

**ANALYSIS OF HOLDINGS
AT 31 OCTOBER 2007**

Sector summary	No. of companies	% of portfolio
Media	2	22.8
Textiles	2	13.9
Housing & Construction	5	12.2
Financial Services	4	10.8
IT	4	9.1
Transport	2	7.1
Electrical & Lighting	1	6.8
Engineering / Manufacturing	4	3.0
Others	2	5.3
Total investments	26	91.0
Cash		9.0
Total Portfolio		100.0

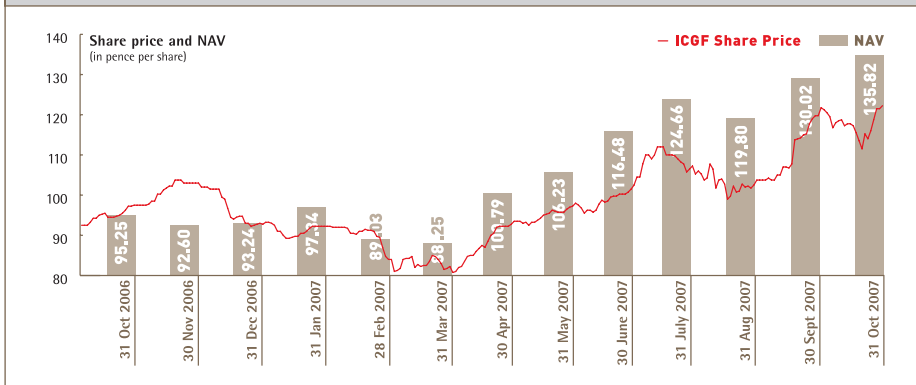
**TOP 10 HOLDINGS
AT 31 OCTOBER 2007**

Holding	Sector	% of portfolio
Prime Focus	Media	11.6
IOL Broadband	Media	11.2
S Kumars Nationwide	Textiles	11.0
Asian Electronics	Electricals & Lighting	6.8
Logix Microsystems	IT	5.1
Arihant Foundations and Housing	Housing & Construction	4.7
SpiceJet	Transportation	3.8
Prime Securities	Financial Services	3.7
Gruh Finance	Financial Services	3.5
Varun Shipping	Transportation	3.3

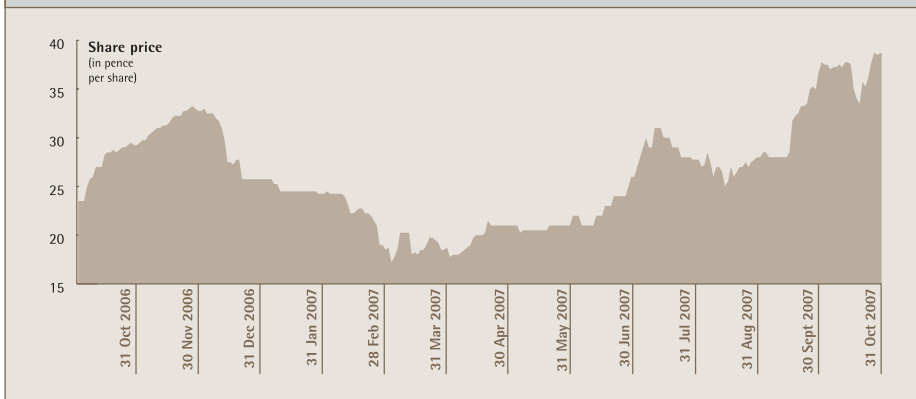
SHARE PRICE AND NAV AS AT 31 OCTOBER 2007

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	122.25	135.82	129.85	IGCW	38.75

SHARE PRICE AND NAV PERFORMANCE



WARRANTS



PROGRESS UPDATE

Undiluted NAV increased by a net 4.5% during the month, giving a cumulative increase of 45.7% for the year to date.

Indian markets performed very strongly during October with the main indices of leading shares touching all time highs towards the end of the month on the back of continued inflows from FIIs, (USD 5 billion during the month).

Inflation, based on the wholesale price index (WPI), declined to 3.1% for the week ended 13 October 2007, its lowest since October 2002. The Reserve Bank of India left

interest rates unchanged but while the Indian Rupee continued to strengthen against the US Dollar, the Rupee depreciated by 1.3% against Sterling during the month.

In view of the strength of the large cap market the Company decided to crystallise gains in its two large cap holdings resulting in an increase in the proportion of cash in the portfolio. As at 31 October 2007, the Company was 91% invested, with 9% in cash. The Company continues to see ample opportunities in the small and mid cap space for the effective reinvestment of this 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