where shareholders are US citizens/US tax resident. A further report in respect of Shareholders who are UK tax resident will be required in June 2016 in respect of reportable accounts as at 30 June 2014 and 2015.
- 14.5 If, however, a Shareholder is itself a reporting FFI then the obligation to make returns falls on that FFI, provided the Company is able to confirm its status.

14.6 There are significant penalties for non-compliance, which may include withholding tax on any US source payment. Whilst FATCA withholding will primarily apply to payments with a US source, it is possible that other legislation may have a broader scope and may apply to certain other, non-US source payments. The Company regularly monitors the impact of FATCA on its operations and intends to manage its affairs to ensure that it is FATCA compliant.

14.7 Further information is available on request from the Administrator.

15. Indian Taxation

15.1 A company which is tax resident in Mauritius under the applicable tax treaty, but has no branch or permanent establishment in India, will not be subject to capital gains tax in India on the sale of securities of an Indian company as per the provisions of the applicable tax treaty between India and Mauritius.

15.2 In respect of shares listed on a recognised stock exchange in India and held for more than 12 months, there will be no capital gains tax on sale of such shares under the domestic tax laws of India provided the transaction takes place on the stock exchange and securities transaction tax is paid.

15.3 Dividends, if any declared by an Indian company are exempt from tax in the hands of the shareholders provided the Indian company has paid dividend distribution tax in India.

16. Mauritian Taxation

16.1 The Subsidiary is incorporated in Mauritius and holds a category 1 global business licence and as a tax resident is governed by the Income Tax Act 1995 of Mauritius. The Company invests in India and the Directors expect to obtain benefits under the India-Mauritius Tax Treaty. To obtain benefits under the India-Mauritius Tax Treaty, the Subsidiary must meet certain tests and conditions, including the establishment of Mauritius tax residence, central management and control in Mauritius, and related requirements. The Subsidiary has obtained a Tax Residence Certificate (“TRC”) issued by the Mauritius Revenue Authority to accede to the India-Mauritius Tax Treaty, and believes such certification is determinative of its resident status for treaty purposes. The TRC is valid for a period of one year and is renewable annually provided the Subsidiary adheres to the undertakings that its board of directors has given to the Financial Services Commission of Mauritius and the Mauritius Revenue Authority .

16.2 Under the current tax laws, the Subsidiary shall be taxed at 15 per cent. in Mauritius on its net chargeable income. However, the Subsidiary will be allowed a credit for foreign tax on its foreign source income against its tax liability. If no written evidence is presented to the Mauritius Revenue Authority showing the amount of foreign tax charged, the amount of foreign tax will nevertheless be conclusively presumed to be equal to 80 per cent. of the Mauritius tax chargeable with respect to that income resulting in an effective tax rate of per cent.

16.3 The information in paragraphs 15 and 16 is based on current interpretation and practice and is subject to any future changes in tax laws and in the India-Mauritius Tax Treaty.

17. Litigation

There have been no governmental, legal or arbitration proceedings (and no such proceedings are pending or threatened of which the Company is aware) in the previous 12 months which may have, or have had in the recent past, significant effects on the Group’s financial position or profitability.

18. General

18.1 The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company’s business or profitability.

- 18.2 Where Subscription Shares are exercised to subscribe for Ordinary Shares, the total assets of the Company will increase by that number of Ordinary Shares multiplied by the relevant Subscription Price. It is not expected that there will be any material impact on the earnings and liabilities per Ordinary Share as the net proceeds resulting from any conversion are expected to be invested in a manner consistent with the investment objective and policy of the Company.
- 18.3 The typical investors for whom an investment in the Company is intended are professionally advised private investors, or institutional investors, seeking long term capital growth from investment in India.
- 18.4 Save as disclosed in this document no person (other than the Company's professional advisors named in this document and trade suppliers) has received directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more within the 12 months preceding the application for Admission.
- 18.5 Save as disclosed or referred to in Parts I to IV of this document, there have been no significant nor material change in the financial or trading position of the Group since 31 December 2013, being the date to which its most recent consolidated audited financial statements were prepared.
- 18.6 Where information detailed in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 18.7 Grant Thornton UK LLP as Nominated Adviser to the Company is independent from the Company and the Investment Manager.
- 18.8 The Investment Manager and the Nominated Adviser have given and not withdrawn their consent to the issue of this document with the inclusion of their names and reference to them in the form and context in which they appear.

19. Documents available for inspection

- 19.1 Copies of the following documents and information will be available for inspection at the registered office of the Company at 1st Floor Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB (tel: +44 20 7802 8900) during normal office hours, Saturdays and Sundays excepted, from the date of this document until the date which is one month following Admission and from the Company's website at www.indiacapitalgrowth.com, subject to certain access restrictions:
- 19.1.1 this Admission Document;
- 19.1.2 Articles of Incorporation of the Company;
- 19.1.3 consolidated audited financial statements of the Company for the three years ended 31 December and the unaudited half yearly financial report for the six months to 30 June 2013.
- 19.2 Hard copies of all of the documents incorporated by reference into this document are available free of charge on request in writing or by telephone from the Investment Manager at Ocean Dial Asset Management Limited, Cayzer House, 30 Buckingham Gate, London SW1E 6NN (tel: +44 20 7802 8900). Copies of any documents incorporated by reference will not be provided unless such a request is made.

Dated: 7 July 2014

PART VIII

DEFINITIONS

2015 Resolution	the ordinary resolution that the Company will continue as currently constituted that will be proposed at the Company's annual general meeting in 2015 if, and only if, the Second 2014 Resolution is not passed
Administrator	Apex Fund Services (Guernsey) Limited
Admission	the admission of the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
Admission Document	this document
Admission and Disclosure Standards	the admission and disclosure standards of the London Stock Exchange for securities admitted or seeking to be admitted to trading, as amended from time to time
AIC Code	the Association of Investment Companies Code of Corporate Governance, as amended from time to time
AIFM Regulations	the Alternative Investment Fund Manager Regulations 2013 (SI 2013 No 1773) as amended by the AIFM Order 2014 (SI 2014 No 1292)
Articles	the Articles of Incorporation of the Company, as amended from time to time
Auditor	Ernst & Young LLP
Board or Directors	the board of Directors of the Company or any duly constituted committee thereof
Bonus Issue	the issue to Qualifying Shareholders of Subscription Shares on the basis of one Subscription Share for every two Ordinary Shares held on the Record Date, conditional upon the passing of the Resolutions, Admission and the creation of the Subscription Shares by way of Board resolution
BSE Mid Cap Total Return Index	the Bombay Stock Exchange Mid Cap Total Return Index
Business Day	any day on which banks are open for business in London and Guernsey (excluding Saturdays, Sundays and public holidays)
Certificated or "in certificated form"	a share or other security which is not in Uncertificated form (that is not in CREST)
Chairman	chairman of the Company
City Code	the City Code on Takeovers and Mergers
Company	India Capital Growth Fund Limited
Companies Law	the Companies (Guernsey) Law, 2008 (as amended)
CREST	the CREST system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear

CREST Manual	the document entitled the “CREST Manual” issued by Euroclear
CREST Member	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
CREST Participant	a person who has been admitted by Euroclear as a system-participant (as defined in the CREST Regulations)
CREST Proxy Voting Service	Euroclear’s electronic proxy voting service
CREST Regulations	the Uncertificated Securities (Guernsey) Regulations 2009 (as amended from time to time)
CREST Sponsor	a CREST Participant admitted to CREST as a sponsor
CREST Sponsored Member	a CREST Member admitted to CREST as a sponsored member
Custodian	SBI-SG Global Securities Services Private Limited
Custody Agreement	the agreement between the Custodian and the Subsidiary regarding the custody of the assets of the Subsidiary dated 29 November 2013
Disclosure and Transparency Rules	the disclosure rules and transparency rules made by the FCA under Part VI of the FSMA
EEA	the European Economic Area
EU	the European Union
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
Extraordinary General Meeting	the extraordinary general meeting of the Company to be held at 1st Floor Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB at 9.30 a.m. on 6 August 2014 and any adjournment(s) thereof
FATCA	the United States Foreign Account Tax Compliance Act
FCA	the Financial Conduct Authority
First 2014 Resolution	Ordinary Resolution No 1 set out in the Notice of Extraordinary General Meeting
FSMA	the Financial Services and Markets Act 2000
GFSC	the Guernsey Financial Services Commission
Group	the Company and the Subsidiary
IFA	Independent Financial Advisor
IFRS	International Financial Reporting Standards
INR or Rupee	Indian Rupee, the lawful currency of India

Investment Manager	Ocean Dial Asset Management Limited
Investment Management Agreement	the agreement dated 16 December 2005 between, <i>inter alia</i> , the Investment Manager and the Company, as amended from time to time
ISA	an individual savings account
London Stock Exchange	London Stock Exchange plc
Mauritian Administrator	Apex Fund Services (Mauritius) Limited, administrator to the Subsidiary
Net Asset Value or NAV	the value of the assets of the Company less its liabilities, calculated in accordance with the valuation guidelines laid down by the Board, further details of which are set out in Part II of this document
Net Asset Value or NAV per Share	the proportion of the Net Asset Value on any calculation date attributable to each Ordinary Share in issue at the relevant calculation date
Official List	the Official List maintained by the UK Listing Authority
Ordinary Share or Share	an ordinary share of 1 pence each in the capital of the Company
Overseas Shareholders	Shareholders who are resident in territories outside the UK, the Channel Islands and the Isle of Man
Proposals	the Continuation Resolution and the Bonus Issue
Prospectus Rules	the rules and regulations made by the FCA under Part VI of the FSMA (as amended from time to time)
Qualifying Shareholders	Shareholders whose names are entered on the Register at the close of business on the Record Date
Record Date	5.00 p.m. on 4 August 2014, being the date on which Qualifying Shareholders' entitlements to the Bonus Issue will be assessed against the Register
Register	the register of members of the Company
Registrars	Capita Registrars (Guernsey) Limited
Regulation S	Regulation S promulgated under the Securities Act
Resolutions	the First 2014 Resolution and the Second 2014 Resolution
Revised Subscription Date	has the meaning ascribed to it in paragraph 1.14 of Part V
RIS	a regulatory information service
Second 2014 Resolution or Continuation Resolution	Ordinary Resolution No 2 set out in the Notice of Extraordinary General Meeting
Secretary	Apex Fund Services (Guernsey) Limited
Securities Act	the US Securities Act of 1933, as amended

Shareholder Shares	a holder of Ordinary Shares and/or Subscription Shares, as the context requires the Ordinary Shares and/or the Subscription Shares, as the context requires
SIPP	self invested personal pension
Sterling	lawful currency of the United Kingdom
Subscription Date	6 August 2016
Subscription Price	the price at which the Subscription Share Rights are exercised in accordance with the rights attaching to the Subscription Shares (and subject to adjustment in accordance with those rights)
Subscription Shareholders	holders of Subscription Shares
Subscription Share Rights	the right conferred by each Subscription Share to subscribe for one Ordinary Share as detailed in Part V of this document
Subscription Shares	the subscription shares created by the Board by a resolution dated 3 July 2014 having the rights set out in Part V of this document
Subsidiary	ICG Q Limited
Takeover Panel	the Panel on Takeovers and Mergers
Total Assets	the aggregate value of the assets of the Company less the current liabilities of the Company (and for these purposes there shall be excluded from current liabilities any proportion of principal amounts borrowed for investment and any performance fees payable to the Investment Manager)
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of admissions to the Official List
Uncertificated	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
US or U.S. or United States	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Person	a person or entity who is a “US Person” within the meaning of Regulation S and/or a “US resident” within the meaning of the Investment Company Act
US Plan Investor	an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title 1 of ERISA, but excluding plans maintained outside the United States that are described in section 4(b)(4) of ERISA), an individual retirement account (as defined in section 408 of the United States Internal Revenue Code of 1986 (as amended), or any entity the assets of which are treated as the assets of any such plan or account.
VAT	UK value added tax

INDIA CAPITAL GROWTH FUND LIMITED

(a collective investment scheme incorporated in Guernsey with registration number 43916 and authorised by the Guernsey Financial Services Commission as an authorised closed-ended collective investment scheme)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of India Capital Growth Fund Limited (the “**Company**”) will be held at 1st Floor Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB at 9.30 a.m. on 6 August 2014 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. THAT:

(A) the Directors be and are hereby generally empowered (in addition to any existing such power or authority) to exercise all the powers of the Company to issue shares in connection with and for the purposes of (i) the issue of up to 37,500,731 Subscription Shares in connection with the Bonus Issue described in an Admission Document published by the Company on 7 July 2014 (the “Admission Document”); and (ii) the issue of Ordinary Shares (a) up to a maximum aggregate nominal amount of £375,007.31 of Ordinary Shares pursuant to the exercise of Subscription Share Rights attaching to the Subscription Shares or (b) otherwise up to a maximum aggregate nominal amount of £225,000.00 of Ordinary Shares, provided that such authority shall expire at the conclusion of the Company’s Annual General Meeting in 2017 save that the Company may prior to the expiry of such period make any offer or agreement which would or might require such Subscription Shares, Subscription Share Rights and/or Ordinary Shares to be allotted after such expiry and the Directors may allot such Subscription Shares, Subscription Share Rights and/or Ordinary Shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired;

(B) in accordance with Section 315 of the Companies (Guernsey) Law 2008 (as amended (the “Law”), the Company shall have authority to make market purchases (within the meaning of Section 316 of the Law) of the Subscription Shares provided that the Subscription Shares hereby authorised to be purchased shall be 14.99 per cent. of the Company’s issued Subscription Shares. The maximum price to be paid for the Subscription Share will not exceed the higher of (i) 5 per cent. above the average middle market quotations (as derived from the London Stock Exchange Daily Official List) for a Subscription Share for the 5 consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made and (ii) the value of a Subscription Share calculated on the basis of the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of Subscription Shares on the trading venue where the purchase is carried out. Any purchase will be made in accordance with the Law. Any Subscription Shares bought back by the Company will be cancelled.

(C) Words and expressions defined in the Admission Document shall have the same meaning in this Resolution.

2. **THAT** the Company continue in existence on the basis set out under the heading “Continuation Resolution” in the chairman’s letter in the Admission Document (as defined in Resolution 1 above).

By order of the Board

Apex Fund Services (Guernsey) Limited
Company Secretary
7 July 2014

Notes:

1. A member is entitled to appoint a proxy to exercise all or any of his or her rights to attend, speak and vote on his or her behalf at the Extraordinary General Meeting. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. To be valid, a Form of Proxy must be deposited so as to be received no later than 9.30 a.m. on 4 August 2014, with the Company's registrar, by one of the following methods: (i) by post to PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, (ii) by hand during normal business hours to the above address, or (iii) in the case only where Ordinary Shares are held in CREST, via the CREST Proxy Voting Service. A Form of Proxy accompanies this document. The return of a completed Form of Proxy does not preclude a member from attending and voting at the meeting in person.
3. Pursuant to Regulation 41 of the CREST Regulations, the Company specifies that only those Shareholders registered in the Register of Members of the Company as at 6.00 p.m. on 4 August 2014 or, in the event that the Extraordinary General Meeting is adjourned, 6.00 p.m. on the date which is two days before the date of the adjourned meeting, shall be entitled to attend and/or vote at the aforementioned meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries in the Register of Members after 6.00 p.m. on 4 August] 2014 or, in the event that the meeting is adjourned, in the Register of Members after 6.00 p.m. on the date which is two days before any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the articles of incorporation of the Company or other instrument to the contrary.
4. CREST Members who wish to appoint a proxy or proxies through the CREST Proxy Voting Service may do so for the Extraordinary General Meeting to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST Manual, which can be viewed at the Euroclear website (www.euroclear.com). CREST personal members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST Proxy Voting Service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrars (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time(s) of receipt will be taken to be the time(s) (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's Registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After such time(s), any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST Members and, where applicable, their CREST Sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST Sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST Sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the CREST Regulations.

5. Any member which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that each corporate representative is appointed to exercise the rights attached to a different share or shares held by that member.
6. Any member attending the Extraordinary General Meeting has the right to ask questions relating to the business of the meeting. The Company must cause any such question to be answered unless: (a) to do so would interfere unduly with the preparation of the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it would be undesirable to do so in the interest of the Company or the good order of the Extraordinary General Meeting.
7. A copy of this notice can be found at the Company's website, www.indiacapitalgrowth.com. Members may not use any electronic address provided in this notice of meeting (or the Admission Document or any related document) to communicate with the Company for any purposes other than those expressly stated.

