

PORTFOLIO BREAK DOWN BY SIZE AT 28 FEBRUARY 2009

	No. of companies	% of portfolio
Small Cap	19	71.5
Mid Cap	1	4.8
Unlisted	3	12.4
Cash		11.3
Total		100.0

ANALYSIS OF HOLDINGS BY SECTOR AT 28 FEBRUARY 2009

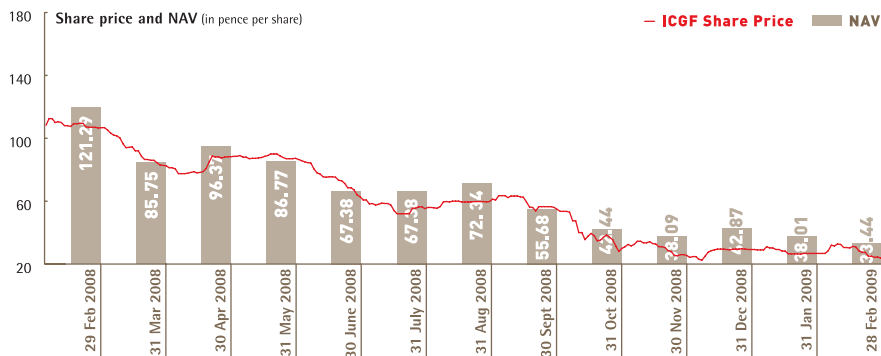
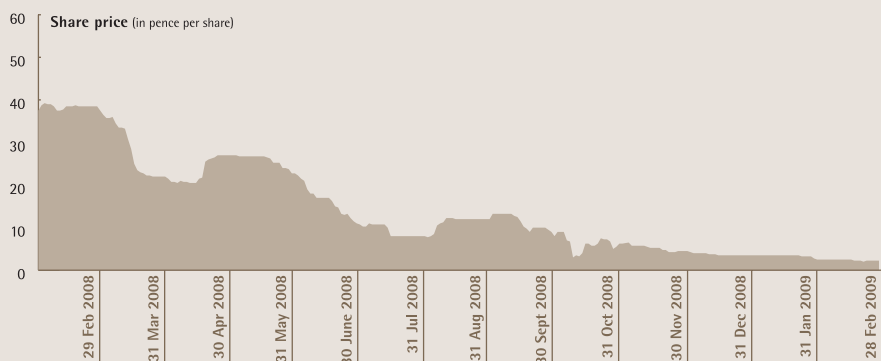
Sector summary	No. of companies	% of portfolio
Financial Services	3	16.7
Textiles	2	13.9
Transportation	2	12.7
Pharmaceutical Services & Packaging	1	10.1
Media	2	9.2
Process controls	1	5.5
Offshore Oil & Gas Services	1	4.8
IT	3	4.2
Housing & Construction	3	3.6
Hotels	1	3.0
Engineering / Manufacturing	2	2.8
Others	2	2.2
Total investments	24	88.7
Net Cash		11.3
Total Portfolio		100.0

TOP 10 HOLDINGS AT 28 FEBRUARY 2009

Holding	Sector	% of portfolio
Marwadi Shares and Finance	Financial Services	11.5
Bilcare	Pharma Packaging	10.1
Varun Shipping	Transport	9.4
S. Kumars Nationwide Textiles		9.1
ICSA India	Process Controls	5.5
IOL Netcom	Media	5.0
Great Offshore	Offshore Oil & Gas Services	4.8
Grabal Alok Impex	Textiles	4.8
Prime Focus	Media	4.2
Bank Of Rajasthan	Financial Services	3.7

SHARE PRICE AND NAV AS AT 28 FEBRUARY 2009

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	24.00	33.44	33.44	IGCW	2.25

SHARE PRICE AND NAV PERFORMANCE

WARRANTS

BOARD

The Board was deeply saddened to receive news of the tragic death on 28 February 2008 of Micky Ingall, who had been Chairman of the Company since its launch in December 2005. The Board would like to pay tribute to his leadership of the Company and the Board through its early years, exercised with wisdom and energy. In his time as Chairman he became a passionate advocate of the long term

potential of India. He was a strong supporter both of the Company's investment philosophy and of its investee companies, many of whom he met on the annual Board visit to India. We will miss him greatly.

The Board has appointed Robin Nicholson as Acting Chairman pending the appointment of a permanent successor.

PROGRESS UPDATE

NAV for the month was down 12.0%. While the BSE Sensex was down 5.7%, the BSE Small Cap Index was down 7.0% on the month. The Rupee also depreciated 3.8% against Sterling.

FII's continued selling with net outflow in the month of USD 604 million. Domestic mutual funds were also net sellers withdrawing USD 295 million. (Source: SEBI).

Inflation (WPI) fell to 3.36% but GDP growth

also slowed to 5.3% for the quarter ended 31 December 2008 as compared to 7.6% in the previous quarter.

Investment activity in the month has been low with a continuation of the small amount of selective buying into existing portfolio companies and the completion of the exit from one.

The net cash as on 28 February 2009 was GBP 2.8 Million, 11.3% 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

Robin Nicholson (Acting Chairman)
Jamie Cayzer-Colvin
Ashok Dayal
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