

ANALYSIS OF HOLDINGS AT 31 JULY 2007

Sector summary	No. of companies	% of portfolio
Media	2	22.6
Textiles	2	12.5
Housing & Construction	5	11.7
Financial Services	4	10.0
Electrical & Lighting	1	9.4
Transport	2	7.6
IT	3	6.9
Oil Drilling, Equipment & Services	1	6.4
Engineering / Manufacturing	4	3.8
Others	2	5.2
Total investments	26	96.1
Cash		3.9
Total Portfolio		100.0

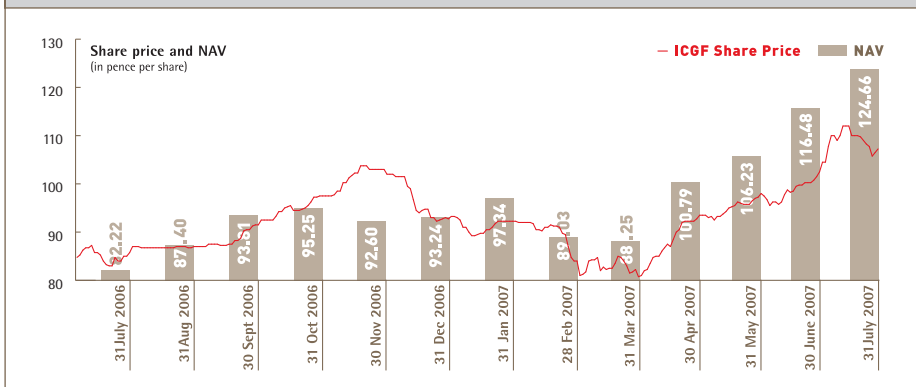
TOP 10 HOLDINGS AT 31 JULY 2007

Holding	Sector	% of portfolio
IOL Broadband	Media	14.0
Asian Electronics	Electricals & Lighting	9.4
S Kumars Nationwide	Textiles	9.3
Prime Focus	Media	8.6
Aban Offshore	Oil Drilling Equipment & Services	6.4
SpiceJet	Transportation	4.4
Logix Microsystems	IT	4.3
Arihant Foundations & Housing	Housing & Construction	4.2
Gruh Finance	Financial Services	3.6
Marwadi Shares & Finance (unlisted)	Financial Services	3.2

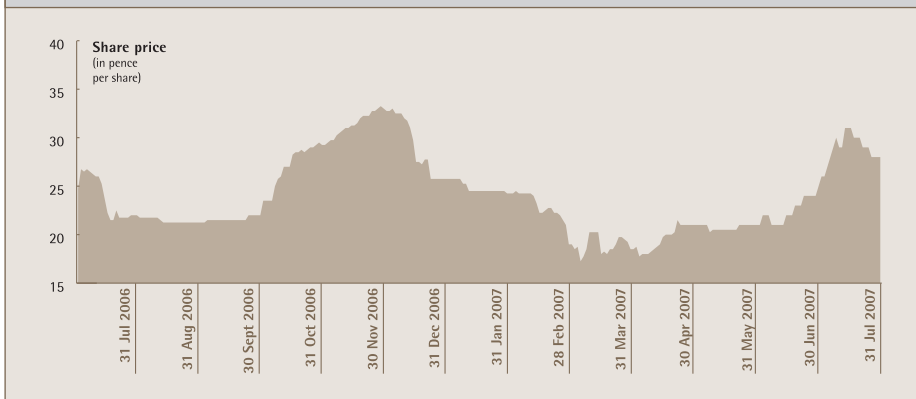
SHARE PRICE AND NAV (AS AT 31 JULY 2007)

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	107.25	124.66	120.55	IGCW	28.00

SHARE PRICE AND NAV PERFORMANCE



WARRANTS



PROGRESS UPDATE

NAV was up 7.0% on the month. July was a month of volatile equity markets across the globe; all major markets suffered a sell-off triggered by sub-prime mortgages in the US. Despite this, Indian equity markets reached new highs in July, backed up by strong FII inflows, with the BSE Sensex rising 6.1% in the month and the BSE Small Cap Index rising by 4.4%. From the Company's perspective this rise was partially offset by a depreciation of 0.5% of the Rupee against Sterling.

The Reserve Bank of India (RBI) increased

the cash reserve ratio (CRR) by 50 bps to 7.00% even though the annual inflation rate remained between 4% and 4.5%. The RBI raised the CRR to reduce what it perceived as excess liquidity in the system.

There were no major changes in the portfolio composition during the month, with a continuance of the strategy of focus on the core companies with some disposals of non-core holdings. As at 31 July 2007, the Company was 96.1% invested, with 3.9% in cash and other current assets less current liabilities, 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

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

India Investment Partners Limited	30 Buckingham Gate, London SW1E 6NN Tel: +44 207 802 8902 Fax: +44 207 802 8909
Annual Management fee	1.5% of AUM
Performance fee	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

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