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If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your ordinary shares in India Capital Growth Fund Limited (the “**Company**”), please send this document (and accompanying Form of Proxy) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred part of your registered holding of ordinary shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

INDIA CAPITAL GROWTH FUND LIMITED

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

CONTINUATION VOTE, PROPOSED REDEMPTION FACILITY AND AMENDMENT TO THE ARTICLES

and

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice of the EGM of the Company to be held at 10:00 a.m. on 12 June 2020 at 1 Royal Plaza, Royal Avenue, St Peter Port Guernsey GY1 2HL is set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval of the Resolutions at the EGM. Shareholders are requested to complete and return their Form(s) of Proxy.

To be valid, Forms of Proxy for use at the EGM must be completed and returned in accordance with the instructions printed thereon to the Company’s Receiving Agent, or delivered by hand during office hours only to the same address as soon as possible and in any event so as to arrive by not later than 10:00 a.m. on 10 June 2020.

Your attention is drawn to the letter from the Chairman which recommends that you vote in favour of the Resolutions to be proposed at the EGM. Your attention is also drawn to the section entitled “Action to be Taken” in Part I of this document.

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Part I
Letter from the Chairman

INDIA CAPITAL GROWTH FUND LIMITED
*(Incorporated and registered in Guernsey under the Companies (Guernsey) Law,
2008 with registered number 43916)*

Directors

Elisabeth Scott (Chairman)
Peter Niven
John Whittle

Registered Office

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL

26 May 2020

Dear Shareholders

**CONTINUATION VOTE, PROPOSED REDEMPTION FACILITY AND
AMENDMENT TO THE ARTICLES**

and

NOTICE OF EXTRAORDINARY GENERAL MEETING

1 INTRODUCTION

I have to report to you that the Company has significantly underperformed its benchmark, the BSE Mid Cap Total Return Index, in the recent past. This underperformance means the Company is likely to fail the second part of its three-yearly assessment, which is defined below. As a result the Board has been carefully assessing, in the interests of you, the Shareholders, the best options for the future of the Company.

The choice is between winding up the Company at a time when Indian Mid-Cap and Small-Cap equities are trading at close to their 15-year lows; or taking strong measures to improve performance and provide Shareholders with a way to redeem the bulk of their holdings, if they wish, at a set date in the future.

The Board has weighed both options and is now putting before you our proposed way forward. These include extensive measures to improve performance, a redemption offer at the end of 2021 and a reduction in the fee the Company pays to the Investment Manager, Ocean Dial. Below you will see the detail of the Proposals and the reasons why the Directors are recommending that you vote for them at an Extraordinary General Meeting of the Company which will be held on 10 June 2020.

2 THREE-YEARLY ASSESSMENT

The Board carries out a formal assessment of the Company's performance every three years and a vote on the Company's continued existence is put to Shareholders only in the event that either of the following criteria are met:

- (a) the Company's monthly average market capitalisation over the past year is below £30 million; or

- (b) the Company's published diluted NAV per Ordinary Share has underperformed its benchmark by more than a cumulative five per cent. over the previous three years.

When the last three-yearly assessment was conducted in August 2017, both thresholds were comfortably exceeded and so no continuation vote took place.

Today, the Company is exceeding the first part of the test, with its monthly average market capitalisation over the past year at a little over £46 million. But with less than three months to go until 6 August 2020 (the date for the next three-yearly assessment), the Board regards it as unlikely that performance could improve sufficiently to exceed the second part of the test by then, since the diluted NAV per Ordinary Share fell 45.8 per cent from 7 August 2017 to 15 May 2020, giving a cumulative underperformance against the benchmark of 14.1 per cent.

From 7 August 2017 to 15 May 2020 there was a 31.7 per cent. decline in the benchmark index and the price of the Ordinary Shares fell 55.7 per cent. over the same period.

Enhancement to Investment Process and Team

In order to provide some background, I have detailed some of the recent changes made to the investment process and the team.

The Board reviews the performance of the investment portfolio quarterly and it monitors how stocks in the portfolio have contributed to performance. The Investment Manager, Ocean Dial, reports to the Board on activity in the portfolio and the reasons for any changes made. It also reviews the economic and stock market performance and gives an outlook for the coming months.

The Board met with the Investment Manager's owner (Aventus) and made plain its concerns about performance. As a result, Aventus and Ocean Dial have taken on additional experienced staff to strengthen the team devoted to managing the Company's portfolio. Details of this are in the 'Investment Manager's Review' below. Although there can be no guarantee of improved performance, the Board believes that the changes made are appropriate, bringing in experienced and qualified individuals, and are therefore encouraging for future performance.

In conjunction with the strengthening of the investment team, the Investment Manager has modified its stock selection process and selling discipline which has led to a careful re-orientation of the portfolio. Exposure to areas such as wholesale banking and consumer discretionary sectors, which contributed negatively to performance, have been reduced, as has exposure to highly valued companies where the holding was significant. The money raised has been invested in existing portfolio companies and new companies that Ocean Dial believes have the best medium term prospects. The Board is also pleased to see a lower cash weighting in the portfolio as stocks have become more attractively valued. These changes are already leading to improved performance. The Board will monitor this issue closely.

Given the strong likelihood of there needing to be a continuation vote this year and the changes made by the Investment Manager, the Board has decided to bring forward the date for proposing the Continuation Resolution and at the same time to put forward the Proposals, further details of which are set out below.

3 INVESTMENT MANAGER'S REVIEW

Introduction

The investment strategy is to build and manage a portfolio of Mid-Cap and Small-Cap Indian companies which share the qualities of proven management teams, strong cash flow generating assets and consistent earnings growth over the medium-term. In particular, the Investment Manager has oriented the portfolio towards companies with exposure to the rural consumer (where growth is expected to be greater than urban), smaller private sector banks (expected to benefit from the ongoing formalisation of India's financial system), and a selection of niche export ideas benefitting from highly skilled low cost labour (specifically in auto component manufacturing). Portfolio turnover averaged 15% per annum over the last six years.

Performance

Performance over the period from June 2017 has been poor. The table below shows the Company's absolute and relative performance both for the period under review and also for the previous three year period, when performance was stronger. Also shown is the period 1 January 2020 to the week ended 15 May 2020, the latest practicable date prior to printing of this circular, and which therefore particularly reflects the impact of the coronavirus crisis.

	30/06/14 – 30/06/17	30/06/17 – 30/04/20	31/12/19 - 15/05/20
India Capital Growth Fund's Rebased NAV Absolute Performance	113.8%	-41.7%	-29.4%
BSE MidCap Absolute Performance	97.1%	-23.9%	-21.8
India Capital Growth Fund's Relative Performance	16.7%	-17.8%	-7.6%
India Capital Growth Fund's CAGR	28.8%	-17.3%	N/A

Source: Ocean Dial Asset Management, Bloomberg

Macro Overview

In mid-2016 Mid-Cap valuations were high relative to Large-Caps and historical norms, so the Investment Manager sought to reduce risk by firstly reducing concentration and secondly investing in lower cap companies, where valuations were more compelling.

This modification did not work as hoped and led to poor performance, as the timing coincided with a broad market rotation into large capitalised companies and selling pressure on Mid-Cap and Small-Cap equities. Mid-cap underperformed Large-Cap, and Small-Cap underperformed both.

Post the re-election of Prime Minister Modi, India's administrators rolled out a series of policy initiatives designed to restructure the economy and set it on a path of sustainably higher

growth. In particular, the demonetisation experiment in 2016, the introduction the Goods and Services Tax (GST) of 2017 and the Insolvency and Bankruptcy Act (IBA) of 2018 impacted economic growth negatively and particularly domestic facing Mid-Cap and Small-Cap names. This was particularly so in rural India where measures were taken to reduce the inflationary impact of subsidised crop prices causing rural incomes to slow and damaged consumption. The collapse of lender IL&FS, a quasi-government run agency in September 2018 led to a severe liquidity and solvency crisis which hit domestic Mid-Cap and Small-Cap companies disproportionately and caused a knock-on impact to the private sector banks.

The portfolio's exposure to global trade was affected by the US China trade dispute and the global growth slowdown triggered by the coronavirus crisis.

Performance Overview

Although the portfolio's performance has been hampered by the relative underperformance of the Small-Cap and Mid-Cap sectors, there are positives to highlight:

- At the sector level the disappointments were partially offset by strong performance in Information Technology, Agro Chemicals and Pharmaceuticals. This was driven by positive stock selection from the Company's holdings in NIIT Technologies, PI Industries, Divi's Laboratories and Balkrishna Industries in particular, none of which form a part of the benchmark.
- However, returns to Shareholders were severely affected by poor stock selection including specific examples such as Yes Bank and Dewan Housing (financials), Manpasand Beverages and Jyothy Laboratories (consumer), and Motherson Sumi Systems (auto component manufacturing).
- In addressing the issue of poor performance, the Investment Manager has taken several steps. First, the research team has been materially strengthened (from 4 to 7) with the appointment of a co-Head of Equity (with 30 years' experience) and two analysts, one senior and one junior.
- In addition, and following a rigorous review process, several incremental measures were introduced to strengthen the investment process, but without altering the investment strategy *per se*. The first was to create a 'focus list' of circa 140 companies, which now forms the investible universe from which the Investment Manager constructs the portfolio. This enables greater analytical depth and stronger conviction. Financial models of companies included in the universe are integrated via the team data analyst who is responsible for building the "ranking tool". This tool ranks the potential investee companies in order of the team's expectation of upside to value. The ranking tool does not dictate the portfolio construction process but strengthens the team's sell discipline in particular, providing the Investment Manager with objectivity and a clearer understanding of the relative opportunity that a particular stock offers. Turnover in the portfolio has increased commensurately and is now expected to stabilise at 20%-25%.
- Artificial Intelligence tools (AI) have been introduced to the screening and monitoring process through a tool that pulls information on an investee company from multiple sources of unstructured data onto a single dashboard that is readily accessible by the investment team.

- Integral to this enhanced process is the opportunity the investment team now has to work alongside Ocean Dial's key shareholders and related entities on the ground in India, where appropriate to do so. The potential benefits are material in this regard, as the team is better able to leverage associates' depth of knowledge and strong relationships, helping to identify key shifts in consumer or business activities (by way of example) in a timely and productive manner.
- Recently the Investment Manager closed the Emerging India Fund (a Mid-Cap and Small Cap open ended alternative to India Capital Growth Fund). The closure has significantly reduced the number of stocks under ownership, freeing up the investment team's bandwidth and supporting more productive portfolio construction to the benefit of Shareholders.

Outlook

It is expected that India's Mid and Small-Cap sector will regain investors' attention in anticipation of an economic recovery in India back to, at least, the historical growth rate of around six per cent. a year. The beneficial, longer term impact of structural reforms made by Prime Minister Modi should also help drive a higher and more sustainable level of economic growth, improving corporate earnings expectations and equity multiples.

Analysis of historic market valuations shows that Mid and Small-Cap Indian equities are trading at close to 15-year lows. Therefore, despite the near-term uncertainty around corporate profits, the investment risk/reward outlook is highly attractive. A recovery in Mid and Small-Cap equity performance in India, combined with a more robust and focused investment process should lead to a positive outcome for Shareholders over the investment cycle ahead.

4 **THE PROPOSALS**

Despite the Company's underperformance and taking account of the Investment Manager's outlook for the Company's investments, the Board considers that there is good potential for the Company's performance to improve markedly. The Board is therefore proposing that the Company should continue on the basis of the Proposals described below:

- the introduction of the Redemption Facility, giving Shareholders the right to request the redemption of part or all of their shareholding on 31 December 2021 and every second year thereafter at an Exit Discount equal to a maximum of a six per cent. discount to NAV per Redemption Share; and
- a change to the Investment Manager's fee from 1.25 per cent. of Total Assets per annum, to the lower of 1.25 per cent. of average market capitalisation (calculated on a daily basis) per annum or 1.25 per cent. of Total Assets per annum with effect from 1 July 2020, with a further review of the Investment Manager's fee in 2022.

Given the existence of the Redemption Facility, the requirement for a three-yearly continuation vote would terminate and accordingly the Continuation Resolution is conditional on the passing of the special Resolution to amend the Articles to include the Redemption Facility.

5 **BENEFITS OF THE PROPOSALS**

The Directors believe that the Proposals will benefit Shareholders through:

- being able to redeem some or all of their shareholding, without being reliant on the market liquidity of the Ordinary Shares;
- progressively reducing the discount at which the Ordinary Shares trade compared to NAV per Ordinary Share;
- addressing, through the Redemption Facility and the issue of Ordinary Shares from treasury, market imbalances in the supply of, and demand for, the Ordinary Shares;
- an uplift in NAV per Ordinary Share for the Company and continuing Shareholders as a result of the Exit Discount applied to the Ordinary Shares that are redeemed;
- a greater likelihood that the value of the Ordinary Shares will reflect the prospects of the Company's investment strategy; and
- a reduction in the operating costs of the Company and a more effective alignment between the Investment Manager and Shareholders by switching the Investment Manager's fee calculation from Total Assets to market capitalisation.

6 CONSEQUENCES IF THE PROPOSALS ARE NOT APPROVED

If Special Resolution 4 to approve the Redemption Facility is not passed, the Continuation Resolution will not become unconditional and the Board will be obliged to put forward to Shareholders proposals to wind-up, reorganise or reconstruct the Company. Accordingly, if the Continuation Resolution is not passed, the Board would intend to put forward proposals to enable Shareholders to realise their investment.

Given the extremely volatile market environment and the as yet unknown impact of Covid-19 on India, the Board considers that the realisation of the Company's portfolio of investments at the present time is likely to result in sub-optimal returns for Shareholders and is not in the interests of the Company or of Shareholders as a whole.

7 REDEMPTION FACILITY

In order to implement the Proposals, the Board proposes amending the Articles to introduce a redemption facility subject to the terms set out in New Article 132 and further described below.

If the Proposals are approved, Shareholders wishing to redeem some or all of their Ordinary Shares may apply to do so at a price equal to the realised value from the disposal of a *pro rata* share of the Company's portfolio (representing the aggregate assets attributable to Ordinary Shares held by redeeming Shareholders at the relevant Redemption Point) (the **Redemption Pool**) less an Exit Discount. The Exit Discount will be a percentage of the value of the Redemption Pool and, after the deduction of the costs of realisation, and brokers' commission in the case of matched Redemption Requests, will be applied for the benefit of continuing Shareholders by creating an uplift in the NAV per Ordinary Share. The Exit Discount will be an amount determined at the Board's discretion but may not exceed an amount equal to a six per cent. discount to the NAV per Redemption Share. Should the number of Redemption Requests be so substantial as in the opinion of the Directors so as to impair the future viability of the Company to a material degree, the Directors, in their discretion, may cancel the redemption and instead bring forward proposals to enable Shareholders to realise their investment in full. Whilst not limiting their discretion in this matter, the Board would, at the present time, view a fund below £40 million of net assets as being materially impaired as regards future viability.

Subject to the passing of the Resolutions, the first Redemption Point for the Ordinary Shares will be 31 December 2021. Shareholders who hold Ordinary Shares at close of business on 30 September 2021 (the Record Date for the first Redemption Point) will be able to request the redemption of some or all of their Ordinary Shares at the first Redemption Point. Thereafter, Shareholders will be able to request the redemption of some or all of their Ordinary Shares on any subsequent Redemption Point, provided that they held the relevant Ordinary Shares at the immediately preceding Record Date. Shareholders who wish to redeem some or all of their Ordinary Shares at any Redemption Point should follow the procedures outlined in Part II of this document.

Shareholders should note that the final realised value per Ordinary Share in the Redemption Pool may be materially different to the published, unaudited NAV per Ordinary Share at the relevant Redemption Point. This is largely because the realised value will be subject to movements in the Indian markets and to fluctuations in the INR/GBP exchange rate.

The Directors will have discretion to accept or decline in whole or part any Redemption Request. The Directors may decline a Redemption Request where they consider that declining the Redemption Request will be in the best interests of Shareholders as a whole. Examples of circumstances where this might be the case are described in section 2 of Part II of this document. The Board will also decline a Redemption Request where the Company would no longer be able to satisfy the solvency test pursuant to the Companies Law, immediately following any such redemption.

The Directors will consider Rule 9 of the Takeover Code when considering any Redemption Requests and the acceptance of such Redemption Requests may be conditional on obtaining an appropriate waiver in accordance with Rule 37 of the Takeover Code. Further details of considerations that Shareholders should be aware of with regard to the Takeover Code are described in Section 12 of this Letter.

Shareholders should note that neither the Company, nor any of the Directors, nor the Investment Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising, or if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fails to take appropriate action.

The Board, with the Investment Manager's advice, will seek to ensure that the redemption of Ordinary Shares does not adversely affect continuing Shareholders' prospects nor the Company's investment strategy. However, Shareholders should be aware that in certain circumstances ongoing redemptions may lead to a more concentrated and less liquid portfolio which may adversely affect the secondary market liquidity in the Ordinary Shares.

8 MATCHED REDEMPTION REQUESTS

The Company may seek to satisfy Redemption Requests by matching such requests with demand for Ordinary Shares from incoming investors. In such circumstances, the Company, on behalf of a Shareholder, will arrange the sale of some or all of the Ordinary Shares that are the subject of the Redemption Request to an incoming investor at the Redemption Price. Shareholders should refer to section 7 of Part II of this document for further details.

9 BUYBACK POWERS AND TREASURY SHARES

The Company's existing authority to buy back existing Ordinary Shares will require renewal as the authority will lapse at the Company's next annual general meeting (**AGM**) in September

2020. The Directors are therefore seeking Shareholder approval at the EGM for the taking of authority to buy back up to 14.99 per cent. of the issued share capital of the Company at the date of the EGM.

The authority will lapse at the conclusion of the AGM of the Company to be held in 2021. A similar buy-back authority will be sought at each subsequent AGM.

The Directors will only make repurchases through the market at prices below the relevant prevailing Net Asset Value per Ordinary Share (after allowing for costs) under the guidelines established from time-to-time by the Board. Purchases of Ordinary Shares may be made only in accordance with the Companies Law. Under the Market Abuse Regulation (EU) No. 596/2014, the maximum price that may be paid by the Company on the repurchase of any Ordinary Shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations for the Ordinary Shares for the five business days immediately preceding the date of purchase or, if higher, the amount stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation.

Shareholders should note that the purchase of Ordinary Shares by the Company is at the absolute discretion of the Directors and is subject to the working capital requirements of the Company, the amount of cash available to the Company to fund such purchases and the Company satisfying the solvency test pursuant to the Companies Law. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

Any Ordinary Shares repurchased pursuant to the general authority referred to above will be cancelled or held in treasury. These Ordinary Shares held in treasury may subsequently be cancelled or sold for cash. This would give the Company the ability to sell Ordinary Shares held in treasury quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. Unless authorised by Shareholders, Ordinary Shares will not be sold from treasury at a price less than the Net Asset Value per Ordinary Share at the time of the sale unless they are first offered *pro rata* to existing Shareholders.

10 FURTHER SHARE ISSUES AND DISAPPLICATION OF PRE-EMPTION RIGHTS

The Board is proposing that the Shareholders authorise the Directors to allot new Ordinary Shares up to one third of the nominal value of the Company's issued share capital as at 15 May 2020 and to permit new Ordinary Shares representing up to 20 per cent. of the Company's issued share capital to be issued free from the pre-emption rights contained within the Articles.

The authority to issue new Ordinary Shares and disapply pre-emption rights will lapse at the conclusion of the AGM of the Company to be held in 2021. A similar authority will be sought at each subsequent AGM.

While the one third figure is market standard and consistent with corporate governance guidance, the extent of the proposed disapplication of pre-emption rights exceeds the best practice recommendations of the Pre-Emption Group (which stipulate that, in ordinary circumstances, such disapplication should be limited to 5 per cent. of a company's issued share capital and, where relevant, an additional 5 per cent. in connection with certain specific transactions in the contemplation of that company's board). Having considered this guidance, the Board is comfortable with the form of Resolution 3 on the basis that the increased flexibility

sought pursuant to Resolution 3 is appropriate for an investment company, as new Ordinary Shares will only be issued at or above Net Asset Value per Share, and justifiable having regard to the dynamic nature of the Indian market.

11 **AMENDMENT TO ARTICLES OF INCORPORATION**

In order to give effect to the Proposals, it will be necessary to amend the Articles to provide for the Redemption Facility and to make two further consequential amendments. Shareholders will be asked to approve the necessary amendments to the Articles at the EGM.

12 **THE TAKEOVER CODE**

Given the introduction of the redemption opportunities and buyback powers as set out above, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested), carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, such person is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold more than 50 per cent. of the voting rights of such company and such person, or any person acting in concert with him, acquires an interest in any other shares which increase the percentage of shares carrying voting rights in which he is interested in, such person will normally be required to make a general offer to all the remaining shareholders to acquire their shares.

Under Rule 37 of the Takeover Code when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. A Shareholder who is neither a Director or the Investment Manager nor acting in concert with a Director or the Investment Manager will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code.

However, under Note 2 to Rule 37 of the Takeover Code where a shareholder has acquired an interest in shares at a time when he had reason to believe that a redemption or a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory offer under Rule 9 of the Takeover Code may be imposed.

The Redemption Facility and buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with existing significant shareholdings. The Redemption Facility and buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback or when considering Redemption Requests the Board will take careful consideration to potential Rule 37 and Rule 9 implications of the Takeover Code detailed above and when necessary will seek an appropriate waiver in accordance with Note 2 of Rule 37.

13 **TAXATION**

Details of the tax treatment of redemption, Ordinary Share buybacks and the sale of Ordinary Shares on a matched redemption request basis can be found in Part III of this document.

Shareholders considering disposing of their Ordinary Shares are advised to consider their investment objectives and their own individual financial and tax circumstances. Shareholders who are in any doubt as to their tax position should seek advice from their own professional adviser.

To ensure that disposal proceeds are not taxed as offshore income gains, the Company will be making the necessary application for reporting fund status. Further details on reporting fund status are set out under the sub-heading “The Company” in the section “United Kingdom Taxation” in Part III of this document.

14 **AMENDMENT TO INVESTMENT MANAGEMENT AGREEMENT**

The Investment Manager has agreed that, as of 1 July 2020, the management fee payable under the investment management agreement will be changed from 1.25 per cent. per annum of Total Assets to the lower of 1.25 per cent. per annum of average market capitalisation (calculated on a daily basis) or 1.25 per cent. per annum of Total Assets. In addition, the Board and the Investment Manager have agreed to a further review in 2022 of the Investment Manager’s fee with a view to a reduction, with any resulting change to take effect from 1 July 2022.

The Directors, who have been advised by Shore Capital, consider the amendment to the Manager’s fee, which falls within LR 11.1.10 R of the Listing Rules concerning transactions between related parties, to be fair and reasonable as far as Shareholders are concerned and in the best interests of the Company.

15 **EXTRAORDINARY GENERAL MEETING**

The Proposals require approval of the Shareholders by the passing of the Resolutions. A notice convening the EGM to be held at 10:00 a.m. on 12 June 2020 is set out at the end of this document.

The Resolutions at the EGM are as follows:

- the first resolution, which is conditional upon the passing of the fourth resolution, is to approve the continuation of the Company as currently constituted;
- the second resolution, which is conditional upon the passing of the first resolution, is to authorise the Company to allot new Ordinary Shares up to one third of the nominal value of the Company’s issued share capital as at the date on which the Resolutions are passed;
- the third resolution, which is conditional upon the passing of the first resolution, is to approve the disapplication of pre-emption rights on the allotment of new Ordinary Shares representing 20 per cent. of the issued share capital;
- the fourth resolution is to approve amendments to the Articles to provide for the Redemption Facility and two further consequential amendments; and
- the fifth resolution, which is conditional upon the passing of the first resolution, is to renew the Company’s authority to undertake market purchases of its Ordinary Shares.

The first two Resolutions will be proposed as ordinary resolutions and the third, fourth and fifth Resolutions will be proposed as special resolutions.

At the EGM, every member present in person or (being a corporation) by representative or by proxy shall, on a show of hands, have one vote and, on a poll, shall have one vote for every Ordinary Share held by him. The quorum requirement for the EGM is not less than two Shareholders entitled to be present by person or by proxy (or, if by a corporation, by a representative).

If the fourth Resolution is not passed and so the first Resolution if passed, does not become unconditional, the Directors will formulate proposals to be put to Shareholders as soon as is reasonably practicable but, in any event, by no later than three months after the date of the EGM, to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Shareholders to realise their holdings in the Company.

16 **ACTION TO BE TAKEN**

You will find enclosed with this document the Form of Proxy for use by Shareholders in relation to the EGM. You are requested to complete this form in accordance with the instructions printed on it as soon as possible.

To be valid, completed Forms of Proxy must be received by the Receiving Agent at Neville Registrars Limited, Neville House, Steelpark Road, West Midlands B62 8HD so as to be received not later than 10:00 a.m. on 10 June 2020 or, if the meeting is adjourned, no later than 48 hours before the time for holding the adjourned meeting.

As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at www.sharegateway.co.uk using the Shareholder's personal proxy registration code as shown on the Form of Proxy. For an electronic proxy appointment to be valid, your appointment must be received by no later than 10:00 a.m. on 10 June 2020.

If you hold Ordinary Shares in CREST you should appoint a proxy by completing and transmitting a CREST Proxy Instruction to Neville Registrars Limited (CREST Participant ID: 7RA11) so it is received by CREST no later than 10:00 a.m. on 10 June 2020 or, if the meeting is adjourned, no later than 48 hours before the time for holding the adjourned meeting.

The Company considers the well-being of Shareholders and attendees as top priorities. In light of the current Covid-19 restrictions in Guernsey, it is not expected that Shareholders will be able to attend in person, by corporate representative or by a proxy other than the Chairman of the meeting. Accordingly, the Board encourages all Shareholders to appoint the Chairman as a proxy as early as possible in order to vote on the matters being considered at the EGM. Should this position change, the Company will release an announcement prior to the EGM to confirm the position in line with the latest guidelines and restrictions in place.

In line with corporate governance best practice, and in order that any proxy votes of those Shareholders who are not allowed to attend and to vote in person are fully reflected in the voting on the resolutions, the Chairman of the meeting will direct that voting on all resolutions set out in the notice of EGM will take place by way of a poll. The final poll vote on each resolution will be published immediately after the EGM on the Company's website www.indiacapitalgrowth.com.

As it is not expected that Shareholders will be permitted to attend the EGM in person, the Company is proposing to give Shareholders the opportunity to raise any issues or concerns arising from the Proposals ahead of the meeting. Questions should be emailed to

info@indiacapitalgrowth.com before 10 June 2020 and responses will be posted on the Company's website on the afternoon of the EGM.

If you have any questions relating to this document or the completion and return of the Form of Proxy or CREST Proxy Instruction, please call Neville Registrars Limited on telephone number 0121 585 1131 or, if telephoning from outside the United Kingdom, on +44 121 585 1131. Please note that no advice on the contents of this document nor on the matters to be voted upon at the EGM nor any financial, legal or tax advice can be given by Neville Registrars Limited and accordingly for such advice you should consult your stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

This document is available in electronic form on the Company's website at <http://www.indiacapitalgrowth.com>.

17 **RECOMMENDATION**

The Directors, who have been advised by Shore Capital, consider that the Proposals and the Resolutions to be proposed at the EGM are in the best interests of the Company and Shareholders as a whole. In providing advice to the Board, Shore Capital has placed reliance on the Directors' commercial assessments.

The Directors unanimously recommend that Shareholders vote in favour of each of the Resolutions at the EGM as the Directors intend to do in respect of their own beneficial and non-beneficial holdings of Ordinary Shares (amounting in aggregate to 92,500 Ordinary Shares, representing approximately 0.08 per cent. of the issued share capital of the Company as at the date of this document).

Yours faithfully

Elisabeth Scott

Chairman

PART II

REDEMPTION OF SHARES

The mechanics of the Redemption Facility are set out in New Article 132 which is proposed to be adopted at the EGM. The provisions of New Article 132 are detailed below.

1 Redemption procedure

The Directors shall be entitled at their absolute discretion to determine the procedures for the redemption of the Ordinary Shares (subject to the facilities and requirements of CREST, the CREST Regulations and the Companies Law). Without prejudice to the Directors' discretion, it is intended that the procedure described below shall apply.

Redemptions may take place on any Redemption Point. Upon redemption all Ordinary Shares redeemed shall be cancelled.

Shareholders may request the repurchase of all or any of their Ordinary Shares on any Redemption Point, provided that the relevant Ordinary Shares were registered in their name at the immediately preceding Record Date, being three months before the Redemption Point in each year in which a Redemption Point occurs.

A Shareholder who holds Ordinary Shares in certificated form shall request the redemption of all or any of their Ordinary Shares on any Redemption Point by the Shareholder delivering to the Receiving Agent a duly completed Redemption Request, together with the certificate(s) in respect of the Ordinary Shares which are the subject of the Redemption Request and such other evidence or information as the Directors may request as to the due execution by him of the Redemption Request or, if the Redemption Request is executed by some other person on his behalf, the authority of that other person to do so.

Redemption Request forms will be available upon request from the Receiving Agent and on the Company's website (www.indiacapitalgrowth.com).

Shareholders holding Ordinary Shares in uncertificated form (that is, in CREST) who request the redemption of all or any of their Ordinary Shares shall send a properly authenticated Transfer to Escrow ("TTE") instruction to effect the transfer of the number of Ordinary Shares which the Shareholder wishes to redeem from his CREST account to the Receiving Agent's specified CREST account. The transfer to the Receiving Agent's CREST account must be effected no later than 3.00 p.m. on the relevant Redemption Point. Following the transfer to the Receiving Agent's CREST account and pending redemption of all or part of the Ordinary Shares, such Shareholders shall not be entitled to dispose of, encumber, charge or deal in any way whatsoever with the Ordinary Shares which have been so transferred except in the circumstances described below. In order for a TTE instruction to be valid, it will need to comply with the requirements set out in section 8 of this Part II.

Redemption Requests for Ordinary Shares held in certificated or uncertificated form shall not be valid (unless the Company otherwise agrees) unless they are received by the Receiving Agent no later than 3.00 p.m. on the relevant Redemption Point and, accompanied by the original share certificate(s) or TTE message.

Other than during any period of suspension of trading of the Ordinary Shares or during any period when the calculation of the NAV of the Company is suspended, a Redemption Request once given cannot be withdrawn otherwise than with the prior consent of the Company (which

the Directors shall be entitled in their absolute discretion to withhold), but shall only be deemed to have effect in relation to the next Redemption Point following its valid delivery and receipt and not in relation to any subsequent Redemption Point.

During any period of suspension of trading of the Ordinary Shares, or during any period when the calculation of the NAV of the Company is suspended an applicant may, by notice in writing, withdraw his request for redemption. If the request is not withdrawn it shall have effect, subject to the Directors' discretion, on the Redemption Point immediately following the date on which trading of the Ordinary Shares or calculation of the NAV of the Company, as appropriate, ceases to be suspended.

The Directors reserve the right to treat as valid Redemption Requests which are not entirely in order and which are not accompanied (in the case of Ordinary Shares held in certificated form) by the relevant share certificate(s) and/ or other document(s) of title or a satisfactory indemnity in lieu thereof and shall be entitled (in their sole discretion) to accept late Redemption Requests.

2 Directors' discretion

The Directors will have discretion to accept or decline in whole or part any Redemption Request. The Directors may decline a Redemption Request where they consider that declining the Redemption Request will be in the best interests of Shareholders as a whole. Examples of circumstances where this may be the case include: redemption requests for a large number of Ordinary Shares (including requests such that the Directors may instead propose an alternative future for the Company rather than allowing it to continue at a size that is uneconomic to operate); a suspension of trading or volatility in the markets in which the Company's assets are invested; corporate actions, including those to which the Takeover Code applies; or where obligations to comply with regulatory requirements so necessitate. Accordingly, existing and prospective Shareholders should place no reliance on the Directors exercising their discretion to permit a Redemption Request in any particular case. The Directors' determination as to whether to permit or decline a Redemption Request (in whole or in part), together with their reasoning for their decision, will be documented.

The Directors will also refuse a Redemption Request where the Company would no longer satisfy the solvency test for the purposes of the Companies Law immediately following the completion of the Redemption Request.

3 Redemption Price

The Directors will procure the calculation of the Redemption Price applying on any Redemption Point by reference to the amount generated upon the realisation of a Redemption Pool created for the purpose of funding the redemptions after the deduction of the Exit Discount. The Redemption Price shall be calculated in the manner specified in section 4 of this Part II.

The Exit Discount will be equal to an amount of no more than six per cent. discount to NAV per Redemption Share as determined for each Redemption Point by the Board at its discretion. The Board will make an announcement via a Regulatory Information Service of the applicable Exit Discount at least one month in advance of the relevant Redemption Point.

4 **Calculation of Redemption Price and the Redemption Pool**

4.1 Redemptions will be funded through the use of a Redemption Pool. In accordance with proposed New Article 132, the Company will notionally divide its assets and liabilities into two

4.2 pools:

- (a) the Redemption Pool, which will consist of cash and assets representing the aggregate unaudited Net Asset Value as calculated by the Administrator at the Valuation Point attributable to the Redemption Shares; and
- (b) the Continuing Pool, which will contain all of the other cash, assets and liabilities of the Company representing the aggregate unaudited Net Asset Value attributable to the remaining Ordinary Shares (being those Ordinary Shares which are not Redemption Shares).

4.3 The investment portfolios of the Continuing Pool and the Redemption Pool will be reorganised in the period leading up to the date on which the Redemption Price is settled as follows:

- (a) the assets of the Redemption Pool shall be liquidated and the proceeds retained solely as cash in INR and converted into Sterling; and
- (b) the assets of the Continuing Pool shall be adjusted if and as necessary so that the Continuing Pool complies with the investment objectives of the Company.

4.4 The Exit Discount shall be deducted from distributions made out of the realised proceeds of the Redemption Pool and shall be applied in the first instance in payment of the related costs of realisation and (in the case of matched Redemption Requests as referred to in paragraph 7 below) brokers' commission. The balance of the Exit Discount shall be transferred to the Continuing Pool to benefit continuing Shareholders.

4.5 In respect of any Redemption Point, the Redemption Price per Redemption Share shall be equal to the aggregate cash received by the Company upon the realisation of the Redemption Pool in accordance with paragraph 4.2(a) less the Exit Discount divided by the number of Redemption Shares.

4.6 Any determination of the Redemption Price made in accordance with the valuation policies from time to time adopted by the Board shall be binding on all parties. Neither the Board, the Administrator, Auditor nor the Investment Manager shall be responsible to any member or any other person in respect of all or any acts done in carrying out their duties in relation thereto in the absence of fraud, negligence or wilful default.

5 **Settlement of Redemption Shares**

Within three Business Days after the relevant Redemption Point, the Company shall announce the number of Redemption Shares.

Save where the number of Redemption Shares is large and/or where markets are unusually volatile, within 20 Business Days after the relevant Redemption Point, the Company shall announce the Redemption Price per Ordinary Share and shall dispatch the redemption monies to those Shareholders whose Ordinary Shares have been redeemed. The Redemption Price will be payable in Sterling. In circumstances where the number of Redemption Shares is large and/or where markets are unusually volatile, within 20 Business Days after the relevant Redemption Point the Company will announce the expected timing for the realisation of the

Redemption Pool and payment of the Redemption Price. In such circumstances, payment of the Redemption Price may be made in instalments.

The Company shall not be liable for any loss or damage suffered or incurred by any Shareholder or other person as a result of or arising out of late settlement, howsoever such loss or damage may arise.

Payment of the Redemption Price in respect of Redemption Shares in certificated form will be made by cheque made payable to the relevant Shareholder, or in the case of joint holders, to such relevant joint holders or to such person or persons as the relevant Shareholder or all the relevant joint holders may direct in writing and shall be sent (at the risk of the relevant Shareholders) to the address of the Shareholder as entered in the register of members in respect of such shares. Despatch of payment of the cheques or payment in CREST shall be in satisfaction of the Redemption Price represented thereby. Every such cheque will be sent through the post shall be sent by first class post to a UK address.

Payment of the Redemption Price in respect of Redemption Shares held in uncertificated form will take place through CREST by electronic transmission.

The Company shall procure that in relation to any Ordinary Shares held in certificated form which have not been redeemed, a balance certificate in respect of such number of unredeemed shares shall be sent to the address of the Shareholder as entered in the register of members within 10 Business Days after settlement of the Redemption Price.

The Company shall procure that in relation to any Ordinary Shares held in uncertificated form which have not been redeemed, the Transfer Agent will, as soon as reasonably practicable after the Relevant Point, send instructions to CREST to transfer the relevant number of Ordinary Shares held in the Receiving Agent's CREST account to the original CREST account of the Shareholder concerned.

All documents, instructions and remittances sent by, to or from a Shareholder or their appointed agents will be sent at their own risk.

6 Effect of Substantial Redemption Requests

The Board will review the number of Ordinary Shares for which valid Redemption Requests are received for the purposes of considering the viability of the Company after implementation of the redemption. Should the number of Redemption Requests be so substantial as, in the Directors' opinion, to impair the future viability of the Company to a material degree, the Directors, in their discretion, may cancel the redemption and instead bring forward proposals to enable all Shareholders to realise their investment.

7 Matched Redemption Requests

The Company, through its brokers, may, prior to a Redemption Point, in its sole discretion, invite investors to purchase, at the Redemption Price, Ordinary Shares which are the subject of Redemption Requests. In circumstances where there are investors willing to acquire Ordinary Shares which are the subject of Redemption Requests at a Redemption Point at the Redemption Price, all or some of the Ordinary Shares which are the subject of Redemption Requests may not be redeemed by the Company but instead may be transferred to the incoming investor(s) with effect from the relevant Redemption Point.

Shareholders submitting Redemption Requests are deemed to have authorised the Company to sell through its brokers all or any of their Ordinary Shares that are the subject of the Redemption Requests as at a Redemption Point to an incoming investor for the Redemption Price.

If there is demand from incoming investors to acquire some of the Ordinary Shares that are the subject of Redemption Requests as at a Redemption Point at the Redemption Price, the Company may select holdings of Ordinary Shares that are the subject of Redemption Requests from Shareholders as at the Redemption Point to satisfy incoming investor demand. Selection of such holdings of Ordinary Shares may be by random ballot, first come/first served basis, *pro rata* or such other equitable means as the Directors determine. Shareholders who are selected shall have all of their Ordinary Shares that are the subject of the Redemption Requests sold to incoming investors, except for the final Shareholder that is selected who will have such proportion of his or her Ordinary Shares sold to incoming investors to satisfy the remaining demand. The remainder of the Ordinary Shares that are the subject of the Redemption Requests may be redeemed by the Company at the Redemption Price. However, the Directors have discretion to sell to incoming investors which are the subject of Redemption Requests without otherwise having to exercise their discretion to redeem any other Ordinary Shares which are the subject of Redemption Requests.

8 Redemption of Ordinary Shares held in uncertificated form: additional information

8.1 Shareholders who wish to redeem shares held in CREST will, instead of submitting a written Redemption Request, need to send a properly authenticated TTE instruction. A valid TTE instruction will need to include the following particulars:

- 8.1.1 the number of Ordinary Shares being tendered for redemption;
- 8.1.2 the participant ID of the holder of the Ordinary Shares;
- 8.1.3 the member account ID of the holder of the Ordinary Shares, being the account from which the Ordinary Shares are to be debited;
- 8.1.4 the participant ID of the Receiving Agent, which is **7RA11**;
- 8.1.5 the member account ID of the Receiving Agent, which is **INDIA**;
- 8.1.6 the corporate action number;
- 8.1.7 the corporate action ISIN number; and
- 8.1.8 the intended settlement date which must be on or before 3.00 p.m. on the relevant Redemption Point.

Details of the particulars referred to in 8.1.2, 8.1.6 and 8.1.7 can be obtained by viewing CREST prior to submission of the TTE instruction.

8.1.9 CREST members and (where applicable) CREST sponsors should note that Euroclear does not make available special procedures in CREST, for any particular corporate action. Normal system timing and limitations will therefore apply in relation to the input of a TTE instruction and its settlement in connection with the exercise of the rights attaching to the Ordinary Shares held in CREST. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such

action as shall be necessary to ensure that a TTE instruction is effected and settled by 3.00 p.m. on the relevant Redemption Point. In this connection, CREST members and (where applicable) their CREST sponsors, are referred in particular to those sections of the CREST Manual concerning the practical limitation of the CREST system and timings.

8.2 The Company in its sole discretion may:

- 8.2.1 accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor in substitution for or in addition to a TTE instruction and subject to such further terms and conditions as the Company may determine;
- 8.2.2 treat a properly authenticated instruction (in this paragraph 8.2.2, the “first instruction”) as not constituting a valid TTE instruction if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent have received actual notice from Euroclear of any matters referred to in Regulation 34 of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- 8.2.3 accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a TTE instruction or notification, in the event that, for reasons or due to circumstances outside the control of the CREST member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable to validly request the redemption of his Ordinary Shares by means of the procedures described above. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Transfer Agent in connection with CREST.

PART III
TAXATION

Guernsey Taxation

Stamp Duty

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

Shareholders

Shareholders who are resident in Guernsey, Alderney or Herm will incur Guernsey income tax on any dividends paid to them in respect of their Shares. No deduction of tax from any dividends payable by the Company will be made but the administrator of the Company will provide details of any distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm, or who carry out business there through a permanent establishment, to the Director of Income Tax in Guernsey.

Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of, or in connection with, the acquisition, holding or disposal of their Ordinary Shares.

United Kingdom Taxation

The following summary, which should be read as a whole, is intended to offer general guidance on the United Kingdom tax treatment of the Company and of an investment in the Company to Shareholders who are resident and domiciled in and only in the United Kingdom for tax purposes and who hold their Shares legally and beneficially as an investment. It does not address all possible United Kingdom tax consequences relating to an investment in the Company or to particular categories of Shareholders (such as dealers in securities and insurance companies), save where expressly mentioned below, some of which may be subject to specific United Kingdom tax rules.

The following summary is based on current law and generally published HM Revenue & Customs (“HMRC”) practice, each of which is subject to change, possibly with retroactive effect. The summary is believed to be correct as at 15 May 2020, the latest practicable date before the posting of this document.

The tax treatment of a particular Shareholder will depend on the individual circumstances of such investor and may be subject to change. Potential investors should seek appropriate independent professional advice on the tax consequences for them of making, holding and disposing of and receiving distributions or other payments in respect of an investment in the Company under the laws of the jurisdictions in which they are liable to taxation including the United Kingdom, to the extent that they are in any doubt about the tax consequences for them of acquiring, holding and disposing of Shares. None of the Company, the Investment Manager or Shore Capital, or any of their respective officers, directors, members, employees, advisers or agents can take any responsibility in this regard. Levels and bases of taxation in relevant jurisdictions are subject to change.

The Company

On the basis that (1) the central management and control of the Company is not undertaken in the United Kingdom (2) the assets of the Company do not include direct or indirect interests in UK real estate or UK property rich companies, and (3) provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated therein, the Company should not be liable to United Kingdom income or corporation tax on its income or capital gains.

Should the Company invest in the United Kingdom, any United Kingdom source income may be received subject to the deduction of withholding tax at source.

The Directors have been advised that, as a consequence of the implementation of the Proposals and specifically the introduction of the Redemption Facility, the Company is likely to be treated as an "offshore fund" for the purposes of the Taxation (International and Other Provisions) Act 2010. Under this legislation, any gain arising on the sale, disposal or redemption of an interest in an offshore fund will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where an offshore fund is accepted by HMRC as a "reporting fund" throughout the period during which interests in the Company have been held.

It is the intention of the Directors that the Company should apply for reporting fund status for the current and subsequent accounting periods during which the Company is an offshore fund.

A reporting fund must report to each United Kingdom tax resident Shareholder such Shareholder's share of the income of the offshore fund each year. This will be taxable in the hands of the Shareholder as income (and, subject to what is said below regarding offshore funds that invest more than 60 per cent. of their assets in debt and debt-like investment) as a dividend, regardless of whether or not it is distributed to the Shareholder.

To ensure that disposal proceeds are not taxed as offshore income gains, the Company will be making the necessary application for reporting fund status. The Company is expected to be accepted as a reporting fund for as long as it meets all of the qualifying conditions until notice is given to HMRC that it intends to leave the regime or HMRC excludes it from participation.

Shareholders – taxation of capital gains

Assuming that the Company remains a reporting fund as above, the disposal of Ordinary Shares should be subject to capital gains tax or corporation tax on chargeable gains. Individuals may have their gains reduced by capital losses and annual exemptions, and companies subject to United Kingdom corporation tax may have their gains reduced by allowable capital losses and indexation allowance (up to 31 December 2017), where applicable.

The tax position for Shareholders who are not holding Ordinary Shares as an investment (for example, any Shareholders that act as dealers) will be subject to different rules.

The attention of persons resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the provisions of section 3 of Taxation of Chargeable Gains Act 1992 ("**Section 3**"). Under Section 3, certain significant Shareholders may become taxable on gains arising to the Company (such as on a disposal of any of its investments) if at the time of the disposal the Company would, were it to have been resident in the United Kingdom for taxation purposes, have been a "close" company.

The provisions of Section 3 operate so that the Shareholder is treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company

had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company as a "participator". No liability under Section 3 should be incurred by such a person, however, in respect of a chargeable gain accruing to the Company if the aggregate proportion of that gain that could be attributed under Section 3 both to that person and to any persons "connected" with him for United Kingdom taxation purposes does not exceed one-quarter of the gain.

The Company will not be treated as a close company as long as (1) at least 35 per cent. of its voting share capital is beneficially held by members of the public and (2) those shares have, within the preceding 12 months, been listed on and the subject of dealings on a recognised stock exchange. However, this exception does not apply if, broadly, the principal members of the Company hold more than 85 per cent. of the voting power in the company (the principal members being those who each hold more than 5 per cent. of the voting power in the company or, if there are more than five such members, the five with the largest holdings).

Shareholders – taxation of distributions and amounts treated as distributions

Subject to their personal circumstances and save as noted above, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of income made (or treated as made) by the Company as distributions from a non-UK company. Except in the case of a corporate shareholder controlling directly or indirectly not less than ten per cent of the voting power of the Company, no credit is available against a Shareholder's United Kingdom taxation liability in respect of income distributions of the Company for any taxes suffered or paid by the Company on its own income.

Except as provided below:

- an individual Shareholder who is resident in the United Kingdom for tax purposes will be subject to income tax on distributions received (or treated as received) from the Company at the tax rates applying to dividends after allowing for the annual exempt amount (£2,000 in tax year 2020/21) – currently 7.5 per cent for basic rate taxpayers, 32.5 per cent for higher rate taxpayers and 38.1 per cent for additional rate taxpayers; and
- Shareholders subject to corporation tax will be exempt from corporation tax on distributions from the Company, provided that the conditions for exemption contained in Part 9A of the Corporation Tax Act 2009 are met. To the extent that they are not, such Shareholders will be subject to corporation tax on any distribution made (or treated as made) by the Company.

Where an offshore fund invests more than 60 per cent. of its value in debt or debt-like investments, distributions by that offshore fund are treated as interest rather than dividends for United Kingdom income tax purposes and so are subject to full income tax rates (rather than the dividend tax rates set out above). In addition, under the rules for the taxation of corporate debt contained in the Corporation Tax Act 2009, Shareholders who are subject to United Kingdom corporation tax and who invest in an offshore fund which itself invests more than 60 per cent. of its value in, broadly, debt or debt-like investments must treat their investment in that offshore fund as a "loan relationship" subject to tax on the basis of fair value accounts. Accordingly, for United Kingdom corporation tax purposes, such Shareholders must bring into account debits and credits in relation to this "loan relationship" in accordance with the rules on loan relationships which will result in such Shareholders being taxed on an annual basis by reference to the "fair value" of their interest in the offshore fund at the end of each accounting period.

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the fact that the “controlled foreign companies” provisions contained in Part 9A of the Taxation (International and Other Provisions) Act 2010 could apply if any United Kingdom resident company is, either alone or together with certain other persons associated with it for taxation purposes, deemed to be interested in 25 per cent. or more of any chargeable profits of the Company arising in an accounting period, if at the same time the Company is controlled by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes and certain other criteria are met. The effect of these provisions could be to render such a Shareholder liable to United Kingdom corporation tax in respect of income of the Company. The “chargeable profits” of the Company do not include any of its capital gains or distributions received by the Company that would be exempt from corporation tax were the Company resident for tax purposes in the United Kingdom.

Shareholders - taxation of Share redemptions

Where Ordinary Shares are redeemed, the redemption proceeds should normally be subject to taxation on the same basis as the proceeds of a disposal of Ordinary Shares to a third party.

The attention of Shareholders within the charge to United Kingdom corporation tax is however drawn to Part 15 of the Corporation Tax Act 2010 and the attention of Shareholders within the charge to income tax is also drawn to Chapter 1 of Part 13 of the Income Tax Act 2007, which can operate to counteract “income tax advantages” obtained by Shareholders from transactions in securities in certain circumstances. A redemption of the Ordinary Shares is a transaction in securities for these purposes. The effect of the transaction in securities rules would be to deem part of the redemption proceeds as a dividend taxable at income tax rates, rather than capital gains tax rates.

The transaction in securities rules apply only to transactions that involve one or more “close companies”. As noted above, the Company will not be close for tax purposes as long as (1) at least 35 per cent. of its voting share capital is beneficially held by members of the public and (2) those shares have, within the preceding 12 months, been listed on and the subject of dealings on a recognised stock exchange. However, this exception does not apply if, broadly, the principal members of the Company hold more than 85 per cent. of the voting power in the Company (the principal members being those who each hold more than 5 per cent. of the voting power in the Company or, if there are more than five such members, the five with the largest holdings).

Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

The following comments are intended as a guide to the general United Kingdom stamp duty and SDRT position and may not relate to persons such as market makers, brokers, dealer, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

Legal instruments transferring Ordinary Shares in the Company should not be within the scope of United Kingdom stamp duty provided that such instruments are executed outside the United Kingdom. SDRT should not apply to agreements to transfer Ordinary Shares in the Company provided that the Ordinary Shares are not registered in any register of the Company kept in the United Kingdom and the Shares are not paired with shares issued by a body corporate incorporated in the United Kingdom.

PART IV

ADDITIONAL INFORMATION

1. Risk factors in relation to the Redemption Facility

In considering whether to vote in favour of the Resolutions and in particular whether to submit Redemption Requests pursuant to the Redemption Facility, Shareholders should have regard to the following risk factors. This list of risk factors is not exhaustive and does not purport to be a complete explanation of all the risks and significant considerations arising as a result of the Redemption Facility and/ or Shareholders who choose to submit Redemption Requests. Additional risks and uncertainties not presently known to the Directors may also have an adverse effect on the Company should it implement the Redemption Facility and/ or on Shareholders who choose to submit Redemption Requests.

Conditionality of the Redemption Facility

The implementation of the Redemption Facility is conditional, *inter alia*, upon the continuation vote being passed. If the continuation vote is not passed, it will not proceed.

Effect of submitting Redemption Requests

A Shareholder who submits a Redemption Request will be unable to access or otherwise deal in the Ordinary Shares in respect of which they have submitted a Redemption Request or TTE instruction, pending a response to the Redemption Request. Once submitted, a Redemption Request or TTE instruction may not be withdrawn.

Impact of the Redemption Facility on Costs

Successful Redemption Requests pursuant to the Redemption Facility will result in the issued share capital of the Company being reduced and the Company's capital base will therefore be smaller. Consequently, the fixed costs of the Company are likely to represent a greater proportion of the Company's total assets.

Marketability of Ordinary Shares

The secondary market for Ordinary Shares may be less liquid during the period throughout which the Ordinary Shares must be held in order to qualify for the Redemption Facility as well as following redemptions made pursuant to Redemption Requests as a result of the lower number of Ordinary Shares in issue.

Taxation

The Redemption Price received as consideration in respect of Redemption Requests may vary between different types of Shareholders and between Shareholders in different jurisdictions. Ordinary Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers immediately.

Currency and interest rate risks and hedging risks

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

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

Indian market risk

The Company will invest in companies based in India where the regulatory framework is still developing. The value of the investments made by the Company 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, and repatriation of income and return of capital, thereby influencing the Company's ability to generate profits. Such policy changes could extend to the expropriation of assets.

Legal and regulatory changes

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

Delays in currency conversion

Most of the Company's investments are in securities that are denominated in Rupees and that pay dividends in Rupees. The Company will need to convert Rupees back into Sterling when funds are remitted outside of India, but the Rupee is currently not a freely convertible currency. Due to current applicable Indian currency and tax restrictions, there is no assurance that the Company will be able to convert Rupee proceeds from the disposal of investments or income arising from investments into Sterling at all or at any particular exchange rate. Any delay in conversion may increase the Company's exposure to depreciation of the Rupee against other currencies which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Exchange Control and Repatriation Risk

It may not be possible for the Company to procure the repatriation of capital, dividends, interest and other income from India, or it may require government consents to do so. The Company could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in India or to the imposition of new restrictions.

Changes in taxation legislation

Any change in the Company's tax status or in taxation legislation in Guernsey, the United Kingdom or any other tax jurisdiction affecting Shareholders could affect the value of the investments held by the Company or affect the Company's ability to achieve its investment

objective or alter the post-tax returns to Shareholders. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

Shareholders should consult their tax advisers with respect to their particular tax situation and the tax effects of an investment in the Company. Statements in this document concerning the taxation of Shareholders in Ordinary Shares are based on current tax law and practice, each of which is in principle subject to change. The value of particular tax reliefs, if available, will depend on each individual Shareholder's circumstances. This document is not a substitute for independent tax advice.

Possible Takeover Code Considerations

The Redemption Facility and buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with existing significant shareholdings. The Redemption Facility and buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback or when considering Redemption Requests the Board will take careful consideration to potential Rule 37 and Rule 9 implications of the Takeover Code and when necessary will seek an appropriate waiver in accordance with Note 2 of Rule 37.

Calculation of Net Asset Value

In relation to calculation of the Company's unaudited Net Asset Value, the Company will have regard to the various valuation policies that it has adopted. The value of securities which are quoted or dealt in on any stock exchange (including any securities traded on an "over the counter market") shall be based on the last traded prices on such stock exchange. However, in circumstances where such prices are not available, or the Investment Manager believes such securities are not traded in sufficient volume for the market price to represent an accurate valuation, such holdings will be attributed to a fair value as determined by the Board. Accordingly, such fair valuations may not be accurate and this may impact on the accuracy of the unaudited Net Asset Value reported to Shareholders.

2. Directors' interests in shares

Save as set out below, no Director has any interests (beneficial or non-beneficial) in the share or loan capital of the Company as the Latest Practicable Date:

<i>Director</i>	<i>Number of Shares</i>	<i>Percentage of issued share capital (%)</i>
Elisabeth Scott	25,000	0.02
Peter Niven	37,500	0.03
John Whittle	30,000	0.03

3. Major interests in Ordinary Shares

Other than as set out in the table below, as at the Latest Practicable Date, the Company was not aware of any person who was directly or indirectly interested in three per cent. or more of the Company's ordinary share capital and there are no warrants or options over the Ordinary Shares in the Company:

<i>Name</i>	<i>Number of shares</i>	<i>% holding</i>
Lazard Asset Management	22,453,761	19.96
Hargreaves Lansdown, stockbrokers (EO)	10,927,236	9.71
Interactive Investor (EO)	6,051,819	5.38
Premier Miton Investors	5,575,000	4.96
Charles Stanley	4,779,256	4.25
Armstrong Investments	4,670,000	4.15
EFG Harris Allday, stockbrokers	4,332,148	3.85
Investec Wealth & Investment	3,421,094	3.04

4. **No significant change**

Save for the decrease in the Net Asset Value of the Company referred to in Part I of this document, there has been no significant change in the financial or trading position of the Company since 31 December 2019, being the date to which the Company's audited financial information for the 12 months then ended has been prepared.

5. **Consents**

Shore Capital has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they are included.

The Investment Manager has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they are included.

6. **Document on display**

A copy of the Articles showing the changes to be made pursuant to Special Resolution 4 is available on the Company's website (www.indiacapitalgrowth.com).

PART V

DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

“AGM”	annual general meeting of the Company;
“Administrator”	Apex Fund and Corporate Services (Guernsey) Limited;
“Annual Report”	the Annual Report & Audited Financial Statements of the Company for the year ended 31 December 2019;
“Articles”	the Articles of Incorporation of the Company as at the date of this document and immediately prior to the EGM;
“Authorised Rules”	the Authorised Closed-Ended Investment Schemes Rules 2008 issued by the Guernsey Financial Services Commission;
“Board” or “Directors”	the board of directors of the Company or any duly constituted committee thereof;
“Business Day”	any day on which banks are open for business in London and Guernsey and India (excluding Saturdays, Sundays and public holidays);
“Companies Law”	the Companies (Guernsey) Law, 2008 (as amended);
“Company”	India Capital Growth Fund Limited;
“Continuation Resolution”	Resolution 1 in the Notice of EGM;
“Continuing Pool”	the pool of cash, assets and liabilities to be created in respect of a particular Redemption Point and allocated to the Ordinary Shares which are not the subject of Redemption Requests received for that Redemption Point, as more particularly described in Part II of this document;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules,

	CCSS Operations Manual and the CREST Glossary of Terms;
“CREST Regulations”	Uncertificated Securities (Guernsey) Regulations, 2009
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations);
“EGM”	the extraordinary general meeting of the Company to consider the Resolutions, convened for 10:00 a.m. on 12 June 2020 at 1 Royal Plaza Royal Avenue, St Peter Port Guernsey GY1 2HL or any adjournment thereof;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Exit Discount”	the charge levied on Shareholders who are redeeming their Ordinary Shares being a percentage of the realised proceeds of the Redemption Pool being no more than six per cent, at any Redemption Point as determined by the Board at its discretion;
“FCA”	the Financial Conduct Authority, the regulatory authority for the UK financial services industry;
“Form of Proxy”	the form of proxy provided with this document for use by Shareholders in connection with the EGM;
“FSMA”	the UK Financial Services and Markets Act 2000;
“GBP”	Pounds sterling, the lawful currency of the United Kingdom;
“INR”	Indian rupee, the lawful currency of India;
“Investment Manager” or “Ocean Dial”	Ocean Dial Asset Management Limited;
“Large-Cap”	in relation to issuers with shares quoted on Indian stock exchanges, an issuer with a market capitalisation above US\$7 billion (£5.4 billion);
“Latest Practicable Date”	15 May 2020, being the latest practicable date prior to the publication of this document;
“Listing Rules”	the Listing Rules of the FCA;
“Mid-Cap”	in relation to issuers with shares quoted on Indian stock exchanges, an issuer with a market capitalisation of between US\$2 billion and US\$7 billion (£1.5 billion and £5.4 billion);

“NAV” or “Net Asset Value”	the value of all the assets of the Company less all the liabilities of the Company determined in accordance with the valuation guidelines adopted by the Directors from time to time;
“Net Asset Value per Ordinary Share” or “NAV per Ordinary Share”	the Net Asset Value divided by the number of Ordinary Shares in issue;
“NAV per Redemption Share”	In respect of each Redemption Point, the realised proceeds of the Redemption Pool less the applicable Exit Discount divided by the number of Redemption Shares;
“New Article 132”	the new article to be inserted into the Articles immediately after Article 131 of the Articles pursuant to Resolution 4 to be proposed at the EGM;
“Notice of EGM” or “Notice”	the notice of extraordinary general meeting set out at the end of this document;
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company;
“Proposals”	the proposals described in Section 3 of Part I of this document;
“Receiving Agent”	Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD;
“Record Date”	6 p.m. on the last Business Day in September in each year in which a Redemption Point occurs;
“Redemption Facility”	the right of a Shareholder on the register at the relevant Record Date to submit a Redemption Request on the next following Redemption Point as set out in New Article 132;
“Redemption Point”	3.00 p.m. on the last Business Day in December 2021 and every second year thereafter on which date Ordinary Shares the subject of valid Redemption Requests will be considered for redemption at the discretion of the Board;
“Redemption Pool”	means the pool of cash, assets and liabilities to be created in respect of a particular Redemption Point and allocated to the Ordinary Shares which are the subject of Redemption Requests for that Redemption Point, as more particularly described in Part II of this document;

“Redemption Price”	the price in GBP at which Redemption Shares are to be redeemed on a Redemption Point as determined by reference to a Redemption Pool as more particularly described in Part II of this document;
“Redemption Request”	a written notice requesting that all or a portion of a Shareholders’ holding in the Company be redeemed, in the form from time to time prescribed by the Company and available upon request from the Receiving Agent or such other person as the Board may determine from time to time;
“Redemption Shares”	in respect of any Redemption Point, the total number of Ordinary Shares which are the subject of valid Redemption Requests and which the Directors have exercised their discretion to redeem;
“Regulatory Information Service”	a service authorised by the FCA to release regulatory announcements to London Stock Exchange plc;
“Resolutions”	the resolutions to be proposed at the EGM;
“Special Resolution 4”	the fourth resolution in the Notice of EGM
“Shore Capital”	Shore Capital and Corporate Limited;
“Shareholder”	a holder of Ordinary Shares in the Company;
“Small-Cap”	in relation to issuers with shares quoted on Indian stock exchanges, an issuer with a market capitalisation of below US\$2 billion (£1.5 billion);
“Sterling” or “£”	the lawful currency of the United Kingdom;
“Takeover Code”	the City Code 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);
“Transfer Agent”	Neville Registrars Limited;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“Valuation Point”	close of business on the relevant Redemption Point.

PART VI

INDIA CAPITAL GROWTH FUND LIMITED

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 10:00 a.m. on 12 June 2020 at for the purpose of and considering and, if thought fit, passing the following Resolutions of which Resolutions 1 and 2 will be proposed as Ordinary Resolutions and Resolutions 3, 4 and 5 will be proposed as Special Resolutions.

Except where otherwise defined herein, the definitions set out in the circular to which this notice of meeting is attached shall apply to this notice.

Ordinary Resolutions

- 1) **THAT** the Company continues as currently constituted.
- 2) **THAT** conditionally on the passing of Resolution 1 above:-
 - a) the Directors be generally and unconditionally authorised pursuant to and in accordance with Article 20.1 of the articles of incorporation of the Company (the "**Articles**") to exercise, from the date of approval of these Resolutions until the date occurring 15 months from the date of passing this Resolution or, if earlier, the end of the annual general meeting of the Company to be held in 2021 unless renewed, varied or revoked by the Company prior to that date, all the powers of the Company to allot Relevant Securities (as defined in the Articles) up to an aggregate nominal amount of £375,000.00 (representing approximately one third of the nominal amount of the Company's issued share capital as at 15 May 2020); and
 - b) the Company may, before the expiry of such period make an offer or agreement which would or might require shares to be allotted and the Directors may allot Relevant Securities (as defined in the Articles) in pursuance of such offer or agreement notwithstanding that the authorities conferred by this Resolution have expired.

Special Resolutions

- 3) **THAT:** conditionally on the passing of Resolution 1 above:-
 - a) pursuant to Articles 5.3 and 21.8 of the Articles, the Directors be generally empowered to allot Equity Securities (as defined in the Articles) for cash or by way of sale of treasury shares pursuant to the authority conferred by Resolution 2, as if Articles 5.3 and 21.1 did not apply to any such allotment provided that this power shall be limited to the allotment of such number of Ordinary Shares (as defined in the Articles) as is equal to 20 per cent. of the number of Ordinary Shares in issue at the date on which this Resolution is passed and shall expire 15 months from the date of passing this Resolution or, if earlier, at the end of the annual general meeting of the Company to be held in 2021, unless renewed, varied or revoked by the Company prior to that date; and
 - b) the Company may, before the expiry of the period referenced in Resolution 3(a) above, make an offer or agreement which would or might require Equity Securities (as defined in the Articles) to be allotted and the Directors may allot Equity Securities in pursuance of such offer or agreement notwithstanding that the

authorities conferred by this Resolution have expired.

4) **THAT** conditionally on the passing of Resolution 1 above, the articles of incorporation of the Company be amended by:

a) deleting the definition of "ordinary shares" where it appears in Article 1.1 of the Articles and replacing it with:

""ordinary shares" means redeemable shares in the capital of the company which have the rights set out in article 3.2 and article 132";

b) deleting the word "and" at the end of Article 3.2.2 and moving it to the end of Article 3.2.3 and inserting the following paragraph to form Article 3.2.4:

"the right as to redemption as set out in Article 132"; and

c) the insertion immediately after Article 131 of New Article 132 in the form produced to the Meeting and signed for the purposes of identification by the Chairman.

5) **THAT**, conditionally on the passing of Resolution 1 above, in accordance with Section 315 of the Law, the Company be authorised to make acquisitions (within the meaning of Section 316 of the Law) of its own ordinary shares of one pence each which may be cancelled or held in treasury provided that:

a) the maximum number of ordinary shares hereby authorised to be purchased shall be a number equal to 14.99 per cent of the ordinary shares in issue on the date this Resolution is passed;

b) the minimum price (exclusive of expense) which may be paid for an ordinary share shall be one pence per ordinary share; and

c) the maximum price (exclusive of expense) which may be paid for an ordinary share shall not be more than an amount equal to the higher of (i) 5 per cent. above the average mid-market value of the Company's ordinary shares for the five Business Days prior to the day the purchase is made and (ii) the amount stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5 (6) of the Market Abuse Regulation (EU) No. 596/2014,

and any ordinary shares bought back by the Company will be cancelled or held in treasury at the discretion of the Directors and this authority will expire at the end of the annual general meeting of the Company to be held in 2021 (unless previously renewed, revoked or varied by the Company by ordinary resolution) save that the Company may make a contract to acquire ordinary shares under this authority before its expiry which will or may be executed wholly or partly after its expiration and the Company may make an acquisition of ordinary shares pursuant to such a contract.

By order of the Board

Apex Fund and Corporate Services (Guernsey) Limited

Company Secretary

26 May 2020

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 general meeting.
2. To be valid, a Form of Proxy must be deposited so as to be received no later than 10:00 a.m. on 10 June 2020, with the Company's Transfer Agent, by one of the following methods: (i) by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, 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 Uncertificated Securities (Guernsey) Regulations, 2009 ("**CREST Regulations**"), the Company specifies that only those Shareholders registered in the Register of Members of the Company as at 10:00 a.m. on 10 June 2020 or, in the event that the extraordinary general meeting is adjourned, as of 48 hours before the time 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. In light of the current Covid-19 restrictions in Guernsey, it is not expected that Shareholders will be able to attend in person, by corporate representative or by a proxy other than the Chairman of the meeting. Changes to entries in the Register of Members after 10:00 a.m. on 10 June 2020 or, in the event that the general meeting is adjourned, as of 48 hours before the time of 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 or the Company or other instrument to the contrary.
4. CREST Members who wish to appoint a proxy through the CREST Proxy Voting Service may do so for the 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.
5. 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 the 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 proxy must, in order to be valid, be transmitted so as to be received by the Company's Transfer Agent (ID: 7RA11) by the latest time(s) for the 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 Transfer Agent is 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.

6. 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 this 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 and 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.
7. As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at www.sharegateway.co.uk using the Shareholder's personal proxy registration code as shown on the Form of Proxy. For an electronic proxy appointment to be valid, your appointment must be received by no later than 10:00 a.m. on 10 June 2020.
8. 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 Ordinary Share or Ordinary Shares held by that member.
9. Any member attending the 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 general meeting.
10. In light of the current Covid-19 restrictions in Guernsey, it is not expected that Shareholders will be able to attend in person, by corporate representative or by a proxy other than the Chairman of the meeting. Accordingly, the Board encourages all Shareholders to appoint the Chairman as a proxy as early as possible in order to vote on the matters being considered at the EGM.
11. 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 any document) to communicate with the Company for any purposes other than those expressly stated.