

**PORTFOLIO BREAK DOWN BY SIZE AT 30 APRIL 2008**

	No. of companies	% of portfolio
Small Cap	14	47.3
Mid Cap	8	31.3
Large Cap	1	4.6
Unlisted	2	5.1
Cash		11.7
Total		100.0

**ANALYSIS OF HOLDINGS BY SECTOR AT 30 APRIL 2008**

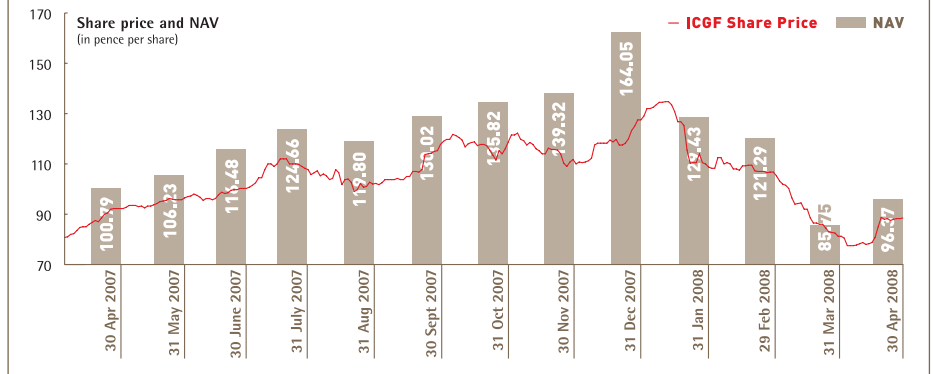
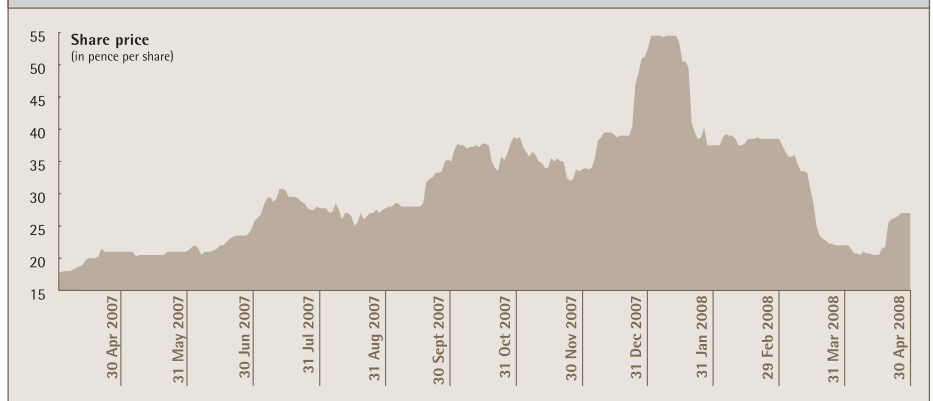
Sector summary	No. of companies	% of portfolio
Textiles	2	15.4
Media	2	13.1
Housing & Construction	5	13.0
Financial Services	3	12.1
Transportation	2	8.6
IT	4	7.3
Oil & Gas	1	4.5
Electrical & Lighting	1	4.3
Engineering / Manufacturing	3	4.2
Others	2	5.8
<b>Total investments</b>	<b>25</b>	<b>88.3</b>
Cash		11.7%
<b>Total portfolio</b>		<b>100.0</b>

**TOP 10 HOLDINGS AT 30 APRIL 2008**

Holding	Sector	% of portfolio
S Kumars Nationwide	Textiles	11.5
Prime Focus	Media	8.6
Varun Shipping	Transportation	5.4
Marwadi Shares and Finance	Financial Services	5.1
Akruti City	Housing & Construction	4.6
Hindustan Oil Exploration	Oil & Gas	4.5
IOL Netcom	Media	4.5
Asian Electronics	Electricals & Lighting	4.3
Prime Securities	Financial Services	4.3
Logix Microsystems	Software	4.1

**SHARE PRICE AND NAV AS AT 30 APRIL 2008**

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	88.50	96.37	96.37	IGCW	27.00

**SHARE PRICE AND NAV PERFORMANCE**

**WARRANTS**

**PROGRESS UPDATE**

Undiluted NAV increased by 12.4% in the month. During the month the large cap BSE Sensex was up by 10.5%, while the BSE mid and small cap indices rose 11.1% and 11.9% respectively. The Indian Rupee remained flat against Sterling. FIL's invested a net USD 266 million in April compared to a net withdrawal of USD 2.8 billion for the first three months of 2008.

Inflation, based on WPI for the week ended 25 April was at a 42 week high of 7.57%. This was due primarily to oil and commodities and a selection of food items. Some analysts expect an easing of food inflation as the Central Government succeeded in procuring (as on 1 May and as part of its public distribution process) 15.4 million tones of wheat as against the 8.2 million tones it procured during the same period last year. The Reserve Bank of India, while increasing banks' cash reserve requirements, has also stated that it believes inflation will be brought under control

and that it expects real GDP growth for the current financial year to stay between 8.0% and 8.5%.

Markets recovered some equilibrium in April on the back of positive quarterly results, although rising inflation remains an issue. Volatility continues, with some significant rises in prices of stocks within the ICGF portfolio.

10 out of 25 portfolio companies have announced their financial results to 31 March 2008. Excluding IOL Netcom, which is still in its development phase, average growth in both operating income and profit after tax for these companies for the full year ended 31 March 2008 over the previous year was in excess of 80%.

In two portfolio companies, Hindustan Oil Exploration Company (HOEC) and Dabur Pharma, potential acquirers have announced public tender offers at prices above ICGF's cost price. These offers close on 30 June and 3 July respectively.



## 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