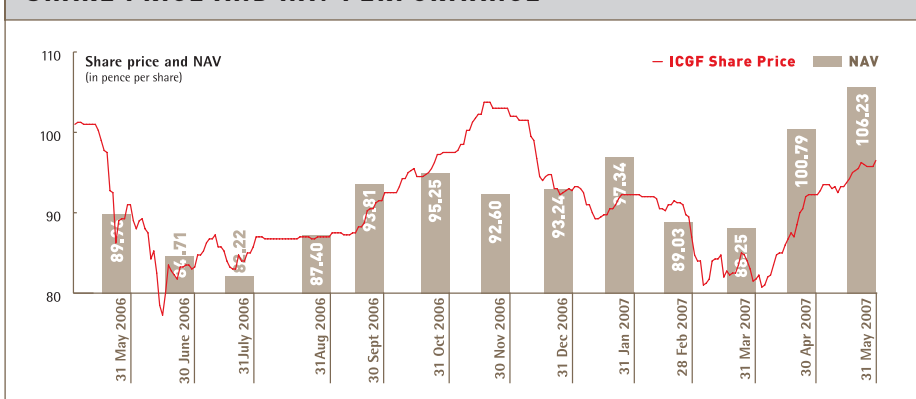


**SHARE PRICE AND NAV (AS AT 31 MAY 2007)**

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	96.50	106.23	105.50	IGCW	21.00

**SHARE PRICE AND NAV PERFORMANCE**



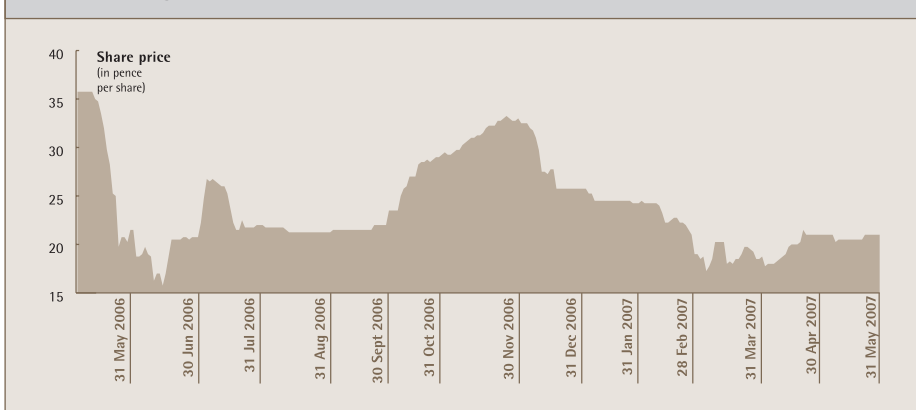
**ANALYSIS OF HOLDINGS AT 31 MAY 2007**

Sector summary	No. of companies	% of portfolio
Media	2	20.1
Textiles	2	12.3
Financial Services	4	11.0
Housing & Construction	5	9.5
Transportation	2	8.8
Electricals and Lighting	1	7.0
Oil Drilling, Equipment & Services	1	6.6
IT	3	6.6
Engineering / Manufacturing	4	4.8
Others	2	5.7
<b>Total investments</b>	<b>26</b>	<b>92.4</b>
Cash		7.6
<b>Total Portfolio</b>		<b>100.0</b>

**TOP 10 HOLDINGS AT 31 MAY 2007**

Holding	Sector	% of portfolio
IOL Broadband	Media	12.5
S Kumars Nationwide	Textiles	8.1
Prime Focus	Media	7.6
Asian Electronics	Electricals & Lighting	7.0
Aban Offshore	Oil Drilling Equipment & Services	6.6
SpiceJet	Transportation	5.5
Logix Microsystems	IT	4.4
Grabal Alok Impex	Textiles	4.2
Gruh Finance	Financial Services	4.1
Marwadi Shares & Finance (unlisted)	Financial Services	3.8

**WARRANTS**



**PROGRESS UPDATE**

NAV was up 5.4% on the month, giving a cumulative increase of 14% since 31 December 2006. Indian markets were strong across the board in May, in line with other world markets and specifically on the back of easing inflation data following increases in the key interest rates by the RBI.

The BSE Sensex rose 4.8% and the BSE Small Cap Index rose 6.0%. The rupee continued to

gain against sterling, appreciating 2.27% during the month.

During the month, the Company continued to add selectively to core holdings and where appropriate to exit fully or partly from certain non-core holdings, and made one new investment. As at 31 May 2007, the Company was 92.4% invested with 7.6% in cash, mainly in sterling.



## THE FUND

The India Capital Growth Fund is a closed ended, Guernsey registered, AIM listed fund established in December 2005, with the objective of generating long-term capital appreciation by investing in small and medium sized companies based in India, both listed and unlisted. The shares are denominated in Pounds Sterling.

## ADDITIONAL INFORMATION

Further information can be found on the Company's website at: [www.indiacapitalgrowth.com](http://www.indiacapitalgrowth.com)

## INVESTMENT OBJECTIVES

The Company's investment objective is to provide long term capital appreciation by investing predominantly in listed small to mid-cap companies with a smaller proportion in unlisted companies. Investment may also be made in large-cap listed Indian companies where the Fund Manager believes long-term capital appreciation will be achieved.

Investment evaluation and selection is based on a bottom-up approach where opportunities are evaluated on a case by case basis. The Fund Manager follows an absolute return focus to investing rather than 'relative-performance' stock picking. The Company may hold liquid assets (including cash) pending deployment in suitable investments. It is the Company's declared policy not to hedge the exposure to the Indian Rupee.

## BASIC DATA

Launch date	22nd December, 2005
Listing	Alternative Investment Market, LSE
Domicile	Guernsey
NAV publication	Monthly

## CAPITAL STRUCTURE

Ordinary shares in issue	75,000,000
Warrants outstanding	15,000,000
Warrant exercise price	100p
Warrant exercise period	Post publication of annual accounts 2009-2011

## BOARD

Micky Ingall (Chairman)
Jamie Cayzer-Colvin
Ashok Dayal
Robin Nicholson
Julian Carey

## MANAGER AND FEES

<b>India Investment Partners Limited</b>	30 Buckingham Gate, London SW1E 6NN Tel: +44 207 802 8902 Fax: +44 207 802 8909
<b>Annual Management fee</b>	1.5% of AUM
<b>Performance fee</b>	20% of increase in NAV in excess of 10% compound annual growth in sterling, paid semi-annually and subject to a High Water mark

## OTHER ADVISERS

<b>Registrar</b>	Capita IRG (CI) Limited 2nd Floor, No 1 Le Truchot, St Peter Port, Guernsey GY1 4AE
<b>Administrator</b>	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL
<b>NOMAD</b>	Arbuthnot Securities Limited 20 Ropemaker Street, London EC2Y 9AR
<b>CREST Agent</b>	Capita Registrars 34 Beckenham Road, Kent BR3 4TU