

BIDDER'S STATEMENT

for a conditional off-market takeover offer by



BELL IXL INVESTMENTS LIMITED
ACN 113 669 908

for all of the fully paid ordinary shares of

INDIA EQUITIES FUND LIMITED
ACN 121 415 576

Legal adviser to Bell IXL Investments Limited



THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH THIS DOCUMENT YOU SHOULD CONSULT YOUR STOCKBROKER OR FINANCIAL, LEGAL OR OTHER PROFESSIONAL ADVISER AS SOON AS POSSIBLE.

TABLE OF CONTENTS

Letter	4
Summary of the offer	5
Profile of Bell IXL	7
Profile of India Equities	17
Risk factors	19
Intentions of Bell IXL	21
Additional statutory and other information	27
Taxation implications	31
Offer terms	37
Definitions and interpretation	48
Approval of Bidder's Statement	51
Acceptance Forms	52

IMPORTANT DATES

Offer announced	17 September 2010
Bidder's Statement lodged with ASIC	1 November 2010
Date of offer	17 November 2010
Date by which conditions must be satisfied †	10 December 2010
Offer closes (unless extended) †	20 December 2010

† These dates may be changed in accordance with the Corporations Act.

IMPORTANT INFORMATION

This Bidder's Statement:

- is dated 1 November 2010;
- is an important document and should be read carefully;
- has been issued by Bell IXL under Part 6.5 of the Corporations Act;
- was lodged with ASIC on 1 November 2010. ASIC takes no responsibility for the contents of this Bidder's Statement;
- does not take into account the individual investment objectives, financial situation and particular needs of each India Equities Shareholder. You may wish to seek independent financial and taxation advice before making the decision whether or not to accept the Offer;
- does not constitute an offer to issue or sell securities in any jurisdiction in which it would be unlawful to make such an offer; and
- contains a number of defined terms all of which are listed in the section headed "Definitions and Interpretation".

CONTACT DETAILS

Bidder - Bell IXL Investments Limited

A: Level 2, 651 Doncaster Road
Doncaster, Victoria 3108
T: (03) 9840 8788
F: (03) 9840 0088
E: info@bellixl.com
W: <http://www.bellixl.com/>

Legal adviser - Pointon Partners

A: Level 2, 640 Bourke Street
Melbourne, Victoria 3000
T: (03) 9642 8668
F: (03) 9642 8778
E: general@pointonpartners.com.au
W: <http://www.pointonpartners.com.au/>

Share registry - Link Market Services Limited

A: Level 1, 333 Collins Street
Melbourne, Victoria 3000
T: 1300 554 474 or (03) 8280 7111
F: (02) 9287 0303
E: registrars@linkmarketservices.com.au
W: <http://www.linkmarketservices.com.au/>

Target - India Equities Fund Limited

A: Level 4, 99 Queen Street
Melbourne, Victoria 3000
T: (03) 9629 5895
F: (03) 9602 2874
E: info@indiaequitiesfund.com.au
W: <http://www.indiaequitiesfund.com.au/>



BELL IXL INVESTMENTS LIMITED

ACN 113 669 908
ABN 80 113 669 908

1 November 2010

Dear India Equities Shareholder

Bell IXL Investments Limited ("Bell IXL") offers to acquire all your shares in India Equities Fund Limited ("India Equities") via a conditional off-market takeover bid.

Bell IXL offers two fully paid limited voting ordinary shares in Bell IXL ("Bell IXL Shares") (last stated NTA of 16.8 cents per share) for five fully paid ordinary shares in India Equities ("India Equities Shares") (last stated NTA of 6.7 cents per share).

This represents an offer of **6.7 CENTS** value for each India Equities Share.

This consideration represents a **26% PREMIUM** to the last on-market sale price of 5.3 cents for India Equities Shares at the close of trading on the day prior to the announcement of the bid.

Bell IXL Shares can be traded on the National Stock Exchange of Australia ("NSX"). Bell IXL is subject to regular reporting and continuous disclosure obligations.

If you accept the offer but do not wish to hold Bell IXL Shares then you can seek to sell those shares on the NSX. Alternatively you may be able to take advantage of a share buyback offer that Bell IXL proposes to make if Bell IXL succeeds in acquiring control of India Equities.

Information regarding Bell IXL, India Equities and the terms of the takeover offer and the proposed share buyback offer is set out in the attached Bidder's Statement

I invite you to call me on 03 9840 8710 if you would like to discuss the offer.

Yours sincerely

BELL IXL INVESTMENTS LIMITED

MASSIMO LIVIO CELLANTE

EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

Level 2, 651-653 Doncaster Road
Doncaster, Victoria 3108
PO Box 111
Doncaster, Victoria 3108
AUSTRALIA



Tel: (03) 9840 8788
Fax: (03) 9840 0088
E-mail: info@bellixl.com
WWW: <http://www.bellixl.com/>
Ticker Symbols: BXL and BXLA

1. SUMMARY OF THE OFFER

1.1. The Offer

Bell IXL is offering to buy all India Equities Shares on the terms set out in the section headed “Offer Terms”. The offer does not extend to India Equities Shares that come into existence after the Record Date

You may accept this offer for some or all of your India Equities Shares.

The Offer closes at 7:00pm on the Closing Date. The Closing Date may be extended in accordance with the Corporations Act.

1.2. Offer Consideration

If you accept the offer you will receive two Bell IXL Shares for every five India Equities Shares that you sell. The Bell IXL Shares are traded on the NSX under the stock code BXLA. Application will be made for the quotation of all Bell IXL Shares that are issued under the offer.

As at 30 June 2010 Bell IXL shares had an audited net asset value of 16.8 cents per share.

The offer delivers **6.7 CENTS** of value for each India Equities Share. The last sale price for India Equities Shares on the ASX on the trading day prior to the date of issue of this statement was 5.7 cents.

1.3. Offer Conditions

The Offer is subject to the Conditions which are set out in the section headed “Offer Terms”. Bell IXL may choose to waive any condition.

1.4. How to accept the Offer

To accept the Offer complete and sign the enclosed Acceptance Form in accordance with the instructions on the form, and return the form in the enclosed reply paid envelope. If your India Equities Shares are held on the CHESS subregister then you can also accept the offer by:

- (a) instructing your broker or controlling participant to initiate acceptance of the Offer on your behalf; or
- (b) if you are a participant in the CHESS system, by initiating acceptance of the Offer yourself.

1.5. Issue of Bell IXL Shares

If you accept the Offer then the number of Bell IXL Shares that you are entitled to receive for your India Equities Shares will be issued to you by the end of whichever of the following periods ends earliest:

- (a) one month after the Offer is accepted or, if the Offer is subject to defeating conditions when accepted, within one month after the Offer becomes unconditional; or
- (b) 21 days after the Closing Date.

2. PROFILE OF BELL IXL

2.1. Bell IXL Shares

The consideration under the Offer comprises Bell IXL Shares which are continuously quoted securities as defined in the Corporations Act. Accordingly Bell IXL is obliged to provide only those disclosures required by section 713 of the Corporations Act being the information necessary to enable an assessment of the effect of the Offer on Bell IXL and the rights and liabilities attaching to the Bell IXL Shares.

This information is provided in this section of the Bidder's Statement.

Further detailed information regarding Bell IXL can be obtained by reading the Annual Report of Bell IXL for the year ended 30 June 2010 and the Constitution. A copy of the Annual Report and the Constitution can be obtained free of charge by contacting Bell IXL.

2.2. Disclosing entity

Bell IXL is a disclosing entity as defined in the Corporations Act and is subject to regular reporting and disclosure obligations.

Copies of documents lodged by Bell IXL with ASIC may be obtained from, or inspect at, offices of ASIC.

In addition Bell IXL will provide the following documents to any India Equities Shareholder free of charge upon request during the Offer Period:

- Annual report of Bell IXL for the year ended 30 June 2010.
- Any public announcements made by Bell IXL to the NSX after the date of issue of the annual report for the year ended 30 June 2010.
- Constitution.

2.3. Activities of Bell IXL

Bell IXL is a strategic investment company that was established in April 2005. Its objective is to acquire at a discount and profitably realise strategic shareholdings in publicly listed companies. The company successfully completed an initial public share offer in August 2005 and subsequently was admitted to the official list of the NSX. The securities of Bell IXL trade on the NSX under the stock codes BXL and BXLA.

2.4. Investment model

The investment objectives of Bell IXL are to:

- Apply a disciplined approach to investing;

- Achieve above average returns;
- Pay regular franked dividends; and
- Preserve the capital of the group.

Bell IXL endeavours to achieve its objectives by:

- Diversifying risks and returns by directing investments into investment streams (eg: fixed interest, core portfolio and special situations).
- Acquiring investments at a discount.
- Seeking to obtain significant influence in the operations of the investee entities.
- Investing to achieve absolute returns.

The company employs the following process when investing:

- Identification of undervalued situations being companies with little or no debt and easily identifiable and realisable assets such as cash, listed securities and real estate.
- Identification of trigger events to unlock value such as takeovers, asset sales, capital returns or raisings.
- Quantification of the downside risk and upside potential.
- Decision whether or not to invest.

2.5. Directors of Bell IXL

The directors of Bell IXL are:

- *Mr. Massimo Livio Cellante*
BCom (Finance) (Law) *Deakin*

Mr. M. L. Cellante is the Executive Chairman and Managing Director of Bell IXL. He has over 17 years experience in land development and is a director of numerous private companies in the Cellante group that trace their origins back to 1958. He is in control of the day-to-day activities and operations of the company that predominantly involve identifying and investing in undervalued publicly listed companies. He is experienced in negotiations, investment analysis, capital raisings, capital returns and corporate acquisitions. He is a current director of the ASX listed company Botswana Metals Limited (ASX: BML) and is a former director of the ASX listed company Blue Capital Limited (ASX: BIV).

- *Mr. Ramon Jimenez*
MAICD

Mr. R. Jimenez is the Company Secretary of Bell IXL. He has over 12 years experience in land investment and development and has been a director of the Landwise Group of companies since 1997. He is an investor in real estate and equity securities. He has experience in administration matters, financial reporting and capital raisings.

- *Mr. Romano Livio Cellante*
DipAcc Swinburne

Mr. R. L. Cellante is a Non-Executive Director of Bell IXL. He has over 17 years experience in land development and is a director of numerous companies in the Cellante group that trace their origins back to 1958. He is experienced in negotiation, marketing and sales.

2.6. Effect of the Offer on Bell IXL

This section includes financial information regarding Bell IXL and India Equities. The information is presented in an abbreviated form and does not contain all the disclosures usually provided in an annual report prepared in accordance with Australian Accounting Standards and the Corporations Act.

Financial information regarding Bell IXL and India Equities has been extracted from the audited financial reports of Bell IXL and India Equities for the year ended 30 June 2010.

Bell IXL has not had any discussions with any directors, management or staff of India Equities in relation to the financial position of that company nor has Bell IXL had access to any working papers, accounting records or other documentation for the purposes of preparing this Bidder's Statement. The content in this section, to the extent that it incorporates or reflects information on India Equities, has been prepared using publicly available information.

Bell IXL does not, except as required by law, make any representations or warranty, express or implied, as to the accuracy or completeness of this information. Bell IXL expects that India Equities will release updated financial information in its Target's Statement that will be sent to India Equities Shareholders and lodged with ASIC and the ASX.

Financial information is provided for illustrative purposes only. In considering the pro-forma information, holders of India Equities Shares must take the following matters into account:

- (a) the pro-forma Statement of Financial Position has been prepared by aggregating the last audited Statement of Financial Position of Bell IXL as at 30 June 2010 and India Equities as at 30 June 2010 and is based on the assumption that Bell IXL acquires 100% of India Equities as a result of the Offer;

- (b) a number of pro-forma adjustments have been made to reflect the acquisition of India Equities and estimated transaction costs and the assumed material subsequent transactions of India Equities extracted from available public information including:

Summary of India Equities Adjustments:

- (1) realisation of financial assets at their carrying value;
- (2) collection of trade and other receivables at their carrying value;
- (3) expensing of prepaid expenses and collection of accrued interest;
- (4) payment of trade and other payables;
- (5) offset of deferred tax assets against deferred tax liabilities;
- (6) return of capital totalling \$72,656,201 on 20 August 2010; and
- (7) realisation costs and costs of the Offer.

The pro-forma transactions are consistent with the latest net asset and cash position of India Equities as at 30 September 2010 which was announced by India Equities to the ASX on 14 October 2010.

Summary of Bell IXL Adjustments:

- (1) costs of the Offer; and
 - (2) increase to issued capital reflecting the fair value of the Bell IXL Shares issued as consideration under the Offer.
- (c) the actual date of acquisition will be later than 30 June 2010. In accordance with the requirements of AASB 3 - Business Combinations it will be necessary to assess the fair value of the net assets of India Equities on completion of the acquisition. Consequently the actual fair values may differ from those reflected in the pro-forma Statement of Financial Position and can only be determined on the actual date of acquisition and following a full assessment of the assets and liabilities acquired;
 - (d) the pro-forma Statement of Financial Position is indicative only. The Directors of Bell IXL have drawn their conclusions based on the known facts and other publicly available information as at the date of the Bidder's Statement. If the facts, circumstances, assumptions and other information should prove different to that described, the conclusions and outcome may change accordingly.

Pro-forma Statement of Financial Position

	Bell IXL as at 30 June 2010	India Equities as at 30 June 2010	Pro-forma adjustments	Merged Group
	\$	\$	\$	\$
Current assets				
Cash and cash equivalents	155,220	26,032,458	(18,319,460)	7,868,218
Trade and other receivables	41,383	519,337	(519,337)	41,383
Financial assets	1,921,325	55,253,077	(55,253,077)	1,921,325
Deferred tax assets	-	3,698,944	-	3,698,944
Other current assets	-	112,389	(112,389)	-
Total current assets	2,117,928	85,616,205	(74,204,263)	13,529,870
Non-current assets				
Property, plant and equipment	3,207	87,002		90,209
Deferred tax assets	430,111	-	-	430,111
Goodwill on business combination	-	-	-	-
Total non-current assets	433,318	87,002	-	520,320
Total assets	2,551,246	85,703,207	(74,204,263)	14,050,190
Current liabilities				
Trade and other payables	139,714	1,302,852	(1,302,852)	139,714
Short term provisions	10,480	-	-	10,480
Deferred tax liabilities	-	3,698,944	-	3,698,944
Borrowings	1,674	-	-	1,674
Total current liabilities	151,868	5,001,796	(1,302,852)	3,850,812
Non-current liabilities				
Deferred tax liabilities	32,020	-	-	32,020
Long term provisions	19,656	-	-	19,656
Total non-current liabilities	51,676	-	-	51,676
Total liabilities	203,544	5,001,796	(1,302,852)	3,902,488
Net assets	2,347,702	80,701,411	(72,901,411)	10,147,702
Equity				
Issued capital	3,059,654	82,622,166	(74,436,328)	11,245,492
Reserves	-	12,617,200	(12,617,200)	-
Retained earnings	(737,578)	(14,553,041)	14,152,117	(1,138,502)
Parent interest	2,322,076	80,686,325	(72,901,411)	10,106,990
Minority interest	25,626	15,086	-	40,712
Total equity	2,347,702	80,701,411	(72,901,411)	10,147,702

The pro-forma Statement of Financial Position indicates that the acquisition of India Equities results in an increase of \$7,800,000 to the net assets of the Bell IXL group. The goodwill created through the business combination totalling \$400,924 has been expensed through retained earnings as the balance would be considered impaired in accordance with Australian Accounting Standards.

The pro-forma information has not been audited and has been prepared using Australian equivalents to International Financial Reporting Standards and reflects the accounting policies of Bell IXL.

The pro-forma information has been prepared by aggregating the audited Statements of Financial Position of Bell IXL and India Equities as at 30 June 2010.

The pro-forma adjustments reflect transactions announced and/or completed by India Equities since 30 June 2010. The pro-forma excludes the general trading of Bell IXL and India Equities as those transactions are not considered to have a material adverse impact on the net asset position as presented.

The pro-forma Statement of Financial Position contains provisional accounting adjustments. Actual results may change between the date of this Bidder's Statement and the completion of the proposed transaction.

No pro-forma Statement of Comprehensive Income has been prepared nor are any revenue or profit projections being provided in relation to Bell IXL following the successful completion of the Offer. Bell IXL does not believe that it has sufficient information to include financial forecasts in this Bidder's Statement. Accordingly such forecasts would be unduly speculative and potentially misleading.

Any analysis of historical financial performance is also likely to be irrelevant to India Equities Shareholders given the substantial restructure that has taken place in relation to India Equities. Given that Bell IXL will be a substantially changed company following completion of the Offer again historical financial performance information is of limited use to India Equities Shareholders.

2.7. Bell IXL Shares

The Bell IXL Shares are fully paid limited voting ordinary shares that can be traded on the NSX under the stock code BXLA.

As at the date of this Bidder's Statement:

- The last published audited net asset value for Bell IXL Shares was 16.8 cents per share as at 30 June 2010.
- The bid price for Bell IXL Shares was 5 cents on NSX on the trading day prior to the date of issue of this statement.

- There were no Bell IXL Shares on offer for sale on NSX on the trading day prior to the date of issue of this statement.
- Bell IXL Shares have never traded on NSX.

Bell IXL has two classes of shares on issue being ordinary shares and limited voting ordinary shares.

The two classes of shares have largely identical attaching rights save and except for different voting entitlements.

Information regarding the market price of Bell IXL Shares can be obtained by contacting a stockbroker or by visiting the NSX website at <http://www.nsx.com.au/>.

2.8. Post acquisition share structure of Bell IXL

Assuming acceptance of this Offer in respect of 50.1%, 90% and 100% of the India Equities Shares, the capital structure of Bell IXL after closure of the Offer will be as follows:

	50.1% Acceptance	90% Acceptance	100% Acceptance
Number of Bell IXL Shares on issue as at the date of this Bidder's Statement	1,818,000	1,818,000	1,818,000
New shares to be issued to India Equities Shareholders under the Offer	24,411,339	43,852,704	48,725,226
Number of Bell IXL Shares on issue on completion of the Offer	26,229,339	45,670,704	50,543,226

In addition to the Bell IXL Shares, Bell IXL has 12,015,000 fully paid ordinary shares on issue at the date of the Bidder's Statement. No fully paid ordinary shares are being issued under the Offer.

2.9. Directors interests in Bell IXL securities

Directors of Bell IXL have an indirect interest in 1,000,000 Bell IXL Shares and 6,698,000 Bell IXL Ordinary Shares.

The above shares are registered in the names of private companies directly or indirectly controlled by Directors of Bell IXL.

As at the date of this Bidder's Statement the Directors of Bell IXL collectively have effective control of Bell IXL due to their combined indirect

interest in Bell IXL Ordinary Shares. No Bell IXL Ordinary Shares are being issued under the Offer and as a result the Directors of Bell IXL will retain effective control of Bell IXL following the Offer.

2.10. Intention to make share buyback offer

If Bell IXL succeeds in acquiring more than 50.1% of India Equities then Bell IXL intends to offer to buyback all Bell IXL Shares then on issue at a price equal to 90% of the net asset value of those shares. Please note that this buyback is highly likely to require approval from shareholders in both Bell IXL and India Equities and may also require regulatory approval.

Based on the 30 June 2010 audited financial report of Bell IXL the net asset value of Bell IXL Shares is 16.8 cents per share.

Assuming that the net asset value has not changed, then the amount proposed to be offered under any such buyback would be 15.1 cents per share.

Bell IXL would propose to fund any such buyback using its own resources and, if necessary, by procuring its nominees on the India Equities Board of Directors and using its voting power in India Equities to have India Equities carry out an equal reduction of capital.

Assuming that Bell IXL acquires 50.1% of India Equities then there will be a total of 26,229,339 Bell IXL Shares on issue.

At a price of 15.1 cents per share funds totalling \$3,960,630 would be required to buy back the 26,229,339 Bell IXL Shares.

As at the date of this Bidder's Statement Bell IXL has cash and cash equivalents available of approximately \$200,000. In addition Bell IXL is continuing with a process of realising non-core investments.

If it is assumed that Bell IXL applies \$500,000 of its own monies to fund any such buyback then an additional \$3,460,603 would need to be raised to fund any such buyback.

In those circumstances Bell IXL would propose that India Equities reduce its capital by \$6,907,391 of which approximately \$3,460,603 would be paid to Bell IXL as the holder of 50.1% of India Equities.

2.11. Rights and liabilities attaching to Bell IXL Shares

The following is a broad summary (not an exhaustive or definitive statement) of the provisions of the Constitution governing the rights and liabilities that attach to Bell IXL Shares:

2.11.1. General meetings and notices

Holders of Bell IXL Shares are entitled to receive notice of, and attend, general meetings of Bell IXL and to receive all notices, accounts and other documents that Bell IXL is required to send to members under the Constitution, the Corporations Act or the NSX Listing Rules.

2.11.2. Voting rights

Bell IXL Shares are **limited voting ordinary shares**.

Subject to restrictions on voting from time to time affecting any class of shares in the capital of Bell IXL, and any restrictions imposed by the Corporations Act or the NSX Listing Rules, on a show of hands each holder has one vote and, on a poll, each holder has one vote for each Bell IXL share held by the holder. Holders of Bell IXL Shares can exercise their voting rights in person or by proxy, attorney or corporate representative.

Holders of Bell IXL Shares **have limited voting rights** and can only vote on proposals that affect the rights attached to the Bell IXL Shares.

Holders of Bell IXL Shares have no right to vote in any other circumstances.

In particular, holders of Bell IXL Shares cannot vote in relation to the appointment or removal of directors of Bell IXL and cannot vote on any amendment to the Constitution unless the amendment varies the rights attached to the Bell IXL Shares.

2.11.3. Dividends

Subject to the rights of or restrictions on holders of shares created or raised under any special arrangements as to dividends, the Directors may from time to time determine to pay, and declare, a dividend, which shall be apportioned and paid among the holders of shares in proportion to the amounts paid up on the shares held by them.

Holders of limited voting ordinary shares and ordinary shares rank *pari passu* as regards the declaration and payment of dividends.

2.11.4. Transfer of shares

Subject to the Corporations Act, the Constitution and the NSX Listing Rules, Bell IXL Shares are freely transferable.

2.11.5. Future issues

Subject to the Corporations Act, the Constitution and the NSX Listing Rules, the Directors may allot, issue, grant options over, or otherwise

deal with unissued shares in Bell IXL at the times and on the terms and conditions that the Directors think proper and shares may be issued with preferential, deferred or special rights, privileges or conditions or restrictions including, but not limited to, restrictions in regards to dividends voting or return of capital as the Directors may determine.

2.11.6. Variation of rights

The rights and restrictions attaching to a class of shares in the capital of Bell IXL can only be altered with the consent in writing of shareholders with at least 75% of the votes in the class, or by special resolution passed at a separate meeting of the holders of the shares of that class.

2.11.7. Liability of holders of shares

Under the Constitution, holders of shares are only liable to Bell IXL to the extent of any unpaid amounts owing on their shares. The Bell IXL Shares issued under the Offer will be fully paid shares and as such holders of those shares will have no further liability to Bell IXL. The new Bell IXL Shares issued as consideration under the Offer will rank equally with all other Bell IXL Shares already on issue.

2.11.8. Winding up

Subject to the rights and restrictions attached to any shares in the capital of Bell IXL, in a winding up of Bell IXL assets remaining after the repayment of liabilities will be apportioned and paid to the shareholders in proportion to the amounts paid up on the shares held by them. A liquidator appointed to wind up Bell IXL may, with the sanction of a special resolution of Bell IXL and subject to the Corporations Act, Listing Rules and any rights or restrictions attached to any shares in Bell IXL, distribute any assets of Bell IXL in specie among the shareholders and determine how the distribution is carried out.

Holders of ordinary shares and limited voting ordinary shares rank *pari passu* as regards the division or surplus assets of Bell IXL.

To obtain a definitive understanding of the rights attached to the Bell IXL Shares it is necessary to read the Constitution in full. A copy of the Constitution can be obtained free of charge by contacting Bell IXL.

3. PROFILE OF INDIA EQUITIES

India Equities was incorporated in August 2006 and it was listed on the ASX in April 2007. The company provided investors with exposure to a portfolio of listed public companies in India, one of the fastest growing economies in the world.

The share price of India Equities Shares traded at a significant discount below the net asset value per share for most of the time since the company listed. This was against the satisfactory performance of the company since listing, having regard to the impact of the Global Financial Crisis. Since the inception of the company an investment in India Equities Shares has given a return of negative 0.4% per annum compared to a return of negative 9.6% per annum for the ASX 200.

The directors of India Equities continued to believe in the India economic growth story but nevertheless decided to take action to restructure the company.

On 30 July 2010 India Equities announced that:

- the whole investment portfolio of Indian listed securities had been disposed of; and
- the proceeds had been transferred back to Australia.

On 20 August 2010 India Equities applied approximately \$72,656,201 of its funds to return capital to shareholders at the rate of \$0.604 per share thereby reducing the net assets of India Equities to approximately \$8,100,000.

India Equities has issued a total of 121,813,066 India Equities Shares on issue at the date of this Bidder's Statement. Bell IXL is not aware of India Equities having any other outstanding securities on issue.

Bell IXL believes that India Equities is now a "cash box" company with no or nominal assets other than cash and short-term deposits and no or nominal liabilities.

Bell IXL believes that India Equities has total assets and net assets of approximately \$7,800,000 equal to around \$0.064 per India Equities Share.

The primary sources of the information set out above are the public announcements made by India Equities to the ASX.

Further information regarding India Equities can be obtained from the public announcements made by India Equities to the ASX or by contacting India Equities.

At the close of trading on the trading day before the date of this Bidder's Statement:

- the last sale price for India Equities Shares on ASX was 5.7 cents;

- the bid price for India Equities Shares on ASX was 5.7 cents; and
- the offer price for India Equities Shares on ASX was 5.8 cents.

4. RISK FACTORS

India Equities Shareholders should remember that there are risks associated with the Offer and in relation to owning Bell IXL Shares (or any other shares, including India Equities Shares) as follows:

- As with any listed security the market price of Bell IXL Shares will fluctuate and may fall as well as rise. These fluctuations can result from factors specific to Bell IXL or as a result of other issues such as the state of economy, investor sentiment and regulatory issues.
- Notwithstanding that Bell IXL Shares are listed for trading on the NSX, there is no guarantee that a holder of Bell IXL Shares will be able to sell their shares on any given day at a desired price. There is no trading history in respect of Bell IXL Shares. The price at which Bell IXL Shares are traded on NSX may be below the net asset value of those shares.
- If the Offer succeeds and Bell IXL obtains control of India Equities, Bell IXL may acquire anywhere between 50.1% and 100% of the India Equities Shares. In such a situation those shareholders who do not accept the Offer will retain their shares even though control of India Equities has changed. The change in control may affect the liquidity in the market for India Equities Shares and it may then be difficult to sell India Equities Shares in those circumstances.
- The market price of India Equities Shares may be impacted by the Offer (Bell IXL does not believe it can make any prediction of the likely impact).
- The net asset value of Bell IXL Shares may rise and fall as a result of the financial performance of the company and the effect of the transactions that it enters into. No guarantee is given in respect of the future earnings of Bell IXL or the capital appreciation of its investments. The success and profitability of Bell IXL will depend in part on the ability of its directors to manage its investment portfolio and to undertake investment opportunities that have the potential to increase in value over time. The value of investments purchased by Bell IXL can fall as well as rise.
- Bell IXL Shares should be regarded as a speculative investment.
- The nature of the investment activities undertaken by Bell IXL mandates the acquisition of strategic holdings in listed companies. This inevitably results in Bell IXL concentrating its investments in a small number of positions at any one time. As a result the investment portfolio is likely to be less diversified and therefore may expose investors to a higher degree of risk.
- Bell IXL intends to carry out a share buyback offer in respect of Bell IXL Shares. Although Bell IXL is optimistic that it can carry out the buyback, there can be no guarantee that the share buyback offer will be carried out at all or by any particular date given that it is highly likely to require approval from shareholders in both Bell IXL and India Equities and may also require regulatory approval. If either India Equities shareholders or Bell IXL

shareholders in general meeting did not provide any requisite shareholder approval then the proposed buy-back of the Bell IXL Shares referred to in paragraph 2.10 of this Bidder's Statement would not be able to occur. In such a situation India Equities Shareholders who had sold their India Equities Shares into the Offer would be left holding their Bell IXL Shares, subject to their rights to sell such shares on-market on the NSX or through other means.

- The share buyback offer will reduce the capital of Bell IXL, and may also reduce the capital of India Equities. Operating costs are likely to be largely fixed regardless of the capital base. Therefore operating costs will be a greater proportion of capital of both Bell IXL and India Equities if the buyback offer and any required capital reduction are implemented.
- The share buyback offer by Bell IXL and any reduction of capital by India Equities may result in a dramatic reduction in the net assets of either or both companies. In these circumstances the companies may face difficulty in continuing to meet the requirements of the ASX and NSX for the continued listing of their respective securities.

The Bidder's Statement does not take into account the investment objectives, financial situation or particular needs of India Equities Shareholders and is not exhaustive. It is important that India Equities Shareholders read this Bidder's Statement in its entirety, consider their personal circumstances and financial and taxation issues.

India Equities Shareholders that have any doubts about the Offer or the merits of Bell IXL Shares are strongly encouraged to consult a stockbroker or other professional adviser.

5. INTENTIONS OF BELL IXL

5.1. Overview

This section sets out the intentions of Bell IXL, on the basis of the facts and information concerning India Equities known to the Bell IXL, in relation to the following:

- the continuation of the business of India Equities;
- any major changes to the business of India Equities and any redeployment of the fixed assets of India Equities;
- the future employment of the present employees of India Equities.

The intentions of Bell IXL as set out are based on a review of the publicly available information regarding India Equities. Bell IXL has not undertaken a due diligence investigation of India Equities nor does Bell IXL have access to any non-public information about India Equities.

Prior to implementing any of the intentions set out Bell IXL will undertake a thorough review of all internal information that is available to Bell IXL. Accordingly the statements set out are statements of current intention only and may vary as circumstances and further information require.

5.2. Rationale for the Offer

The reasons that Bell IXL is making the Offer are:

- To increase the capital available to Bell IXL to fund its business of acquiring strategic shareholdings in publicly listed companies.
- To obtain control of a vehicle listed on the ASX to facilitate access to further investment capital.
- To redirect the activities of India Equities for the benefit of stakeholders in both Bell IXL and India Equities.

5.3. Knowledge of Bell IXL

The knowledge of Bell IXL regarding the affairs of India Equities can be summarised as follows:

- India Equities is no longer engaged in any operating or trading business following the disposal of its investment portfolio and the repatriation of the invested funds to Australia.
- On 20 August 2010 India Equities implemented a capital reduction and distributed \$72,656,201 to its shareholders (around \$0.60 per share).

- The only material asset of India Equities following the capital reduction is cash and short term deposits totalling approximately \$7,800,000.
- India Equities has five employees comprising two Non-Executive Directors and three support staff.
- GW Holdings Pty Ltd (a company associated with well known fund manager Geoff Wilson) which is the holder of around 19% of the India Equities Shares has requisitioned a meeting of shareholders of India Equities for the purpose of removing the existing directors of the company and replacing them with its nominees. On 5 October 2010 the directors of India Equities advised that the resolutions to appoint the nominees of GW Holdings Pty Ltd as directors of India Equities could not be put to the proposed meeting as the procedure set out in the Constitution of India Equities for the election of directors had not been followed. The directors further advised that the resolutions to remove the existing directors of India Equities would not be put to the meeting as the company could have been potentially been left without any directors in the event that the removal resolutions were passed. The requisitioned meeting was held on 18 October 2010 but no business was transacted at the meeting.
- On 5 October 2010 the directors of India Equities announced that none of the proposals for the restructuring of the company provided a compelling alternative to one simply involving the expeditious return of most of the remaining funds of the company to its shareholders.
- The directors of India Equities convened a meeting of India Equities shareholders to be held on Friday 5 November 2010 for the purpose of approving a further capital return of \$0.0575 cash in respect of each India Equities Share. The directors of India Equities have indicated that it is their intention to hold a further shareholder meeting to seek approval for the winding up of India Equities. The directors expect to dispatch the notices convening the further EGM within one month after the 5 November 2010 EGM.
- On 14 October 2010 the directors of India Equities announced that the unaudited NTA per India Equities Share at 30 September 2010 was \$0.064 and that the assets of the company totalled approximately \$7,800,000 held substantially in cash and cash deposits.
- On 18 October 2010 the directors of India Equities announced that an arrangement had been reached with GW Holdings Pty Ltd to the effect that GW Holdings Pty Ltd would not pursue the removal of the existing directors and the appointment of its nominees in their stead on the proviso that if the India Equities Shareholders vote against the capital return at the meeting on 5 November 2010 then the existing directors will appoint the nominees of GW Holdings Pty Ltd as directors of India Equities and the existing directors will then resign from office.

5.4. Intentions of Bell IXL upon gaining control of more than 50.01% but less than 90% of India Equities

If Bell IXL acquires a Relevant Interest in 50.1% or more of India Equities Shares and the Offer is declared or becomes free of all other conditions but Bell IXL does not become entitled to compulsorily acquire the outstanding India Equities Shares then the current intentions of Bell IXL are as follows:

- Bell IXL will seek to reconstitute the Board of Directors of India Equities to reflect the majority ownership of India Equities by Bell IXL with a majority of directors to be nominated by Bell IXL. The candidates for election would include current directors of Bell IXL. Bell IXL believes that the experience, qualifications and skills of those persons are suitable and appropriate for the activities in which India Equities is engaged.
- Bell IXL will seek to replace the Company Secretary of India Equities with a nominee of Bell IXL.
- Bell IXL will support the retention, or appointment, of directors who are independent of Bell IXL. After the takeover bid is concluded, Bell IXL will discuss with the existing India Equities Board of Directors whether existing directors should remain or whether new independent directors should be appointed.
- Bell IXL will, through its nominees on the Board of Directors of India Equities, seek to refocus the activities of India Equities toward the acquisition of strategic shareholdings in publicly listed companies where such holdings can be acquired at a discount to their underlying value. Any such change in activities will be subject to compliance with the requirements of the Corporations Act, the Listing Rules and any other applicable legislation and the legal obligations of the new Board of Directors of India Equities to act in good faith, in the best interests of India Equities and for proper purposes. The cash assets of India Equities will be deployed to fund the acquisition of such shareholdings.
- Bell IXL may acquire further India Equities Shares in the future subject to compliance with the Corporations Act and the Listing Rules.
- Bell IXL and associated companies may offer to transfer to India Equities part or all of their existing portfolios of strategic shareholdings in publicly listed companies in exchange for the issue of additional India Equities Shares to Bell IXL and its associated companies. Any such sale would be subject to compliance with the requirements of the Corporations Act, the Listing Rules and any other applicable legislation and the legal obligations of the new Board of Directors of India Equities to act in good faith, in the best interests of India Equities and for proper purposes.
- Unless Bell IXL acquires a Relevant Interest in 90% of the India Equities Shares it will not be entitled to compulsorily acquire any India Equities Shares. However, if Bell IXL at some later date becomes entitled under

the Corporations Act to compulsorily acquire the India Equities Shares that it does not then own, Bell IXL has no intention to seek to compulsorily acquire such shares at that date.

- Bell IXL does not intend that the employment of the support staff will be continued beyond a reasonable period to allow the orderly transfer of administration of India Equities.
- If it is necessary in order to enable Bell IXL to carry out the proposed share buyback offer then Bell IXL will procure its nominees on the India Equities Board of Directors and use its voting power to effect an equal reduction of capital of India Equities to the extent necessary to fund the proposed share buyback offer.

5.5. Intentions of Bell IXL on gaining control of more than 90% of India Equities

The intentions of Bell IXL if it acquires a Relevant Interest in 90% or more of India Equities Shares are as follows:

- If it becomes entitled to do so under the Corporations Act, Bell IXL does not intend to seek to compulsorily acquire all outstanding India Equities Shares.
- Bell IXL prefers to maintain India Equities as a stand alone investment company the securities of which are listed for trading on the ASX.
- In the event that there is an insufficient number or spread of holders of India Equities Shares following the offer, then Bell IXL will take such steps as are necessary to increase the number and spread of shareholders including, but not limited to, undertaking a capital raising (which may or may not be underwritten) or Bell IXL seeking to dispose of some of its own shares in India Equities but note that Bell IXL has no present intention of reducing its holding below 50.1% of the total number of India Equities Shares on issue.
- Bell IXL will seek to reconstitute the Board of Directors of India Equities to reflect the majority ownership of India Equities by Bell IXL with a majority of directors to be nominated by Bell IXL. The candidates for election would include current directors of Bell IXL. Bell IXL believes that the experience, qualifications and skills of those persons are suitable and appropriate for the activities in which India Equities is engaged.
- Bell IXL will seek to replace the Company Secretary of India Equities with a nominee of Bell IXL.
- Bell IXL will support the retention, or appointment, of directors who are independent of Bell IXL. After the takeover bid is concluded, Bell IXL will discuss with the existing India Equities Board of Directors whether

existing directors should remain or whether new independent directors should be appointed.

- Bell IXL will, through its nominees on the Board of Directors of India Equities, seek to refocus the activities of India Equities toward the acquisition of strategic shareholdings in publicly listed companies where such holdings can be acquired at a discount to their underlying value. Any such change in activities will be subject to compliance with the requirements of the Corporations Act, the Listing Rules and any other applicable legislation and the legal obligations of the new Board of Directors of India Equities to act in good faith, in the best interests of India Equities and for proper purposes. The cash assets of India Equities will be deployed to fund the acquisition of such shareholdings.
- Bell IXL may acquire further India Equities Shares in the future subject to compliance with the Corporations Act and the Listing Rules.
- Bell IXL and associated companies may offer to transfer to India Equities part or all of their existing portfolios of strategic shareholdings in publicly listed companies in exchange for the issue of additional India Equities Shares to Bell IXL and its associated companies. Any such sale would be subject to compliance with the requirements of the Corporations Act, the Listing Rules and any other applicable legislation and the legal obligations of the new Board of Directors of India Equities to act in good faith, in the best interests of India Equities and for proper purposes.
- Bell IXL does not intend that the employment of the support staff will be continued beyond a reasonable period to allow the orderly transfer of administration of India Equities.
- If it is necessary in order to enable Bell IXL to carry out the proposed share buyback offer then Bell IXL will procure its nominees on the India Equities Board of Directors and use its voting power to effect an equal reduction of capital of India Equities to the extent necessary to fund the proposed share buyback offer.

5.6. Intentions of Bell IXL on gaining control of less than 50.1% of India Equities

As at the date of this Bidder's Statement, and based on the information available to them, Bell IXL does not intend to waive the minimum acceptance condition. Therefore if Bell IXL receives acceptances for less than 50.1% of the India Equities Shares then the Offer will lapse.

5.7. Other intentions

Subject to the above, it is the present intention of Bell IXL that:

- the business of India Equities will be continued in the same manner as it is currently being conducted;

- no major changes will be made to the business of India Equities; and
- there will not be any redeployment of the fixed assets of India Equities;

6. ADDITIONAL STATUTORY AND OTHER INFORMATION

6.1. Relevant interest and voting power

6.1.1. According to documents lodged with the ASX there are no shares or securities issued by India Equities except India Equities Shares.

6.1.2. As at the date of this Bidder's Statement:

(a) Bell IXL does not have a Relevant Interest in any India Equities Shares; and

(b) the voting power of Bell IXL in India Equities is 0%.

6.2. Collateral benefits and escalation agreements

6.2.1. Neither Bell IXL nor any Associate of Bell IXL has provided or agreed to provide any consideration for India Equities Shares under a purchase or agreement during the four months before the date of this Bidder's Statement or during the period between the date of this Bidder's Statement and the date the Offers are made to India Equities Shareholders.

6.2.2. Neither Bell IXL nor any Associate of Bell IXL has given, offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person to accept the Offer or to dispose of India Equities Shares being a benefit not offered to all India Equities Shareholders during the four months before the date of this Bidder's Statement or during the period between the date of this Bidder's Statement and the date the first Offer is made under the Bid.

6.2.3. Neither Bell IXL nor any Associate of Bell IXL has entered into any escalation agreement in respect of India Equities Shares that is prohibited by section 622 of the Corporations Act.

6.3. Bid consideration

6.3.1. The consideration offered by Bell IXL is two Bell IXL Shares for every five India Equities Shares.

6.3.2. According to documents lodged with ASX there are a total of 121,813,066 India Equities Shares on issue as at the date of this Bidder's Statement.

6.3.3. The maximum consideration required under the Offer is therefore 48,725,226 Bell IXL Shares.

6.3.4. Bell IXL is able to issue the Bell IXL Shares so as to provide the consideration to India Equities Shareholders under the takeover bid.

6.3.5. The Offer has been formulated after having regard to the fact that India Equities has no securities on issue other than for India Equities Shares and that there are a total of 121,813,066 of such shares on issue. In the event that the capital structure of India Equities has changed then Bell IXL reserves the right to alter the terms of the Offer.

6.4. Date for determining holders of securities

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under item 6 and item 12 of section 633(1) of the Corporations Act is the Record Date.

6.5. Other material information

There is no other information that:

- is material to the making of a decision by a holder of India Equities Shares whether to accept the Offer; and
- which is known to Bell IXL;

other than:

- as set out or referred to elsewhere in this Bidder's Statement; or
- information which it would be unreasonable to require Bell IXL to disclose because the information has previously been disclosed to holders of India Equities Shares.

6.6. Consents

Pointon Partners has given and has not withdrawn its consent to be named in this Bidder's Statement as legal adviser to Bell IXL in the form and context in which it is named. Pointon Partners has not authorised or caused the issue of this Bidder's Statement, does not make or purport to make any statement in the Bidder's Statement and takes no responsibility for any part of this Bidder's Statement (except to the extent required by the Corporations Act).

Link Market Services Limited has given and has not withdrawn its consent to be named in this Bidder's Statement as the share registry of Bell IXL in the form and context in which it is named. Link Market Services Limited has not authorised or caused the issue of this Bidder's Statement, does not make or purport to make any statement in the Bidder's Statement and takes no responsibility for any part of this Bidder's Statement (except to the extent required by the Corporations Act).

6.7. Corporations Act modifications

6.7.1. Bell IXL has not obtained any specific modifications to, or exemptions from, the Corporations Act in respect of the Offer.

6.7.2. ASIC has gazetted a number of instruments known as “Class Orders” which provide general modifications to, or exemptions from, Chapter 6 of the Corporations Act. Bell IXL relies on any such general modifications to, or exemptions from, the Corporations Act.

6.7.3. In particular Bell IXL relies upon ASIC Class Order 01/1543 which permits Bell IXL to include statements in this Bidder’s Statement without obtaining the consent of India Equities where those statements are fairly derived from information included in documents given to ASIC or ASX. The relevant statements have been sourced from:

- The public announcement titled ‘2010 Capital Repayment’ released by India Equities to the ASX on 20 August 2010.
- The annual report of India Equities for the year ended 30 June 2010 released to the ASX on 31 August 2010.
- The public announcement titled ‘EGM Notice of Meeting’ released to the ASX on 7 September 2010.
- The public announcement titled ‘August 2010 NTA per share after tax \$0.067’ released by India Equities to the ASX on 9 September 2010.
- The public announcement titled ‘18 October EGM Proposed Resolutions unable to be considered’ released by India Equities to the ASX on 5 October 2010.
- The public announcement titled ‘Further Return of Capital’ released by India Equities to the ASX on 5 October 2010.
- The public announcement titled ‘Update - EGM of 18 October 2010’ released by India Equities to the ASX on 13 October 2010.
- The public announcement titled ‘September 2010 NTA per share after tax \$0.064’ released by India Equities to the ASX on 14 October 2010.

As required by ASIC Class Order 01/1543 Bell IXL will make available copies of these documents free of charge to India Equities Shareholders who request them during the Offer Period. To obtain a copy of any of these documents India Equities Shareholders may contact Bell IXL.

6.8. Disclaimer

The details contained in this Bidder’s Statement regarding India Equities have been obtained from publicly available information. Bell IXL has had only a limited opportunity, or no opportunity, to independently verify such information and Bell IXL does not, subject to the Corporations Act, make any

representation or warranty, express or implied, as to the accuracy or completeness of the information.

6.9. Broker handling fees

Bell IXL will pay handling fees in cash (at its expense and not as a deduction from the consideration due to India Equities Shareholders) of 0.75% of the value of the consideration due to accepting India Equities Shareholders (on the basis that one Bell IXL Share is valued at \$0.168).

There will be a minimum fee of \$50.00, and a maximum fee of \$750.00, for each Acceptance Form. Handling fees will be paid within 21 days after the Closing Date. These fees will be paid to any participating organisation of the ASX or NSX whose stamp appears on the relevant Acceptance Form. Handling fees will be payable in respect of all valid Acceptance Forms received at any time during the Offer Period.

If the Acceptance Form relates to India Equities Shares held by the participating organisation whose stamp appears on the form or by any Associate of that participating organisation then no handling fee will be paid.

The affixing by a participating organisation of its stamp to a Acceptance Form constitutes a warranty by that organisation that neither it nor an Associate is the accepting shareholder under the form and a warranty that the handling fee will not be passed on to, or shared with, the accepting shareholder.

Bell IXL expressly reserves the right to aggregate Acceptance Forms for the purpose of calculating the handling fees payable to any participating organisation if Bell IXL reasonably believes that any party has purposely structured holdings of India Equities Shares to take advantage of the provisions for the payment of handling fees.

7. TAXATION IMPLICATIONS

7.1. Introduction

This section provides a general outline of the Australian taxation consequences for both resident Australian and non-resident India Equities Shareholders as a result of accepting the Offer. The discussion contained herein is based on existing law as at the date of the Bidder's Statement.

The information provided is a very broad summary only and is intended to provide an overview of the potential taxation consequences from accepting the Offer. The summary is not exhaustive and does not deal with all the income tax issues that may affect a particular shareholder. Special additional rules may apply to particular shareholders such as insurance companies, superannuation funds and financial institutions.

India Equities Shareholders that are not resident in Australia for tax purposes also need to take into account the tax consequences that may arise under the laws of their country of residence.

7.2. Australian tax consequences

The Australian taxation consequences for India Equities Shareholders who accept the Offer will be dependent upon a number of factors including:

- 7.2.1.** when their India Equities Shares were acquired;
- 7.2.2.** whether the India Equities Shares are held on revenue account as trading stock or on capital account;
- 7.2.3.** the tax residency of the India Equities Shareholder (ie: whether an Australian resident or not);
- 7.2.4.** whether the level of acceptances under the Offer results in Bell IXL acquiring at least 80% of the India Equities Shares; and
- 7.2.5.** the consideration under the Offer.

Each India Equities Shareholder will need to consider their own specific circumstances, particularly in respect to the first three factors identified above, as this will determine which category of ownership applies to them in the differing Australian tax consequences which are discussed below.

Revenue versus capital account

The tax consequences for all India Equities Shareholders are impacted by whether they hold their India Equities Shares on revenue account or capital account. Broadly, where the India Equities Shares were acquired with the dominant purpose of reselling them at a profit, or where they are held for

resale as trading stock, they are likely to be considered to be on revenue account for tax purposes.

Whereas, India Equities Shareholders who hold their India Equities Shares as passive investments with the intention of generating dividend income and long term capital growth are likely to be considered to hold the shares on capital account for tax purposes.

7.3. Australian resident shareholders

(a) Shares held on capital account

Under the Australian CGT regime, acceptance of the Offer by India Equities Shareholders will cause a disposal of their India Equities Shares which constitutes a CGT event.

To the extent that the value of the consideration received (being the market value of the Bell IXL Shares) is greater or less than the cost base a shareholder has in their India Equities Shares, a capital gain or capital loss may result. Certain India Equities Shareholders, including individuals, trusts and complying superannuation funds, but not companies, that held their India Equities Shares for at least 12 months prior to accepting the Offer, may choose to utilise the CGT discount to potentially reduce the taxable amount of the gain (by 50% for individuals and trusts, and 33 1/3% for complying superannuation funds).

If a capital gain accrues to an India Equities Shareholder as a result of accepting the Offer, they may be eligible to choose to obtain relief from CGT upon the disposal of their India Equities Shares under the scrip for scrip rollover provisions discussed below (if available).

Scrip for scrip rollover relief

In order for scrip for scrip rollover relief to apply, a fundamental requirement is that there is a sufficient acceptance of the Offer by India Equities Shareholders so that Bell IXL's ownership interest increases from its current level to at least 80% of the India Equities Shares. Given that one of the conditions for completion of the Offer by Bell IXL is that the level of acceptance must result in Bell IXL becoming entitled to at least 50.1% of all India Equities Shares then scrip for scrip rollover relief would only be expected to be available in respect of the Offer if the 80% threshold requirement is exceeded. There are however various other preconditions to be satisfied before rollover relief will actually be available to an India Equities Shareholder.

In addition, as Bell IXL reserves the right to waive or amend the offer conditions, and as a result of which Bell IXL may complete the offer where the level of acceptance is not sufficient to bring its total interest in India Equities to at least 80%, then scrip for scrip rollover relief will not necessarily be available. Accordingly, India Equities Shareholders

seeking to obtain the scrip for scrip CGT rollover relief if the Offer is completed by Bell IXL should confirm the actual acceptance level in terms of how it increases Bell IXL's overall interest in India Equities, particularly if the minimum acceptance condition referred to is either waived or varied. If the pre-conditions for scrip for scrip rollover relief are satisfied, including the India Equities Shareholder electing to obtain the relief, then a capital gain that would otherwise arise in respect of the disposal of India Equities Shares is disregarded. The election must be made before or with the tax return for the year in which the Offer is accepted. Another consequence of the rollover is that, broadly, the cost base in the original India Equities Shares is allocated proportionally across the replacement Bell IXL Shares. This is discussed further below.

(b) Shares held on revenue account

Any gain or loss realized upon the disposal of India Equities Shares held on revenue account (the gain or loss amount determined by comparing the cost of the shares with the proceeds, being the market value of Bell IXL Shares received in substitution plus any other consideration received) will be assessed as ordinary income or allowable as a revenue deduction.

The scrip for scrip rollover provisions will generally have no application.

(c) Shares held as trading stock

India Equities Shareholders engaged in the business of share trading, whereby they regularly acquire shares and hold them with a view to making short-term profits through sale or exchange in the ordinary course of carrying on a business, would hold the India Equities Shares as trading stock.

Where this is the case, scrip for scrip rollover relief will not be available on acceptance of the Offer.

Any proceeds received from the sale arising from the Offer (a gain being the market value of the Bell IXL Shares plus any other consideration) will be included in assessable income in these circumstances.

(d) Acquisition of Bell IXL Shares

The Australian Income Tax and CGT consequences associated with the acquisition of Bell IXL Shares will depend on whether the shares were acquired:

- pursuant to scrip for scrip rollover; or
- without rollover relief.

Scrip for scrip rollover relief chosen

If any India Equities Shareholder is eligible for scrip for scrip rollover relief, and elects to apply, then:

- for the purposes of determining whether the Bell IXL Shares issued under the Offer have been held for at least 12 months, and are therefore potentially eligible for discount CGT treatment on any subsequent disposal of the Bell IXL Shares issued under the Offer as discussed above those Bell IXL Shares will be taken to have been acquired at the time the India Equities Shares were originally acquired; and
- the CGT tax cost base and reduced cost base of the Bell IXL Shares issued under the Offer will be determined on the basis of a reasonable attribution of the cost base and reduced cost base of the India Equities Shares disposed of by the accepting India Equities Shareholder.

No rollover relief

Where the scrip for scrip rollover relief does not apply to the disposal of India Equities Shares (for example where Bell IXL does not attain an interest of at least 80% in India Equities or where the India Equities Shareholder did not elect to obtain the rollover), the cost base of the Bell IXL Shares issued under the Offer shall generally be the market value of the India Equities Shares disposed of on the date of acquiring the Bell IXL Shares.

If the holders of India Equities Shares have any questions about the financial or taxation aspects of holding or disposing of Bell IXL Shares, they should consult a suitably qualified adviser prior to making a decision whether or not to accept the Offer for their India Equities Shares.

7.4. Non-resident shareholders

(a) Shareholders holding less than 10% in India Equities on capital account

For non-resident shareholders who (together with associates) hold less than 10% of the India Equities Shares (and who have not held more than 10% at anytime in the previous 5 years), their shares will not be considered as assets having the necessary connection with Australia for CGT purposes. As a result, such shareholders will not be subject to Australian CGT on the disposal. The replacement Bell IXL Shares will also not be subject to Australian CGT.

(b) Non-resident shareholders holding 10% or more in India Equities on capital account

For non-resident shareholders who (together with associates) that currently hold, or during the previous 5 years have held, 10% or more of the India Equities Shares, the disposal of India Equities Shares will only be subject

to Australian CGT if at least 50% of the total market value of the assets of India Equities was Australian real property.

Bell IXL understands that the assets of India Equities are wholly or substantially comprised of cash and cash equivalents and so Australian CGT will not apply to a disposal by non-resident shareholders described in the previous paragraph.

If Australian CGT did apply to the disposal then relief might be available under a DTA between Australia and the non-resident's home country.

A discussion of whether capital gains may be free from Australian tax pursuant to the operation of the various DTA is outside the scope of this tax summary. It is recommended that non-resident shareholders seek specific advice in this regard. Where capital gains are taxable in Australia, certain India Equities Shareholders (such as individuals, trusts and complying superannuation funds) that had held their India Equities Shares for at least 12 months may be eligible for the CGT discount.

Scrip for scrip rollover relief

As Bell IXL is an Australian resident company, non-resident shareholders may be able to receive the benefit of the scrip for scrip rollover.

(c) Non-resident shareholder holding shares on revenue account

A non-resident India Equities Shareholder that holds shares as trading stock or otherwise on revenue account for Australian Income tax purposes will generally only be taxable in Australia where the shareholder is resident in a country with which Australia has a DTA, and the gain on such sale is attributable to an Australian "permanent establishment". In such circumstances the gain would be taxable as normal assessable income with no indexation or discounting available as potentially exists for CGT purposes.

If the India Equities Shareholder is resident in a country with which Australia does not have a DTA, then a gain on revenue account from the sale of India Equities Shares is only taxable in Australia as ordinary Income to the extent that the gain is Australian sourced. Determining the source of income is largely a question of fact, which takes into account various factors to which differing weighting is applied depending upon the particular circumstances. As a guide, such factors generally include, inter alia, the place where the India Equities Shareholder carried on business, the locations of the parties and the corporate register for the shares being traded, and where key events relevant to the transaction take place, such as where the contract is negotiated and/or executed.

In any event, where such a revenue gain is deemed to not be Australian sourced, it might still be subject to Australian CGT as discussed above (requiring the non-resident India Equities Shareholder's interest to be at least 10%) as, technically, the Australian CGT regime does not require an

asset to be held on capital account (although gains which are otherwise assessable eg. as ordinary income, are not also subject to CGT under anti-overlap provisions). Accordingly, non-DTA country resident India Equities Shareholders holding India Equities Shares on revenue account should also consider any potential Australian CGT consequences upon accepting the Offer.

7.5. Goods and services tax

India Equities Shareholders who accept the Offer and who are registered, or required to be registered, for GST in Australia will also need to consider whether there is a GST impact to them. A supply of shares is an input taxed supply for GST purposes. Consequently, the disposal of shares by India Equities Shareholders to Bell IXL will not give rise to any GST liability.

However, any GST on expenses associated with the sale or acquisition of shares may become a cost to the India Equities Shareholder. This is because GST incurred on acquisitions that relate to the making of input taxed supplies is not generally recoverable as an input tax credit.

However, any impact will be dependent upon the level of expenses associated with the sale and the individual India Equities Shareholder's own GST status.

As special rules exist which may reduce partially, or possibly in full, input tax credits in certain circumstances, dependent upon both the nature of the supply and the recipient's purpose in relation thereto, each India Equities Shareholder should obtain their own specific advice.

7.6. Stamp Duty

If the Offer is accepted by India Equities Shareholders, there will be no stamp duty consequences for those shareholders under Australian law on the disposal of their India Equities Shares or on the acquisition of Bell IXL Shares.

8. OFFER TERMS

8.1. Offer

- 8.1.1.** Bell IXL offers to acquire from you on the terms and conditions set out in this section all of your India Equities Shares together with all Rights attaching to them.
- 8.1.2.** This Offer is only applicable to India Equities Shares that were in existence on the Record Date and does not extend to shares that are issued by India Equities after that date.
- 8.1.3.** Offers on terms and conditions identical to those contained in this Offer have been, or will be, despatched to all holders of India Equities Shares listed in the Register of Members of India Equities as at the Record Date.
- 8.1.4.** The Offer is made on the Offer Date.

8.2. Consideration

- 8.2.1.** The consideration offered by Bell IXL for the acquisition of your India Equities Shares is two Bell IXL Shares for every five India Equities Shares. If you become entitled to a fraction of a Bell IXL Share that fraction will be rounded down to the nearest whole Bell IXL Share.
- 8.2.2.** If, at the time the Offer is made to you, you are a Foreign Shareholder you will not receive any Bell IXL Shares for your India Equities Shares. Instead, subject to the terms of the Offer, you are offered and will receive a cash amount for your India Equities Shares. Please refer to the section of this Bidder's Statement headed "Foreign India Equities Shareholders".
- 8.2.3.** Bell IXL has been admitted to the official list of NSX and the Bell IXL Shares are listed for trading on NSX.
- 8.2.4.** Bell IXL Shares issued under the Offer will be credited as fully paid and will rank equally in all respects with all other Bell IXL Shares already issued.
- 8.2.5.** Application will be made within seven days after the start of the Offer period for the granting of quotation of the Bell IXL Shares to be issued in accordance with the Offer. It must be noted that quotation is not granted automatically on application.
- 8.2.6.** Pursuant to the Corporations Act, this Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to quotation by NSX of the Bell IXL shares to be issued pursuant to the Offer is granted no later than seven days

after the Closing Date. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offers will be automatically void.

8.3. Offer Period

- 8.3.1.** Unless the Offer Period is extended or the Offer is withdrawn under the relevant provisions of the Corporations Act, this Offer will remain open for acceptance during the period commencing on the Offer Date and ending at 7:00 pm (Melbourne time) on the Closing Date.
- 8.3.2.** Bell IXL may extend the Offer Period.
- 8.3.3.** The Offer Period will be automatically extended if, within the last seven days of the Offer Period, the Offer is varied to improve the consideration offered or the voting power of Bell IXL in India Equities increases above 50%.

8.4. Acceptance

- 8.4.1.** You may accept this Offer in respect of some or all of your India Equities Shares.
- 8.4.2.** To accept this Offer you must complete and sign the Acceptance Form enclosed with this Offer in accordance with the instructions on it and return it together with all other documents required by those instructions (if any) using the enclosed reply paid envelope.
- 8.4.3.** Mail or deliver completed Acceptance Forms and any other required documents to:

Mailing address

Link Market Services Limited
India Equities Fund Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

Hand delivery

Link Market Services Limited
India Equities Fund Limited Takeover
Level 12, 680 George Street
SYDNEY NSW 2000

- 8.4.4.** The acceptance form and any supporting documentation must be received prior to the end of the Offer Period to be valid. Envelopes that are post-marked before the end of the Offer Period will be deemed to be received before the end of the Offer Period even if they are received after the Offer is closed.

8.4.5. An acceptance of this Offer is not valid until the Transfer and Acceptance Form completed and signed in accordance with the instructions on it and all other documents required by those instructions, have been received at the specified address. Bell IXL may, in its absolute discretion, waive all or any of the requirements specified in the Acceptance Form and deem a defective acceptance of the offer to be a valid acceptance but in such a situation Bell IXL is entitled to withhold providing the consideration until any irregularity is resolved to the satisfaction of Bell IXL.

8.4.6. If your India Equities Shares are held on the CHESSE sub register of India Equities then you can also accept the Offer as follows:

(a) by instructing your controlling participant (who in ordinary circumstances will be your broker) to initiate acceptance of the Offer in accordance with the ASTC Settlement Rules before the end of the Offer Period; or

(b) if you are a participant in the CHESSE system, you must initiate acceptance of the Offer in accordance with the ASTC Settlement Rules before the end of the Offer Period.

8.4.7. If your India Equities Shares are held on the CHESSE subregister of India Equities and you complete, sign and send the Acceptance Form to Bell IXL then you will have irrevocably authorised Bell IXL to instruct your controlling participant to initiate acceptance of the Offer on your behalf. You must ensure that the Acceptance Form is received by Bell IXL in time for Bell IXL to give instructions to your controlling participant to initiate acceptance of the Offer before the expiry of the Offer Period. You will be taken to have completed acceptance of the Offer when your controlling participant initiates acceptance of the Offer in accordance with the ASTC Settlement Rules.

8.4.8. Different holdings

If some of your India Equities Shares are held in different parcels and/or in different forms, you must take the steps set out in this section in relation to each of your separate parcels of India Equities Shares in order to accept the Offer.

8.4.9. Nominee holdings

If your India Equities Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact your nominee for assistance in accepting the Offer.

8.5. Entitlement to Offer

8.5.1. If at the time this Offer is made to you, or at any time during the Offer Period and before you accept this Offer, another person is, or is entitled to be, registered as the holder of, or is able to give good title to, some or all of your India Equities Shares (“Third Party Shares”) then, in accordance with section 653B(1)(a) of the Corporations Act:

(a) a corresponding Offer shall be deemed to have been made at that time to that other person relating to the Third Party Shares; and

(b) a corresponding Offer shall be deemed to have been made at that time to you relating to your India Equities Shares other than the Third Party Shares.

8.5.2. If at any time during the Offer Period and before the Offer is accepted you hold India Equities Shares on trust for, as nominee for or on account of another person or persons, then a separate Offer shall be deemed, in accordance with section 653B of the Corporations Act, to have been made to you in relation to each such parcel of India Equities Shares held by you. An acceptance by you of the Offer in respect of any such distinct portion of India Equities Shares will be ineffective unless you have given Bell IXL a notice stating that your India Equities Shares consist of separate parcels and your acceptance specifies the number of India Equities Shares in the distinct portion to which the acceptance relates.

8.6. Effect of acceptance

By completing, signing and returning the Acceptance Form in accordance with this Offer then, subject to any contrary provisions of this Offer or the Corporations Act, you will, or will be deemed to, have:

8.6.1. irrevocably accepted this Offer in respect of that number of India Equities Shares that you have specified on the Acceptance Form however you will be deemed to have accepted the Offer for all your India Equities Shares in any of the following situations:

8.6.1.1. you do not specify a number of India Equities Shares on your Acceptance Form or your specification is unclear; or

8.6.1.2. the number of India Equities Shares you specify is greater than the number of India Equities Shares that you hold; or

8.6.1.3. if your acceptance would result in you being left with a holding of India Equities Shares with a value less than \$500.00 based on the last sale price for India Equities Shares on the date of your acceptance.

- 8.6.2.** agreed to transfer to Bell IXL that number of India Equities Shares in respect of which you have accepted the Offer;
- 8.6.3.** applied for and agreed to accept the issue by Bell IXL that number of Bell IXL Shares that you are entitled to as a result of accepting this Offer;
- 8.6.4.** agreed to be bound by the Constitution of Bell IXL;
- 8.6.5.** irrevocably appointed Bell IXL and each director of Bell IXL jointly and each of them severally as your true and lawful attorney with power to execute on your behalf and do all other things necessary to obtain the registration of the Bell IXL Shares in your name;
- 8.6.6.** represented and warranted to Bell IXL as a condition of the contract for the sale of your India Equities Shares that, at the time of acceptance of this Offer and at the time the transfer of your India Equities Shares to Bell IXL is registered that your India Equities Shares are and will be upon registration fully paid up and free from all mortgages, charges, liens and other encumbrances (legal or equitable) of any kind and restrictions on transfer of any kind, and that you have full power and capacity to sell and transfer your India Equities Shares and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of your India Equities Shares;
- 8.6.7.** authorised Bell IXL and each director of Bell IXL to complete on the Acceptance Form correct details of your India Equities Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make the Acceptance Form an effective acceptance of this Offer;
- 8.6.8.** irrevocably appointed Bell IXL and each director of Bell IXL from time to time jointly and each of them severally as your true and lawful attorney, with effect from the date that any contract resulting from the acceptance of this Offer is declared free from all its conditions or those conditions are satisfied, with power to exercise all powers and rights which you could lawfully exercise as the registered holder of your India Equities Shares including, without limitation, requesting India Equities to register your India Equities Shares in the name of Bell IXL, attending and voting at any meeting of India Equities, demanding a poll for any vote taken at or proposing or seconding any resolutions to be considered at any meeting of India Equities, requisitioning any meeting of India Equities, signing any forms, notices or instruments relating to your India Equities Shares and doing all things incidental and ancillary to any of the foregoing and it is acknowledged and agreed that in exercising such powers the attorney may act in the interests of Bell IXL as the intended registered holder of your India Equities Shares;

- 8.6.9.** agreed, with effect from the date that any contract resulting from the acceptance of this offer is declared free from all conditions or those conditions are fulfilled, and in the absence of a prior waiver of this provision by Bell IXL, not to attend or vote in person at any meeting of India Equities Shareholders or to exercise or purport to exercise any of the powers conferred on Bell IXL under the preceding clause;
- 8.6.10.** irrevocably authorised and directed India Equities to pay to Bell IXL or account to Bell IXL for all Rights, subject however to any such Rights received by Bell IXL being accounted for by Bell IXL to you in the event that the Offer is withdrawn or avoided;
- 8.6.11.** except where Rights have been paid or accounted for under the preceding paragraph, have irrevocably authorised Bell IXL to value those rights and deduct from the consideration payable in respect of your India Equities Shares, the value of any Rights paid to you;
- 8.6.12.** represented and warranted to Bell IXL that, unless you have notified Bell IXL to the contrary, your India Equities Shares do not consist of separate parcels of shares; and
- 8.6.13.** agreed to exercise all such documents, transfer and assurances that may be necessary or desirable to convey your India Equities Shares and any Rights to Bell IXL.

8.7. Dividends etc.

- 8.7.1.** Bell IXL will be entitled to all Rights declared, paid, made or which may arise or accrue at or after the Record Date in respect of India Equities Shares acquired pursuant to this Offer.
- 8.7.2.** If any Rights are declared, paid, made or arise or accrue to the holders of India Equities Shares either in cash or otherwise after the Announcement Date then, provided same has not been paid or given to Bell IXL, Bell IXL will be entitled to value the Rights and deduct from the consideration payable under this Offer the value of the Rights that Bell IXL was entitled to receive but did not. If the consideration is adjusted as contemplated by this clause and as a result a holder of India Equities Shares becomes entitled to receive a fractional number of Bell IXL Shares then the number of Bell IXL Shares will be rounded down to the nearest whole number.

8.8. Offer conditions

- 8.8.1.** This Offer and the contract resulting from the acceptance of this Offer (and each other Offer and each contract resulting from the acceptance thereof) are subject to the following conditions:
- (a) Bell IXL having a Relevant Interest in not less than 50.1% of the India Equities Shares on the Closing Date;

- (b) None of the Prescribed Occurrences occurring in relation to India Equities during the period commencing on the Announcement Date and ending on the Closing Date;
- (c) Bell IXL obtaining any necessary approvals required under the NSX Listing Rules to make the Offer.
- (d) That during the period commencing on the Announcement Date and ending on the Closing Date no takeover documents detailing an alternative bid for India Equities Shares are dispatched and no announcement of an alternative bid is made.
- (e) That after the Announcement Date there is no fall greater than 10% in the level of the S&P/ASX 200 Index calculated based on the value of the index at the close of trading on the date prior to the Announcement Date.
- (f) That after the Announcement Date there is no rise or fall greater than 10% in the net tangible asset value per share for either India Equities Shares or Bell IXL Shares.
- (g) That after the Announcement Date no event occurs that will, or is reasonably likely, to have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses, revenue or prospects of India Equities and its subsidiaries.
- (h) That after the Announcement Date neither India Equities nor any subsidiary of India Equities:
 - acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest therein) or makes an announcement in relation to such an acquisition, offer or agreement; or
 - enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, management agreement or commitment or makes an announcement in relation to such an entry, offer or agreement; or
 - issues any shares, alters the rights attaching to any shares or otherwise changes the composition of its capital.

8.8.2. The Conditions are conditions subsequent save where otherwise stated. The non-fulfilment of a condition subsequent does not prevent a contract to sell your India Equities Shares resulting from your acceptance of this Offer, but entitles Bell IXL by written notice to you, to rescind the contract resulting from acceptance of this Offer.

8.8.3. Bell IXL alone has the benefit of the Conditions and any breach or non-fulfilment of any such conditions may be relied upon only by Bell IXL.

8.8.4. The date specified for the giving of notice referred to in section 630(3) of the Corporations Act is the Condition Date, subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

8.8.5. If at the end of the Offer Period in respect of the Conditions:

(a) Bell IXL has not declared this Offer and all other Offers and all contracts resulting from the acceptance of the Offers to be free from the Conditions; and

(b) the Conditions have not been fulfilled,

then all contracts resulting from the acceptance of Offers and any acceptances that have not yet resulted in binding contracts are void. If you have accepted the Offer then in such a situation Bell IXL will return to you at your risk your Acceptance Form together with all other documents submitted by you with that form to your address as specified on the Acceptance Form.

8.9. Obligations of Bell IXL

8.9.1. Bell IXL will provide the consideration for your India Equities Shares by the end of whichever of the following periods ends earliest:

(a) one month after this Offer is accepted or, if the Offer is subject to defeating conditions when accepted, within one month after the Offer becomes unconditional; or

(b) 21 days after the Closing Date;

Bell IXL will not be liable under any circumstance to pay any interest or other compensation in the event of a delay in providing the consideration to you.

8.9.2. If you are not a Foreign India Equities Shareholder then the obligation of Bell IXL to provide the consideration for your India Equities Shares will be satisfied as follows:

(a) by Bell IXL entering your name on the register of members of Bell IXL; and

(b) dispatching or procuring the dispatch to you by pre-paid post to your address recorded in the register of members of India Equities on the Record Date, an uncertificated holding statement in your name. If your India Equities Shares are held in a joint holding, an

uncertificated holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in the register of members of India Equities on the Record Date.

8.9.3. Where the Acceptance Form requires an additional document to be given with your acceptance:

(a) if that document is given with your acceptance, Bell IXL will provide the consideration in accordance with the preceding paragraph;

(b) if that document is given after acceptance and before the end of the Offer Period while the Offer is subject to a defeating condition, Bell IXL will provide the consideration by the end of whichever of the following periods ends earlier:

(A) one month after the Offer becomes unconditional; or

(B) 21 days after the Closing Date;

(c) if that document is given after acceptance and before the end of the Offer period while the Offer is not subject to a defeating condition, Bell IXL will provide the consideration by the end of whichever of the following periods ends earlier:

(A) one month after the document is given; or

(B) 21 days after the Closing Date;

(d) if that document is given after the end of the Offer Period, then Bell IXL will provide the consideration within 21 days after that document is given.

8.10. Withdrawal

(a) Bell IXL may withdraw this Offer at any time subject to obtaining the consent of ASIC. If the offer is withdrawn then a notice of withdrawal will be given to India Equities and to each person to whom a Bidder's Statement was sent.

(b) If this Offer is withdrawn then any contract resulting from its acceptance will automatically be void.

8.11. Variation

This Offer may be varied by Bell IXL as allowed by the Corporations Act.

8.12.Costs and taxes

Bell IXL will pay all costs and expenses of the preparation and circulation of the Bidder's Statement. Bell IXL will pay any stamp duty payable on the transfer of your India Equities Shares to Bell IXL.

8.13.Notices

- (a) Notices may be given to Bell IXL by sending them by prepaid ordinary post to:

Bell IXL Investments Limited
PO Box 111
Doncaster, Victoria 3108.
Australia

- (b) Notices may be given to you by sending them by prepaid ordinary post (airmail if your address is overseas) to your address as shown in the Register of Members of India Equities.

8.14.Foreign India Equities Shareholders

If you are a Foreign India Equities Shareholder and you accept the Offer then Bell IXL will:

- (a) arrange for the issue to a nominee approved by ASIC (Nominee) of the number of Bell IXL Shares to be issued in accordance with the Offer to which you and all other Foreign India Equities Shareholders would have otherwise been entitled to receive;
- (b) cause those Bell IXL Shares to be offered for sale on NSX within 30 days after the end of the Offer Period; and
- (c) pay to you the amount A determined in accordance with the following formula:

$$A = P \times N / T$$

where:

P is the proceeds which the Nominee received from the sale of all Bell IXL Shares issued to the Nominee under the Offer, less brokerage and other sale expenses;

N is the number of Bell IXL Shares which Bell IXL would otherwise be required to issue to you as a result of your acceptance of the Offer; and
T is the total number of Bell IXL Shares issued to the Nominee under the Offer.

(d) Payment will be made by cheque in Australian currency. The cheque will be posted to you at your risk by prepaid airmail to your address as shown on the register of members of India Equities on the Record Date. Interest will not be paid on the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

(e) For the avoidance of any doubt:

(i) Bell IXL is not under any obligation to spend any money, or undertake any action, in order to satisfy itself of the eligibility of Foreign India Equities Shareholders to receive Bell IXL Shares; and

(ii) Bell IXL is not under any obligation to spend any money or take any action in order to obtain authority or clearance of the type described in the section of this Bidder's Statement headed "Statutory authorities and clearances".

8.15. Statutory authorities and clearances

If, at the time of acceptance of this Offer, any authority or clearance of the Reserve Bank of Australia, the Australian Taxation Office or any other government, governmental, semi-governmental, statutory or judicial entity, authority body or instrumentality whether in Australia or elsewhere is required for you to receive any consideration under this Offer then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by Bell IXL.

8.16. Governing law

This Offer and any contract that arises from your acceptance of this Offer is governed by the laws in force in the State of Victoria.

9. DEFINITIONS AND INTERPRETATION

9.1. Dictionary

These terms have the meanings set out unless the context otherwise requires:

Acceptance Form means the form of acceptance of the Offer enclosed with the Bidder's Statement;

Announcement Date means 17 September 2010;

ASIC means Australian Securities and Investments Commission;

ASTC means ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532);

ASTC Settlement Rules means the rules of ASTC from time to time;

ASX means ASX Limited (ACN 008 624 691) or the financial market it operates, as the context requires;

ASX Listing Rules means the Listing Rules of the ASX;

Associate has the meaning set out in section 12 of the Corporations Act;

Bell IXL means Bell IXL Investments Limited (ACN 113 699 908);

Bell IXL Ordinary Shares means fully paid ordinary shares in Bell IXL;

Bell IXL Shares means fully paid limited voting ordinary shares in Bell IXL;

Bidder's Statement means this document that has been served on India Equities in relation to the Takeover Bid;

CHESS means Clearing House Electronic Subregister System established and operated by ASTC;

Closing Date means 20 December 2010;

Condition Date means 10 December 2010;

Conditions means the conditions set out in the section of this Bidder's Statement headed "Offer conditions";

Constitution means the Constitution of Bell IXL;

Corporations Act means the *Corporations Act 2001* of Australia;

Foreign India Equities Shareholder means an India Equities Shareholder who is a citizen or a resident of a jurisdiction other than Australia or whose

address as shown in the register of members of India Equities is a place outside Australia and its external territories;

India Equities means India Equities Fund Limited (ACN 121 415 576);

India Equities Shareholder means a person who is registered as the holder of India Equities Shares in the Register of Members of India Equities;

India Equities Shares means fully paid ordinary shares in India Equities;

NSX means National Stock Exchange of Australia Limited (ACN 000 902 063) or the financial market it operates, as the context requires;

NSX Listing Rules means the Listing Rules of the NSX;

Offer means the offer in the section of this Bidder's Statement headed "Offer Terms" and **Offers** means the several like offers that together constitute the Takeover Bid;

Offer Date means 17 November 2010;

Offer Period means the period during which the Offer remains open for acceptance being the period commencing on the Offer Date and ending at 7:00pm on the Closing Date;

Prescribed Occurrences means each of the events set out in section 652C of the Corporations Act;

Record Date means the date to be specified by Bell IXL by notice to India Equities under section 633(2) of the Corporations Act, which must be on or after the date on which Bell IXL gives the Bidder's Statement, or separate written notice, to India Equities and on or before the date on which the Offer is made;

Relevant Interest has the meaning set out in the Corporations Act;

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of India Equities Shares whether directly or indirectly including without limitation all rights to receive dividends (and any attaching franking credit), to subscribe for shares, units, notes, options or other securities and all other distributions, returns of capital or entitlements declared, paid, made or issued by India Equities after the Announcement Date;

Takeover Bid means the off-market takeover to acquire all the India Equities Shares comprising the making of the Offer to every India Equities Shareholder; and


9.2. Interpretation

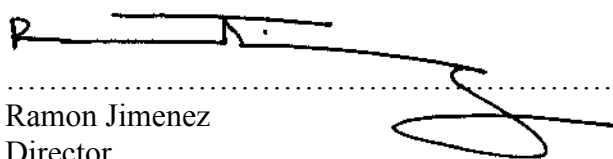
- 9.2.1.** Words and phrases defined in the Corporations Act have that meaning in this document unless that meaning is inconsistent with the context in which the word or phrase is used.
- 9.2.2.** Headings are for convenience of reference only and do not affect interpretation.
- 9.2.3.** The singular includes the plural and vice versa and words importing any gender include the other gender, and references to persons include corporations.
- 9.2.4.** A reference to a section or clause is a reference to a section or clause of this document.
- 9.2.5.** References to time are reference to the time in Melbourne, Australia on the relevant date.
- 9.2.6.** References to “dollars”, “\$” or “cents” are to Australian currency.


10. APPROVAL OF BIDDER'S STATEMENT

This Bidder's Statement has been approved by a unanimous resolution passed by all the directors of Bell IXL.

Dated: 1 November 2010


Signed:
Massimo Livio Cellante
Executive Chairman and Managing Director


Signed:
Ramon Jimenez
Director


Signed:
Romano Livio Cellante
Director



BELL IXL INVESTMENTS LIMITED
ABN 80 113 669 908



Need help?

Contact Bell IXL Offer Information Line

Phone [1XXX XXX XXX] (from within Australia)

Phone +61 2 8280 [XXXX] (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Holder Identification Number: X12345678910

India Equities Fund Limited Shares
held as at [Record Date] 99,999,999

If your holding has changed between record date and time
of acceptance, then write your current holding here.

**This is an important document. If you are in doubt
as to how to complete this form, please consult your
financial or other professional adviser immediately.**

Controlling Participant's Name *Broker's Name and telephone printed here*

Advisor Name:

Contact Number:

Transfer and Acceptance Form – CHESS Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to your controlling participant to accept the Offer

If you correctly sign and return this form but do not select a box in this section or your selection is not distinct you will be deemed to have accepted the Maximum Offer in respect of **100%** of your India Equities Fund Limited Shares.

Offer Consideration – Two (2) fully paid Limited Voting Ordinary Shares in Bell IXL Investments Limited for five (5) fully paid Ordinary Shares in India Equities Fund Limited.

<input type="checkbox"/>	Mark this box to accept the Maximum Offer	Full number of your India Equities Fund Limited Shares the subject of acceptance of the offer	As a result of this acceptance this number of my India Equities Fund Limited Shares would be transferred	Being 100% of all my holding
<input type="checkbox"/>	Mark this box to accept the Specific Portion Offer	Specify the number of India Equities Fund Limited Shares (being less than 100%) that you wish to accept on	Being less than 100% of all my holding	

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

()

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our India Equities Fund Limited Shares and hereby agree to transfer to Bell IXL Investments Limited all my/our India Equities Fund Limited Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Shareholder 2 (Individual)

Shareholder 3 (Individual)

Sole Director & Sole Company Secretary

Secretary/Director (delete one)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



HIN



Broker PID



Holding

IEFT TKO004



Further Important Instructions

Your India Equities Fund Limited Shares are in a CHESS Holding, you do not need to complete and return this Acceptance Form to the registry to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow Link Market Services Limited ("Link") sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf. Neither Bell IXL Investments Limited, nor Link will be responsible for any delays incurred by this process.

Please refer to the Bidder's Statement dated [XX XX 200X] which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
 - **Please note** your consideration will be issued in the names as they appear on the India Equities Fund Limited register.
- D**
- **Please sign this Acceptance Form** in the places for signature(s) out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your India Equities Fund Limited Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Information you supply on this Acceptance Form will be used by Bell IXL Investments Limited and Link Market Services Limited for the primary purpose of processing your acceptance of the Offer and to provide you with the consideration payable under the Offer. This information may be disclosed to Bell IXL Investments Limited's professional advisers, securities brokers, printing and mailing providers and other third parties in connection with the Offer. If you fail to supply this information, your acceptance may not be processed and you may not receive the consideration payable. You have rights to obtain access to the personal information which you have supplied. Please see Link Market Services Limited's privacy policy on its website www.linkmarketservices.com.au.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services Limited
India Equities Fund Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Link Market Services Limited
India Equities Fund Limited Takeover
Level 12, 680 George Street
SYDNEY NSW 2000

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (AEDT) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the Bell IXL Investments Limited Offer Information Line on the following numbers:

**within Australia: [1XXX XXX XXX]
outside Australia: +61 2 8280 [XXXX]**



BELL IXL INVESTMENTS LIMITED
ABN 80 113 669 908



Need help?

Contact Bell IXL Offer Information Line

Phone [1XXX XXX XXX] (from within Australia)

Phone +61 2 8280 [XXXX] (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Securityholder Reference Number: I12345678910

India Equities Fund Limited
Shares held as at [Record Date] 99,999,9999

If your holding has changed between record date and time of acceptance, then write your current holding here. Your acceptance will be granted over your updated holding.

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Transfer and Acceptance Form – Issuer Sponsored Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to accept the Offer

If you correctly sign and return this form but do not select a box in this section or your selection is not distinct you will be deemed to have accepted the Maximum Offer in respect of **100%** of your India Equities Fund Limited Shares. Your form must be received by the Closing Date.

Offer Consideration – Two (2) fully paid Limited Voting Ordinary Shares in Bell IXL Investments Limited for five (5) fully paid Ordinary Shares in India Equities Fund Limited.

	Full number of your India Equities Fund Limited Shares the subject of acceptance of the offer	As a result of this acceptance this number of my India Equities Fund Limited Shares would be transferred
<input type="checkbox"/> Mark this box to accept the Maximum Offer	<input type="text"/>	<input type="text"/> Being 100% of all my holding
<input type="checkbox"/> Mark this box to accept the Specific Portion Offer	Specify the number of India Equities Fund Limited Shares (being less than 100%) that you wish to accept on <input type="text"/>	<input type="text"/> Being less than 100% of all my holding

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our India Equities Fund Limited Shares and hereby agree to transfer to Bell IXL Investments Limited all my/our India Equities Fund Limited Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



SRN



Holding

IEFT TKO003



Further Important Instructions

Your India Equities Fund Limited Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Bidder's Statement dated [XX XX 200X] which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your India Equities Fund Limited Registry.
- **Please note** your consideration will be issued in the names as they appear on the India Equities Fund Limited register.
- D** • **Please sign this Acceptance Form** in the places for signature(s) out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your India Equities Fund Limited Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Information you supply on this Acceptance Form will be used by Bell IXL Investments Limited and Link Market Services Limited for the primary purpose of processing your acceptance of the Offer and to provide you with the consideration payable under the Offer. This information may be disclosed to Bell IXL Investments Limited's professional advisers, securities brokers, printing and mailing providers and other third parties in connection with the Offer. If you fail to supply this information, your acceptance may not be processed and you may not receive the consideration payable. You have rights to obtain access to the personal information which you have supplied. Please see Link Market Services Limited's privacy policy on its website www.linkmarketservices.com.au.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services Limited
India Equities Fund Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Link Market Services Limited
India Equities Fund Limited Takeover
Level 12, 680 George Street
SYDNEY NSW 2000

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (AEDT) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the Bell IXL Investments Limited Offer Information Line on the following numbers:

**within Australia: [1XXX XXX XXX]
outside Australia: +61 2 8280 [XXXX]**