

**ANALYSIS OF HOLDINGS
AT 30 SEPTEMBER 2007**

Sector summary	No. of companies	% of portfolio
Media	2	22.1
Textiles	2	13.0
Financial Services	4	10.2
Housing & Construction	5	10.0
IT	3	8.2
Transport	2	7.5
Electrical & Lighting	1	7.4
Oil Drilling, Equipment & Services	1	7.2
Engineering / Manufacturing	3	3.4
Others	2	4.8
Total investments	25	93.8
Cash		6.2
Total Portfolio		100.0

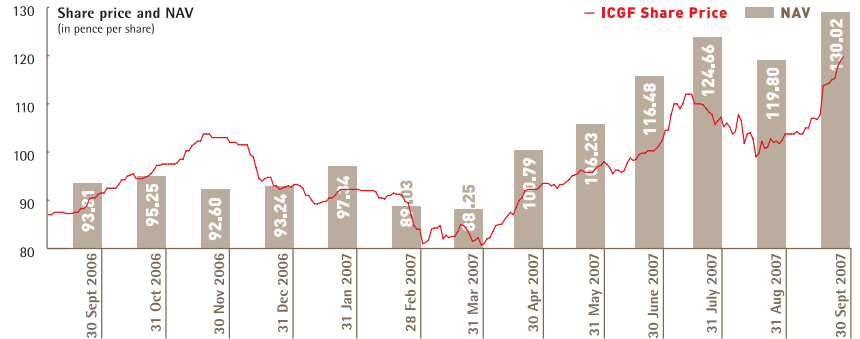
**TOP 10 HOLDINGS
AT 30 SEPTEMBER 2007**

Holding	Sector	% of portfolio
IOL Broadband	Media	12.7
S Kumars Nationwide	Textiles	9.7
Prime Focus	Media	9.4
Asian Electronics	Electricals & Lighting	7.4
Aban Offshore	Oil Drilling Equipment & Services	7.2
Logix Microsystems	IT	5.8
SpiceJet	Transportation	4.3
Arihant Foundations and Housing	Housing & Construction	4.2
Gruh Finance	Financial Services	3.6
Grabal Alok Impex	Textiles	3.3

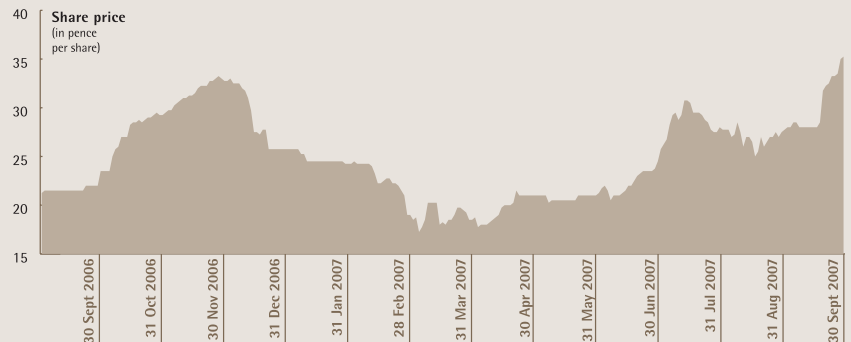
SHARE PRICE AND NAV AS AT 30 SEPTEMBER 2007

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	119.75	130.02	125.02	IGCW	35.25

SHARE PRICE AND NAV PERFORMANCE



WARRANTS



PROGRESS UPDATE

Undiluted NAV was up 8.5% during the month helped by buoyant Indian stock markets, giving a cumulative increase of 39.5% for the year to date.

The BSE Sensex reached an all time high on 28 September 2007 rising 12.9% on the month (25.4% year to date) on the back of increased FII inflows which were almost US\$4bn compared to the outflow of US\$2bn in the previous month. As noted previously the ICGF portfolio is highly concentrated and performance does not necessarily reflect movements in the general indices, particularly over short periods. NAV also benefited from appreciation of the

Indian rupee (2.7% against Sterling) that followed the cut in interest rates by US Federal Reserve. The Rupee has risen 7.6% against sterling since 31 December 2006. Inflation, based on the wholesale price index (WPI), declined to 3.23% for the week ended 15 September 2007, its lowest since December 2002.

The Company has taken advantage of current market levels to book some profits. At the same time the Company continues to see a good flow of new opportunities (both listed and unlisted) at attractive prices.

As at 30 September 2007, the Company was 93.8% invested, with 6.2% in cash.



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
Andrew Maiden

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