

PORTFOLIO BREAK DOWN BY SIZE AT 30 NOVEMBER 2008

| | No. of companies | % of portfolio |
|--------------|------------------|----------------|
| Small Cap | 22 | 77.5 |
| Mid Cap | 1 | 6.0 |
| Unlisted | 3 | 10.5 |
| Cash | | 6.0 |
| Total | | 100.0 |

ANALYSIS OF HOLDINGS BY SECTOR AT 30 NOVEMBER 2008

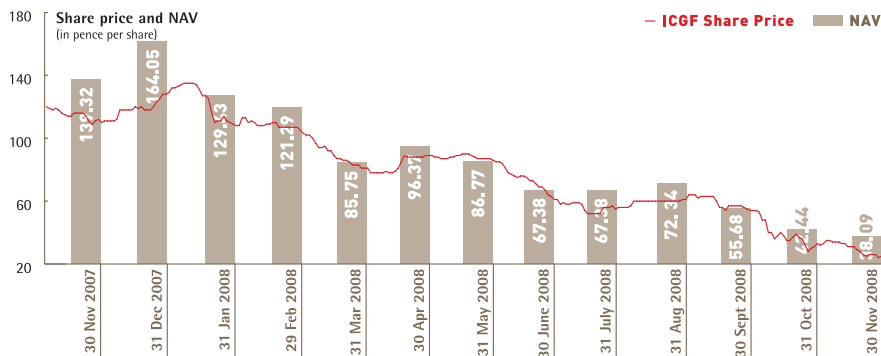
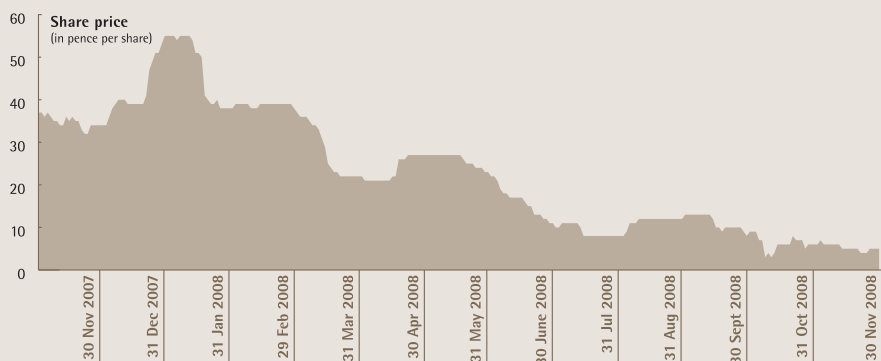
| Sector summary | No. of companies | % of portfolio |
|-------------------------------------|------------------|----------------|
| Financial Services | 3 | 14.0 |
| Textiles | 2 | 13.1 |
| Housing & Construction | 5 | 10.4 |
| Transportation | 2 | 10.3 |
| Media | 2 | 10.0 |
| Pharmaceutical Services & Packaging | 1 | 9.8 |
| Process controls | 1 | 8.7 |
| IT | 3 | 5.4 |
| Offshore Oil & Gas Services | 1 | 4.0 |
| Hotels | 1 | 3.5 |
| Engineering / Manufacturing | 3 | 2.8 |
| Others | 2 | 2.0 |
| Total investments | 26 | 94.0 |
| Net Cash | | 6.0 |
| Total Portfolio | | 100.0 |

TOP 10 HOLDINGS AT 30 NOVEMBER 2008

| Holding | Sector | % of portfolio |
|-------------------------------|-----------------------------|----------------|
| Bilcare | Pharma Packaging | 9.8 |
| Marwadi Shares and Finance | Financial Services | 9.8 |
| S. Kumars Nationwide Textiles | | 8.8 |
| ICSA India | Process Controls | 8.7 |
| Varun Shipping | Transport | 7.9 |
| Prime Focus | Media | 7.6 |
| Akruti City | Housing & Construction | 6.0 |
| Grabal Alok Impex | Textiles | 4.4 |
| Great Offshore | Offshore Oil & Gas Services | 4.0 |
| Viceroy Hotels | Hotels | 3.5 |

SHARE PRICE AND NAV AS AT 30 NOVEMBER 2008

| Ordinary Shares | | | | Warrants | |
|-----------------|-----------------|-------------------------------|-----------------------------|----------|-------------------|
| Ticker | Share price (p) | NAV per share (undiluted) (p) | NAV per share (diluted) (p) | Ticker | Warrant price (p) |
| IGC | 24.75 | 38.09 | 38.09 | IGCW | 4.50 |

SHARE PRICE AND NAV PERFORMANCE

WARRANTS

PROGRESS UPDATE

November was yet another tough month for equities worldwide. In India the BSE Sensex fell 7.1% and the BSE Small Cap Index was down 12.2% on the month while the Company's NAV was down 10.3%. The Rupee appreciated 4.4% against Sterling during the month and it is now up 2.5% since 1 January 2008.

Inflation and macro economic data released were positive; inflation fell to 8.84% for the week ending November 15th, crude oil prices ended the month around USD 50 and annualised GDP growth for the quarter ended

September 2008 was 7.6%. However markets continued to be driven by FIIs who sold a net USD 644 mn during the month taking the total for FII net sales from 1 January 2008 to 30 November to USD 13.6bn.

The Company is realising a small number of investments and reinvesting the cash in other existing investments where it is perceived that the greatest price to intrinsic value gap exists. As a result net cash as on 30 November at GBP 1.72 mn remained at approximately 6% of the portfolio.



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 in 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 |