

INDIA

EQUITIES FUND LTD

ABN 15 121 415 576 · ASX Code INE
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7 November 2008

ASX RELEASE

ASX Code: INE

**2008 Annual General Meeting
Chairman and CEO Addresses
1.30 pm Friday 7 November 2008
Computershare Conference Centre, Melbourne**

Please see attached addresses to be delivered by the Chairman, Mr Don Christie and CEO, Mr John Pereira to shareholders at the Annual General Meeting of India Equities Fund Limited to be held at 1.30 pm today, Friday 7 November 2008.

A copy of the presentation to be shown at the AGM is attached and will also be available on the Company's website at www.indiaequitiesfund.com.au.

Yours sincerely,



Mark Licciardo
Company Secretary



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INE – 2008 AGM Chairman's Address

On behalf of the board and management, I'd like to open by thanking all shareholders for their continued support of India Equities Fund Ltd.

We live in tumultuous times and the impact of the global financial crisis on the worldwide economy since December 2007 has been profound. Neither India nor Australia have been insulated from the flow on effects of recent events and, despite strong arguments to bolster both economies, they have both been negatively impacted economically and more particularly through their equity markets.

Your Directors continue to believe that the underlying drivers that support the long term growth of the Indian economy remain in place. Our belief is based upon:

- The GDP growth rate continuing to run at a significantly higher rate than that of Western OECD countries. While the rate peaked at 9.3% in December 2007, it is expected to decline by only a few percentage points. The latest forecast from IMF for 2009 is 6.9%.
- Inflation is expected to be contained through the Government's monetary policies and the reduction in the world oil and commodity price.
- Growth and economic development are heavily driven by domestic rather than international considerations. Significant growth in the purchasing power of the Indian middle class is driving consumer demand. The fulfillment of this demand requires major infrastructure investment that is being supported by a combination of public and private investors.
- Foreign Institutional investment in large cap Indian shares peaked around 25%. During 2008 there have been substantial outflows as these investors retreated from the Indian market. The combination of the eventual stabilisation of international markets and India's increasing recognition as a major player in tomorrow's global economy is expected to see future FII inflows.

That said, it is important that we do not just stand still and wait for these changes.

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As indicated in our ASX announcement of 14 October, we have reviewed the appropriateness of maintaining the strategy outlined in the prospectus back in early 2007. The outcome of this review was a small change to the Company's strategy to provide the flexibility to include what we have termed "Special Situation Investments".

This change recognises that there are many other opportunities in the Indian market that are outside of the listed equity space. The company has set some rigid guidelines to ensure that any proposal put to the Board is thoroughly assessed and evaluated. A dedicated 100% owned subsidiary – India Asset Management Pty Ltd has been established to manage such opportunities that may arise.

The maximum exposure to this new investment class is 15% of the total funds at the point of commitment and it is NOT the Directors intention to liquidate existing equity holdings to fund any opportunities. Funding will either be provided from new funds raised in future or current uninvested funds.

We look forward to the eventual return of more normal trading environments in the world financial markets and will continue our efforts to deliver benefits to shareholders from the vibrant Indian market.

Thank you ladies and gentleman.

I now wish you to welcome John Pereira, CEO to the microphone to give you a further update on the Company's activities and performance to date.

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CEO's Address

Thank you Mr Chairman.

Based on our recent visit to India, I can confirm our commitment to the key drivers of the economy as outlined in the Chairman's address. India continues to be a strong and dynamic economy with vibrant prospects for long term growth.

India Equities shares on ASX have not escaped the effects of the major decline in global equities in the short term, as I am sure you are all well aware.

The chart you see behind me shows the changes in Net Tangible Assets (NTA) and share price from 30 June 2007 through to end October 2008.

The initial six month period to 31 December 2007 saw strong growth in the NTA on the back of a 50.2% increase in the Portfolio value to a peak of \$114m. It was during this period that the directors declared and paid the Company's maiden dividend of 1 cent per share. I will continue to recommend to the Board to pay dividends whenever possible, however the short term circumstances have not enabled me to make these representations on your behalf.

The global financial market decline that commenced in January 2008 has continued through to end October. During this period the NTA has reduced over 50% from a peak of \$1.47 (before tax) to \$0.77 (before tax) at end September, substantially in line with 30 June 2008. The October NTA will be announced next week but the underlying market movement has been a further reduction of around 15%.

As we have noted in our regular investment reports (available on our website), despite strong domestic demand the Indian economy has not been shielded from the rest of the world's woes up until now particularly due to:

- Large outflows of Foreign Institutional Investor equity funds (around \$US 13bn so far in 2008)
- Significant increases in inflation arising primarily from oil imports and food prices

We have been active on capital management both during and after the end of the financial year:

- We were disappointed that the onset of the global financial crisis eroded the potential value of the stapled option that was given to investors as part of our listing. Accordingly this option expired out-of-the-money on 12 September 2008 with no further funds being raised.

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- In accordance with our Prospectus, we implemented an Off-Market Buy Back that was subsequently cancelled due to the movement of the market benchmark after acceptances were received.
- We did however take the opportunity to repurchase 712,965 shares as part of an On-Market Buy Back during June and July 2008. These shares were purchased at average price of 63c.

In addition to the above actions we have continued to monitor potential capital management actions and other steps that might enhance the perceived value of your shareholding and reduce the substantial discount to NTA that it has traded at over the past few months. This analysis has led to the proposed modification of the investment universe to include up to 15% allocation to Special Situation Investments, as noted by the Chairman earlier.

Finally, I wish to express my appreciation to all shareholders for your continued support and my fellow directors. We all look forward to a return to more normal market conditions.

I will now hand back to the Chairman to continue with the agenda for this meeting.

Investment Manager's Presentation

Nitin Jain
Principal Fund Manager
Kotak Mahindra (UK) Limited

2008 ANNUAL GENERAL MEETING



Disclaimer

This presentation has been prepared for use in conjunction with a verbal presentation and should be read in that context.

This presentation is provided for informational and discussion purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any security of India Equities Fund Limited (INE) or its affiliates. Any current or prospective investors in INE should consult with their own qualified professional financial adviser.

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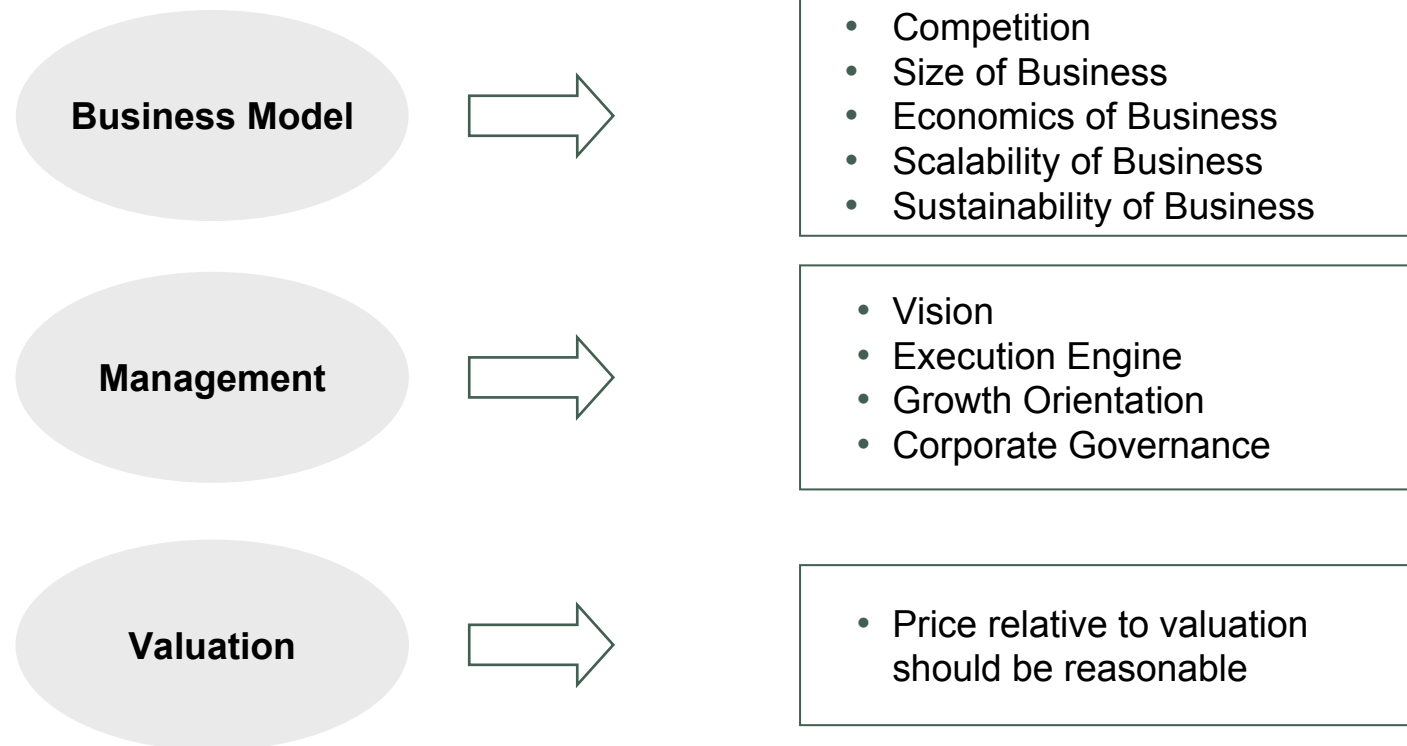
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Investments in India are subject to a number of risks including, but not limited to, risk of losing some or all of the capital invested, high market volatility, variable market liquidity, geopolitical risks (including political instability), exchange rate fluctuations, changes in tax regime and restrictions on investment activities of foreign investors. Past investment performance should not be viewed as a guide to, or indicator of, future performance and the value of investments and the income derived from them can go down as well as up. Investments in India should be considered only as part of a diversified overall portfolio of assets.

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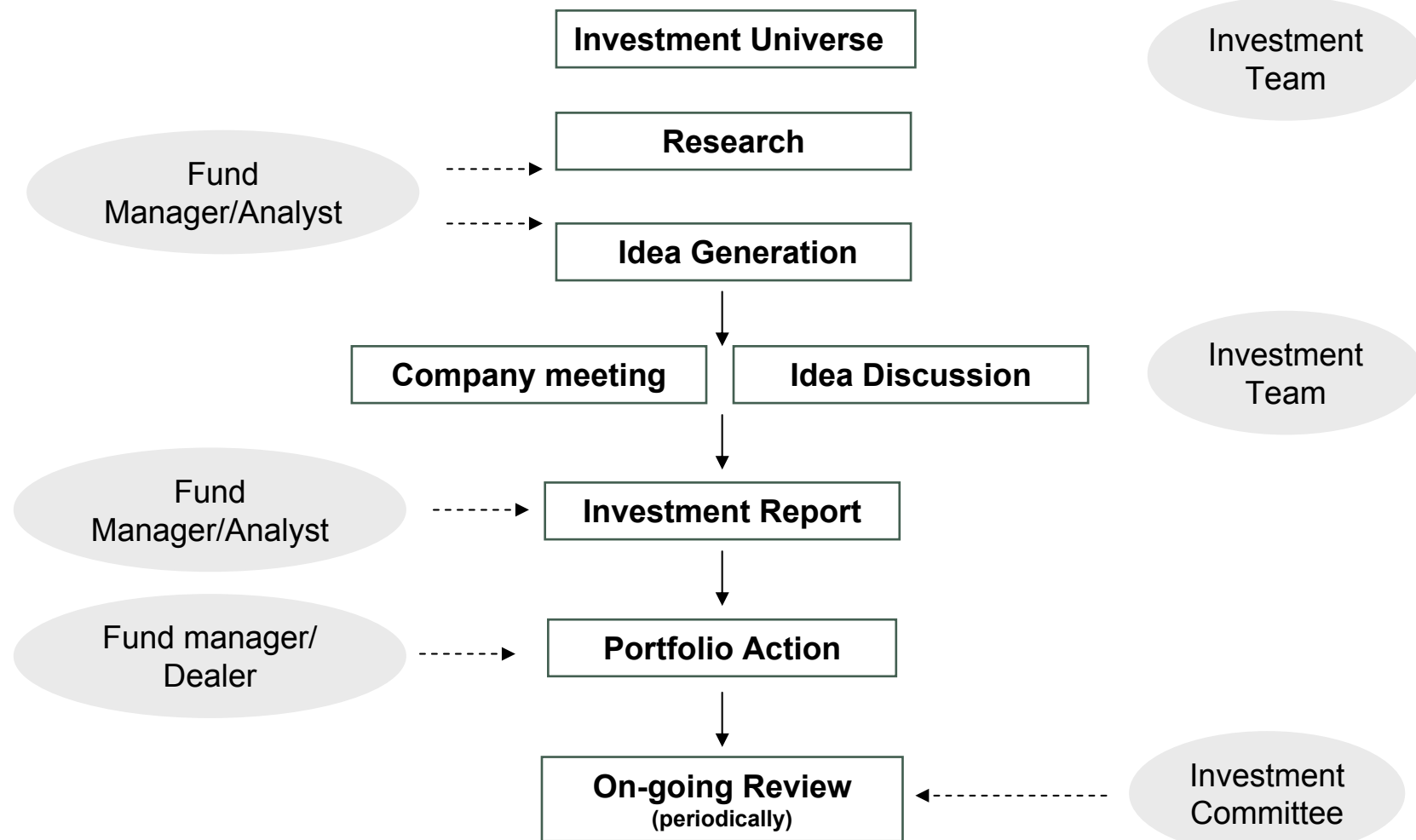
Three-pronged approach to Investing – Mix of qualitative & quantitative



- Benchmarking – an integral part; but themes/stocks assume priority
- Sustainable ideas: Invest with a medium to long term view
- We believe its businesses and not stock markets that creates wealth



How do we invest your money?



Portfolio Characteristics

Inception Date	5 April 2007
Fund Size (NTA after tax)	A\$60.9m
Number of stocks	42

Top 10 Holdings

Stock Name	% Port
Reliance Industries	8.0
Bharti Airtel	5.1
Oil And Natural Gas Corporation	4.1
ITC	3.9
Infosys Technologies	3.8
Larsen And Toubro	3.7
HDFC	3.7
BHEL	3.5
ICICI Bank	2.8
Reliance Communication	2.5
Total	41.1

Performance

Period	IEF Portfolio	BSE 200 (A\$)
1 month	-11.1	-12.7
FYTD	1.7	3.3
Rolling 12 months	-30.5	-32.1
Since Inception	-13.9	-15.9

All data is as of 30 September 2008.



Bharti Airtel

Investment Highlights

- India's largest mobile operator with an overall market share of 24% (incremental market share of 30%).
- Largest subscriber base and highest ARPU, reflects excellent operations and subscriber quality.
- India adding 9 mn subscribers per month – fastest growing telecom market in the world, yet only 30% penetrated.
- Entering international markets with Sri Lanka in early 2009. Aspires to be a major global telecom player.
- Bharti offers the highest earnings visibility in the sector with a two year EBITDA CAGR of 30% plus.

Key Concerns

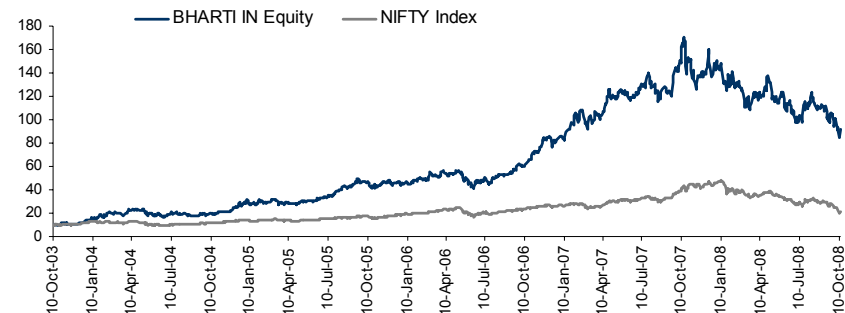
- Intensifying competition with the entry of new players.
- Pressure on tariffs/margins given aggressive capex plans of major operators.
- Incremental subscriber addition at much lower ARPU.
- Regulatory concerns with different bodies – TRAI, DOT and Telecom Ministry disagreeing on most issues.
- Spectrum shortage might lead to irrational pricing.

Financials

	FY08	FY09 E	FY10 E
Revenue (Rs bn)	270.25	379.63	490.72
PAT (Rs bn)	69.31	92.42	113.09
EPS (Rs)	35.3	47	57
P/E (x)	19.6	14.4	9.65
Current Market Cap in USD (mn): 27,066			
Daily Traded Volume in USD (mn)*: 89.10			

Source: Kotak Institutional Equities

Relative Performance*



*Source: Bloomberg

Prices of the stock and the index in 2003 have been re-based to 10 for the purpose of comparison.

Past performance is not an indicator of expected future performance.



Reliance Industries

Investment Highlights

- Set to transform into an integrated oil and gas conglomerate from a petrochemical company.
- Recently announced commencement of oil production at its KG-D6 block.
- Likely huge upside potential from its exploration business. Largest acreage holder in the private sector in India. and has significant international exploration acreage.
- Volume growth to ensure 3–fold increase in earnings over the next 5 years.

Key Concerns

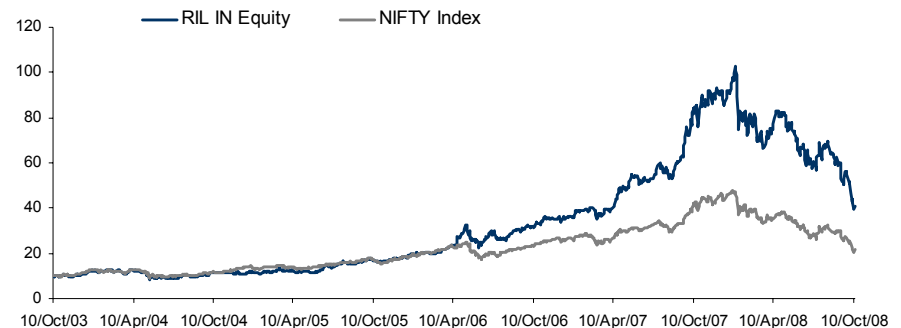
- Petrochemical business likely to enter a bearish phase with new capacities being added in India and China.
- Prolonged litigation with Reliance Natural Resources. Reliance Industries is currently barred from concluding gas-marketing agreements.
- Adverse regulatory changes in taxation.

Financials

	FY08	FY09 E	FY10 E
Revenue (Rs bn)	1,334.43	1,813.14	2,681.28
PAT (Rs bn)	142.51	160.15	248.99
EPS (Rs)	101.7	105.8	158.3
P/E (x)	15.01	14.44	9.65
Current Market Cap in USD (mn): 41,362			
Daily Traded Volume in USD (mn)*: 256.00			

Source: Kotak Institutional Equities

Relative Performance*



*Source: Bloomberg

Prices of the stock and the index in 2003 have been re-based to 10 for the purpose of comparison.
Past performance is not an indicator of expected future performance.



State Bank of India

Investment Highlights

- India's largest bank with a vast franchise – over 14,500 branches (including subsidiaries).
- Strong and stable CASA of 44%, despite competition reaching its strongholds.
- Play on rural prosperity & rural banking.
- Above average loan growth and improving asset quality.
- Big beneficiary of easing interest rates from its large investment book.
- Likely value-unlocking in insurance and asset management businesses.

Key Concerns

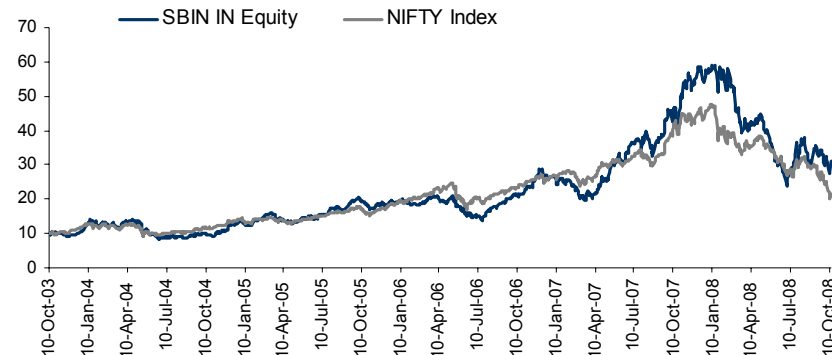
- Vulnerable to regulatory risk – mainly stricter pension provision norms
- Uncertainty on integration of associate banks

Financials

	FY08	FY09 E	FY10 E
Net interest income (Rs bn)	267.36	304.62	365.96
PAT (Rs bn)	67.29	71.60	78.71
EPS (Rs)	106.6	113.4	124.6
P/E (x)	12.69	11.93	10.85
P/B (x)	2.0	1.8	1.5
Current Market Cap in USD (mn): 17,593			
Daily Traded Volume in USD (mn)*: 71.84			

Relative Performance*

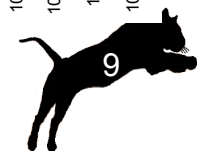
Source: Kotak Institutional Equities



*Source: Bloomberg

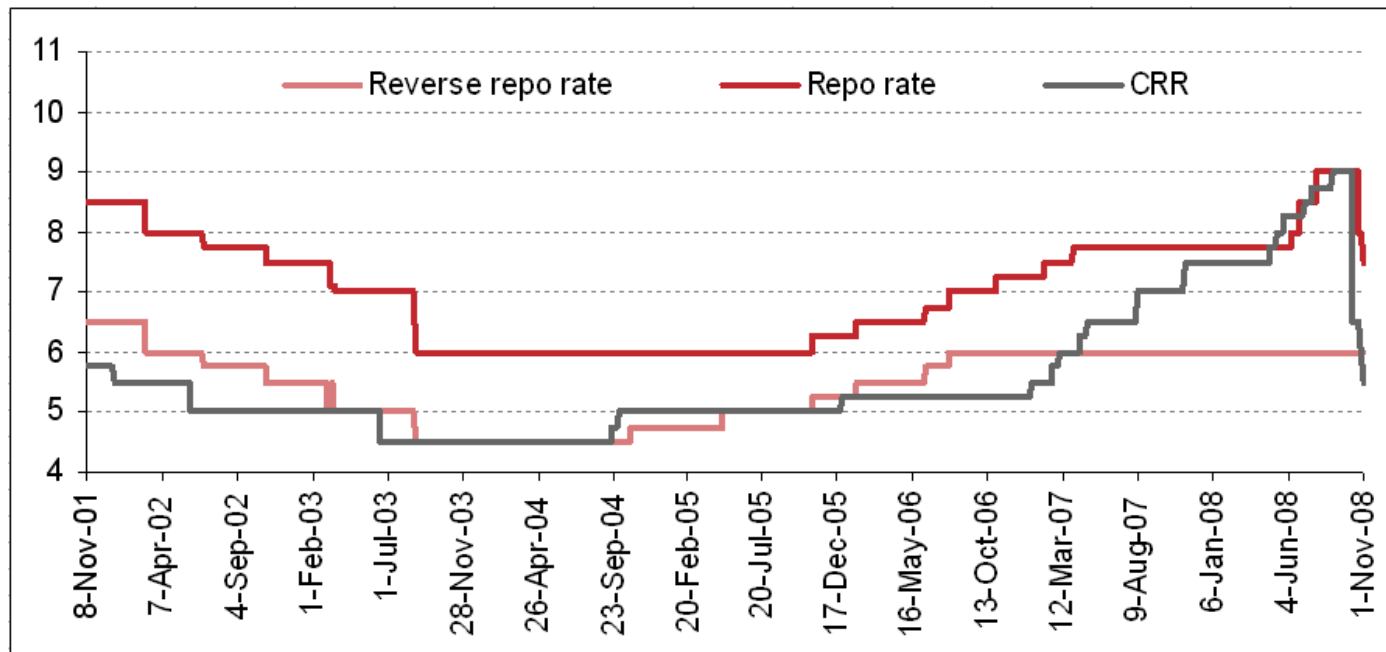
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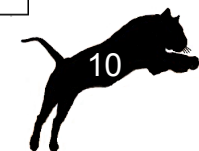


Monetary Policy – A change of guard bring a change in stance

- Under its new Governor D. Subbarao, the Reserve Bank of India has shifted its stance from controlling inflation to reviving growth
- Through Oct 08, the RBI has announced a slew of rates cuts and policy measures boosting system liquidity by nearly US\$50bn



Source: Bloomberg

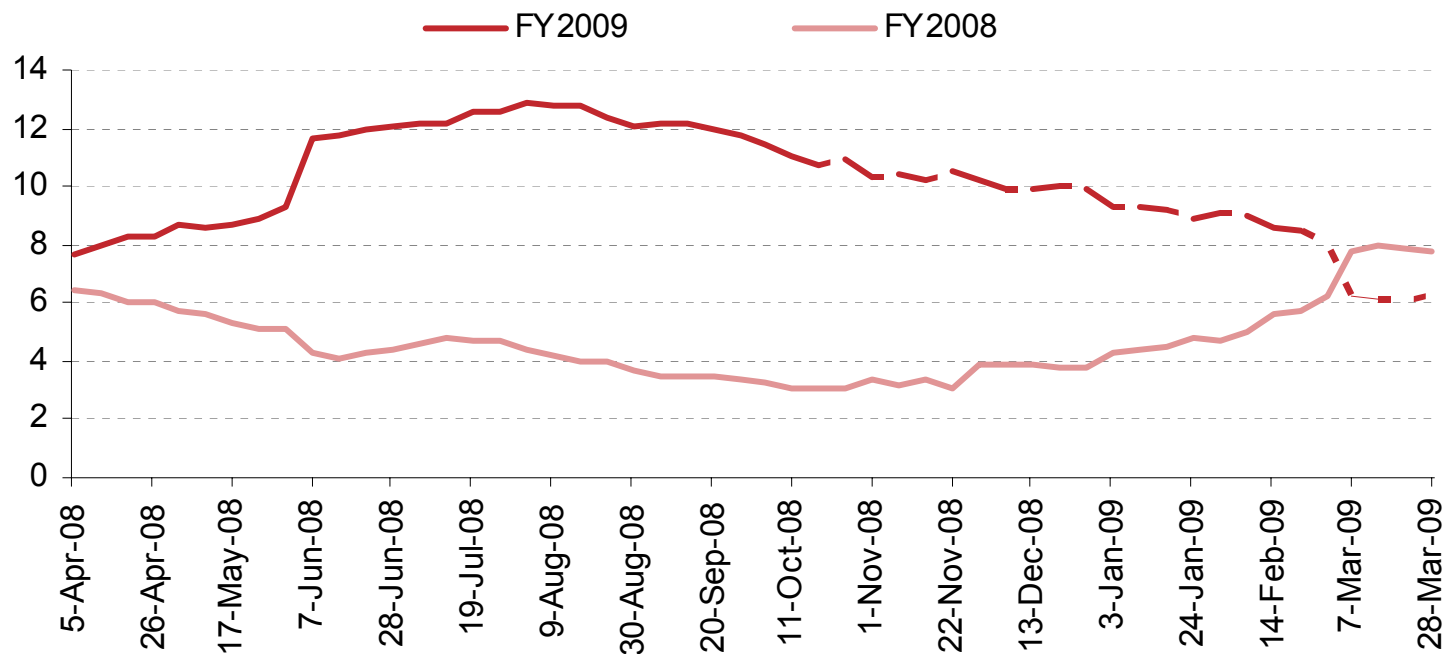


Inflation – Cooling off

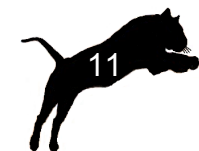
Inflation has fallen from almost 13% to less than 11% recently on the back of falling commodity prices

WPI inflation likely to drop to 6% by end-FY2009

Headline inflation rate, FY2008 and FY2009E (actual until October 11, 2008; estimates thereafter) (%)

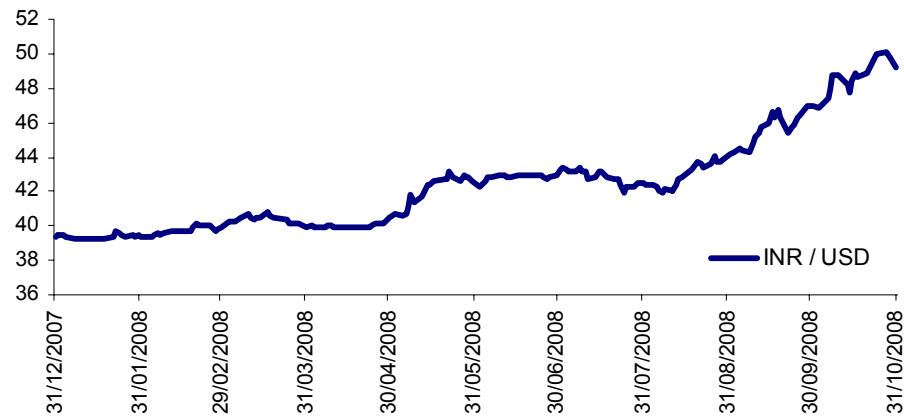


Source: GOI, Kotak Institutional Equities estimates



Rupee – sharp depreciation over the last few months could reverse

Trends in INR / USD



Source: RBI

- The rupee which has depreciated sharply in the last few months could appreciate on the back of policy measures designed to encourage flows back to India
- Falling commodity prices, especially oil, could also have a positive impact on the rupee, India imports nearly 70% of its crude oil requirement



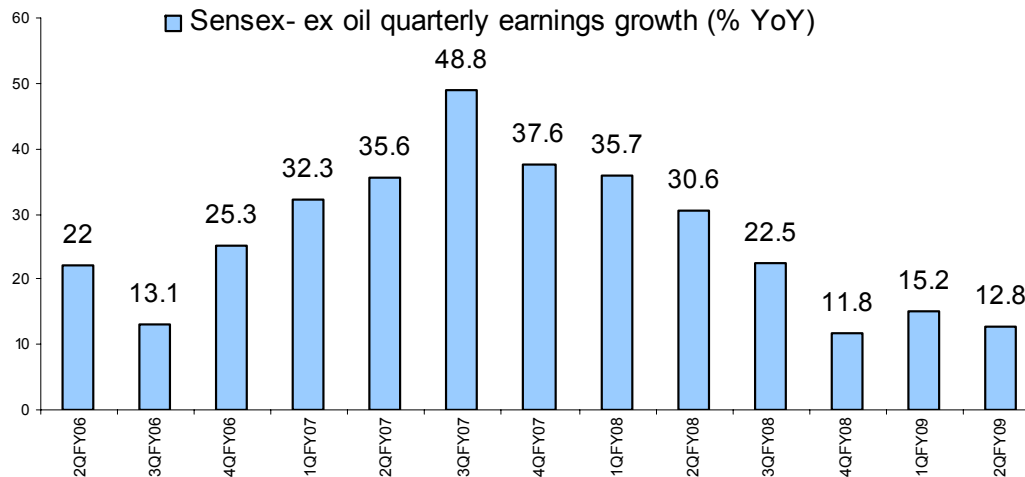
Q2 FY09 Results – Slowing...but slowly

Corporate results in the 2nd quarter of FY09 have indicated a moderation in earnings but are still strong, financials delivered particularly robust results

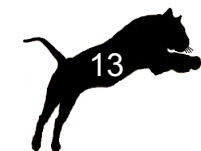
2QFY09 Results (Growth in Percent YoY)

Index	Sales	EBITDA	PAT
Sensex ex Energy	29.6%	23.1%	13.8%
BSE500 ex Energy	19.4%	--	8.1%

Sensex ex-oil Quarterly Earnings Growth

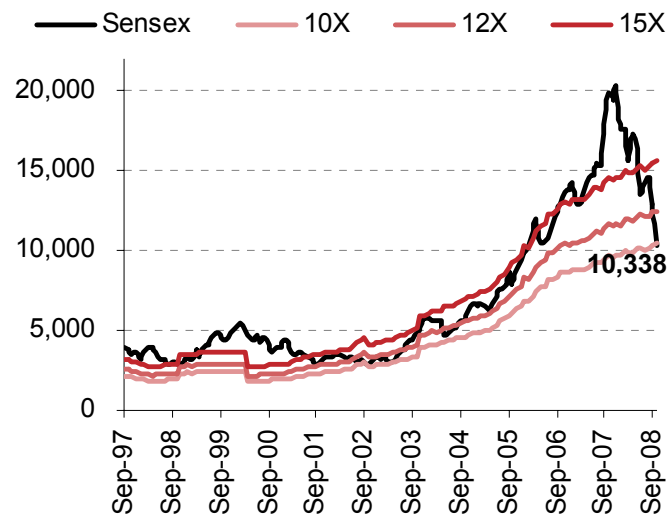


Source: Citi Investment Research

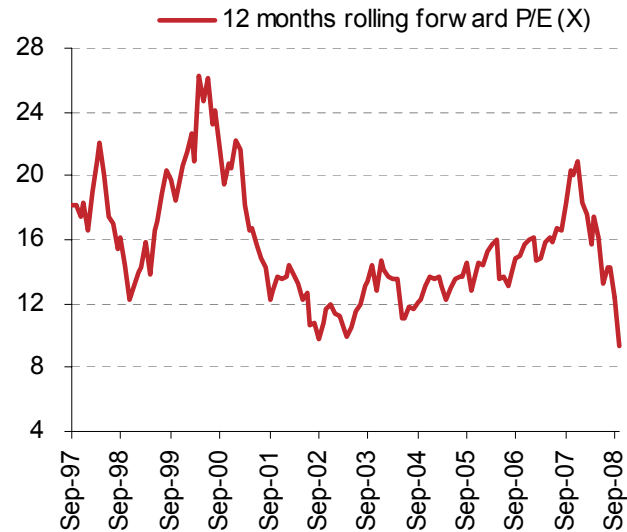


Market Outlook – Valuations are attractive on most parameters

1-year rolling forward P/E for BSE 30 Index



Source: Kotak Institutional Equities



- Valuations are close to historical lows
- With a low interest rate regime, markets can pull back closer to average PER of 14.5x 1-year forward earnings
- The BSE Sensex is now trading at around 9.4x FY10 expected earnings
- EPS Growth is expected to be around 14% in FY10



Market Outlook

- India's core structural investment themes viz. infrastructure investments, rising domestic consumption and outsourcing remain intact.
- Indian economy still likely to grow strongly at between 7-7.5% in CY2008/CY2009, making it the second fastest in the world, despite a difficult global economic situation, helped by a robust financial system and prudent monetary policy.
- Expected market performance to be supported by 1) India's estimated corporate earnings growth of 11% in FY2009 and 14% in FY2010 despite tough global conditions, 2) improving macro-conditions and 3) relative isolation from global events.
- Near-term market volatility may however persist but will likely largely track global volatility.
- Medium-term market triggers: Falling commodity/oil prices benefit India substantially, softening inflation and interest rates could aid market recovery.
- Key risks: 1) Foreign investor selling near-term driven by global de-leveraging compulsions and 2) Politics in the medium term – with India's general elections due in 1HCY2009.

