

**PORTFOLIO BREAK DOWN BY SIZE  
AT 29 FEBRUARY 2008**

	No. of companies	% of portfolio
Small Cap	12	33.8
Mid Cap	10	51.2
Large Cap	1	3.7
Unlisted	2	4.5
Cash		6.8
<b>Total</b>		<b>100.0</b>

**ANALYSIS OF HOLDINGS BY SECTOR  
AT 29 FEBRUARY 2008**

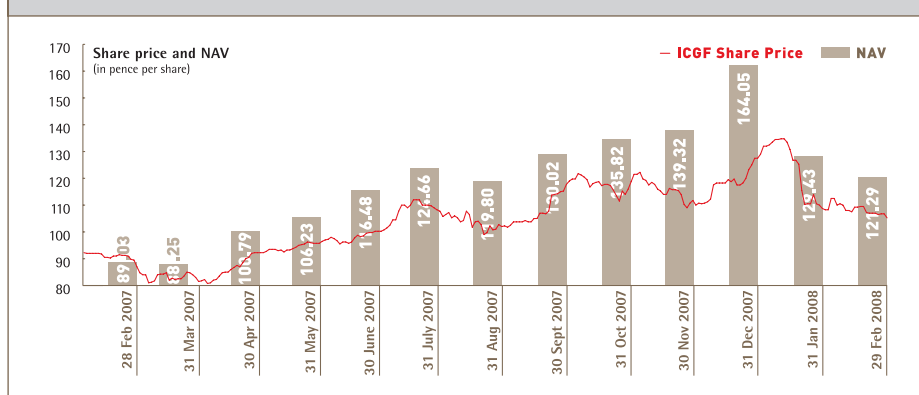
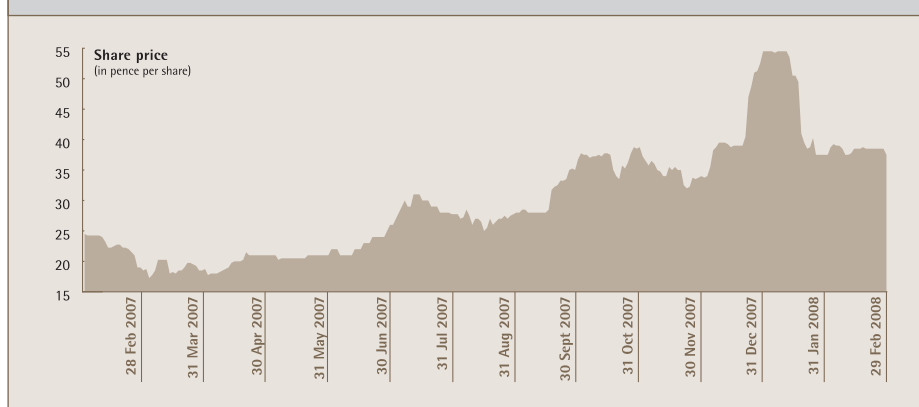
Sector summary	No. of companies	% of portfolio
Financial Services	4	17.0
Textiles	2	16.7
Media	2	16.6
Housing & Construction	5	12.0
Transportation	2	8.2
IT	3	7.6
Electrical & Lighting	1	4.7
Engineering / Manufacturing	3	3.5
Others	3	6.9
<b>Total investments</b>	<b>25</b>	<b>93.2</b>
Cash		6.8
<b>Total Portfolio</b>		<b>100.0</b>

**TOP 10 HOLDINGS  
AT 29 FEBRUARY 2008**

Holding	Sector	% of portfolio
S Kumars Nationwide	Textiles	13.5
Prime Focus	Media	8.7
IOL Netcom	Media	7.9
Prime Securities	Financial Services	5.9
Asian Electronics	Electricals & Lighting	4.7
Gruh Finance	Financial Services	4.3
Logix Microsystems	IT	4.3
Varun Shipping	Transportation	4.3
Marwadi Shares and Finance	Financial Services	4.1
SpiceJet	Transportation	3.9

**SHARE PRICE AND NAV AS AT 29 FEBRUARY 2008**

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	105.25	121.29	117.74	IGCW	37.50

**SHARE PRICE AND NAV PERFORMANCE**

**WARRANTS**

**PROGRESS UPDATE**

Undiluted NAV decreased by 6.3% in the month, of which 1.2% was accounted for by an adverse exchange rate movement between the Rupee and the Pound Sterling.

During the month the large cap BSE Sensex was marginally down, by 0.4%, while BSE mid and small cap indices fell 1.1% and 4.9% respectively. This is consistent with the greater volatility seen in the smaller cap segment of the market over the last two years. However, stocks in the portfolio showed exceptional volatility during the month, with movements significantly greater than the indices, both upwards and downwards. During the month, FILs bought a net US\$430m worth of Indian

equities, but this did not stem the downward pressure on the stock market.

The Union Budget presented on 29 February was devoid of major reforms and although a General Election may come sooner rather than later, there is no sign that a change of government would bring significant change in the direction of the Indian economy. Corporate health remains sound, as the December quarterly results demonstrated.

During the month, the Company exited one mid-cap holding at a substantial profit and the proceeds reinvested elsewhere. The Company had a net cash position of GBP6.2m as at 29 February 2008.



## 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
Andrew Maiden

## 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