

INDIA

EQUITIES FUND LTD

ABN 15 121 415 576 · ASX Code INE
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www.indiaequitiesfund.com.au

22 April 2009

ASX RELEASE

ASX Code: INE

India Equities Fund Acquires Olympus Funds Management

Don Christie, Chairman of India Equities Fund Limited (**INE** or **Company**), announces the proposed acquisition of 100% of Olympus Funds Management Pty Ltd (**Olympus**) by the Company.

Olympus currently provides management services under a long term management agreement with the Company and which is not due to expire until 2017.

The Company already held 2% of the issued shares in Olympus and has now acquired or entered into an agreement to acquire the remaining 98% of the shares in Olympus through:

- the completed acquisition of the 64% interest in Olympus held by Contango Capital Partners Ltd (ASX Code: **CCQ**); and
- the acquisition, subject to shareholder approval, of the 34% interest in Olympus from Bardez Investments Pty Limited (**Bardez**), a company that is wholly owned by the Company's CEO, Mr John Pereira.

Further details of the two acquisitions are contained in the attached Appendix but essentially the acquisition of Olympus will be accomplished for a purchase price of approximately \$621,000 (part of which will be satisfied by the issue of shares in the Company). In addition, the Company has purchased on a \$ for \$ basis CCQ's interest in a loan facility under which currently \$1.65 million is owing by Olympus to CCQ.

The Company has also conditionally entered into an agreement with CCQ to buy-back (subject to shareholder approval) 5,240,000 ordinary shares (representing approximately 6.95% of the Company's issued share capital) currently held by CCQ. These shares were a separate strategic acquisition by CCQ at the time it acquired its interest in Olympus. As CCQ will cease to have a strategic interest in INE and, in order to eliminate the potential resulting market overhang, the Directors have resolved to buy-back the CCQ holding in INE.

An independent expert's report on the fairness and reasonableness of the transaction to acquire the 34% interest in Olympus held by Bardez will accompany the meeting documents to be sent to shareholders. It is expected that the extraordinary general meeting to approve this transaction and the CCQ buy-back will be held in June 2009.

The acquisition of Olympus is expected to deliver benefits to shareholders through:

- increased efficiency (and consequent cost reductions) by rationalising existing corporate and management structures;
- savings of management fees payable over the remaining 8 years of the current management agreement with Olympus;

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- the potential for Olympus to generate fee income from third parties, such as institutional investors, through utilising its Foreign Institutional Investment (FII) registration (granted in November 2008 by the Securities & Exchange Board of India);
- eliminates/reduces market overhang associated with CCQ holding; and
- benefits to the net tangible asset backing per share position of the Company.

The independent Directors of the Company look forward to providing more information on the transactions to shareholders prior to the holding of the required general meeting.

For further information, please contact:

Mark Licciardo, Company Secretary
Mertons Corporate Services
Tel: (03) 8689 9997

Yours sincerely,



Mark Licciardo
Company Secretary

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Appendix

1. Transaction Summary

Subject to shareholder approval (where required) and compliance with all statutory and regulatory requirements, the basic terms of the transaction are:

(a) Acquisition of 64% interest in Olympus held by Contango Capital Partners

The Company has entered a share sale and purchase agreement with CCQ under which the Company (via its wholly owned subsidiary India Asset Holdings Pty Ltd) has acquired the 64% interest held by CCQ in Olympus and a 100% interest in Asia Diversified Fund Pty Ltd. The consideration for the acquisition was an amount of \$249,631. The agreement was signed and completed on the date of this announcement.

As a condition of the acquisition the Company has also paid CCQ the sum of \$1,650,000 in respect of the purchase of CCQ's interest in a loan of the same amount made by CCQ to Olympus.

(b) Acquisition of 34% interest in Olympus held by Bardez Investments Pty Limited

The Company has also entered into a conditional share sale and purchase agreement (subject to shareholder approval) with Bardez under which the Company (via its wholly owned subsidiary India Asset Holdings Pty Ltd) has agreed to acquire the 34% interest held by Bardez in Olympus.

The consideration for the acquisition will be an amount of \$371,875 which is payable as follows:

- \$223,125 in cash; and
- the balance to be satisfied by the issue of that number of fully paid ordinary shares in the Company which, when issued at a price per share equal to 85% of the VWAP of the Company's shares for the period of 30 days prior to the date of this announcement, equals \$148,750.

Completion of the transaction (including the issue of shares to Bardez) is expected to occur immediately after shareholder approval is obtained. Apart from shareholder approval, the acquisition is also conditional on satisfactory due diligence.

Bardez is a company that is wholly owned by the Company's CEO, Mr John Pereira, and accordingly the Company will be seeking prior shareholder approval in relation to completion of the Bardez acquisition and the issue of shares to Bardez.

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(c) Buy Back of Shares held by Contango Capital Partners

The Company has entered into a conditional buy-back agreement with CCQ under which the Company has agreed to buy-back (subject to shareholder approval) the 5,240,000 ordinary shares (representing 6.95% of the Company's issued share capital) held by CCQ in the capital of the Company.

The buy-back price per share is an amount equal to the VWAP of the Company's shares for the period of 30 days prior to the date of this announcement plus an additional amount of 8.6 cents per share.

The Company's Appendix 3C in relation to the proposed buy-back accompanies this document.

2. Conditions

Except as stated above, none of the above transactions is subject to the successful completion of the other parts however the transactions described at paragraphs (b) and (c) above are both subject to shareholder approval.

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Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001.

Name of entity

India Equities Fund Limited

ABN

15 121 415 576

We (the entity) give ASX the following information.

Information about buy-back

- | | | |
|---|---|--|
| 1 | Type of buy-back | Selective buy-back |
| 2 | ⁺ Class of shares which is the subject of the buy-back (<i>eg, ordinary/preference</i>) | Ordinary |
| 3 | Voting rights (<i>eg, one for one</i>) | One for one. |
| 4 | Fully paid/partly paid (<i>and if partly paid, details of how much has been paid and how much is outstanding</i>) | Fully paid |
| 5 | Number of shares in the ⁺ class on issue | 75,338,135 |
| 6 | Whether shareholder approval is required for buy-back | Shareholder approval required at Extraordinary General Meeting to be held in June 2009 |

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- 7 Reason for buy-back
- The Company has conditionally entered into an agreement with Contango Capital Partners Ltd (ASX Code: **CCQ**) to buy-back (subject to shareholder approval) 5,240,000 ordinary shares (representing approximately 6.95% of the Company's issued share capital) currently held by CCQ. These shares were a separate strategic acquisition by CCQ at the time CCQ acquired its interest in the fund manager of India Equities Fund Limited (ASX Code: **INE**), Olympus Funds Management Pty Ltd. As CCQ will cease to have a strategic interest in INE and, in order to eliminate the potential resulting market overhang, the Directors have resolved to buy-back the CCQ holding in INE (subject to shareholder approval).
- 8 Any other information material to a shareholder's decision whether to accept the offer (*eg, details of any proposed takeover bid*)
- INE has acquired or has conditionally agreed to acquire 100% of the issued capital in Olympus Funds Management Pty Ltd (please see separate ASX release for more details).

On-market buy-back

- 9 Name of broker who will act on the company's behalf
- Not applicable.
- 10 Deleted 30/9/2001.
- Not applicable.
- 11 If the company intends to buy back a maximum number of shares - that number
- Note: This requires a figure to be included, not a percentage.
- Not applicable.
- 12 If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention
- Not applicable.

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13 If the company intends to buy back shares if conditions are met - those conditions

Not applicable.

Employee share scheme buy-back

14 Number of shares proposed to be bought back

Not applicable.

15 Price to be offered for shares

Not applicable.

Selective buy-back

16 Name of person or description of class of person whose shares are proposed to be bought back

Contango Capital Partners Ltd (ASX Code: CCQ)

17 Number of shares proposed to be bought back

5,240,000 ordinary shares

18 Price to be offered for shares

The buy-back price per share is an amount equal to the VWAP of the Company's shares for the period of 30 days prior to the date of this announcement plus an additional amount of 8.6 cents per share.

Equal access scheme

19 Percentage of shares proposed to be bought back

Not applicable.

20 Total number of shares proposed to be bought back if all offers are accepted

Not applicable.

21 Price to be offered for shares

Not applicable.

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22 +Record date for participation in offer
Cross reference: Appendix 7A, clause 9.

Not applicable.

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.



Sign here:
(Company Secretary)

Date: 22 April 2009.....

Print name:Mark Licciardo.....

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