

PORTFOLIO BREAK DOWN BY SIZE AT 30 JUNE 2009

	No. of companies	% of portfolio
Small Cap	18	79.6
Mid Cap	1	5.1
Unlisted	2	7.2
Cash		8.1
Total	21	100.0

ANALYSIS OF HOLDINGS BY SECTOR AT 30 JUNE 2009

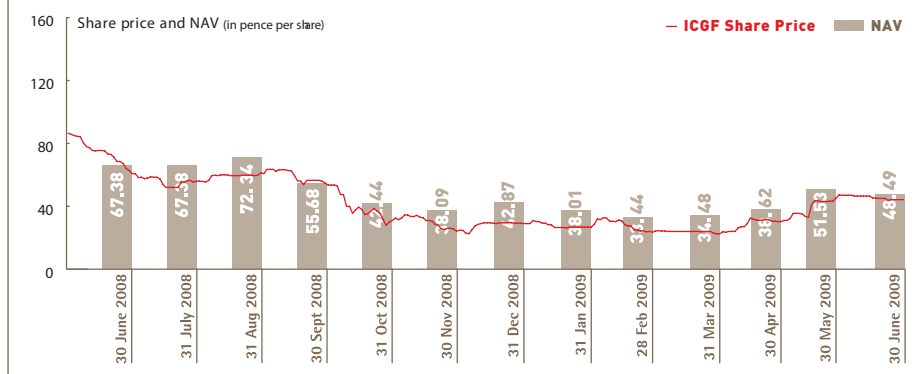
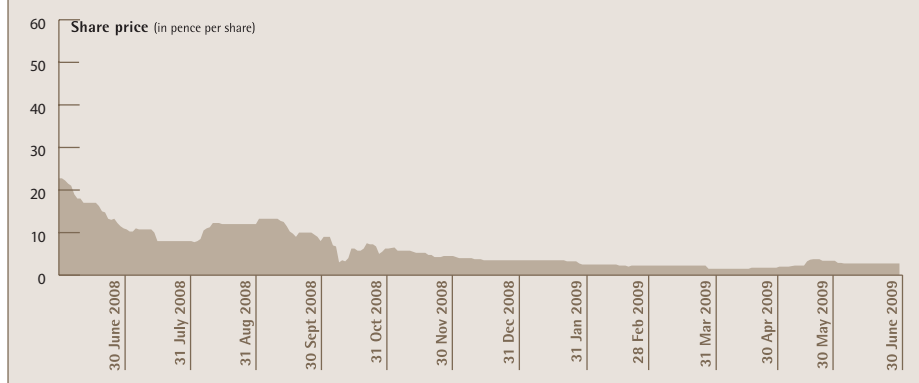
Sector summary	No. of companies	% of portfolio
Textiles	2	19.1
Financial Services	3	13.8
Transportation	2	10.6
Media	2	8.5
Pharmaceutical Services & Packaging	1	8.4
Process controls	1	7.9
Housing & Construction	2	5.1
Offshore Oil & Gas Services	1	5.1
IT	3	5.0
Engineering / Manufacturing	2	4.3
Hotels	1	3.1
Others	1	1.0
Total investments	21	91.9
Net Cash		8.1
Total Portfolio		100.0

TOP 10 HOLDINGS AT 30 JUNE 2009

Holding	Sector	% of portfolio
S. Kumars Nationwide Textiles	Textiles	14.5
Bilcare	Pharma Packaging	8.4
ICSA India	Process Controls	7.9
Varun Shipping	Transport	7.7
Marwadi Shares and Finance	Financial Services	7.2
Prime Focus	Media	6.2
Great Offshore	Offshore Oil & Gas Services	5.1
Grabal Alok Impex	Textiles	4.6
Bank of Rajasthan	Financial Services	3.8
Hindustan Dorr-Oliver	Engineering & Manufacturing	3.6

SHARE PRICE AND NAV AS AT 30 JUNE 2009

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	44.25	48.49	48.49	IGCW	2.75

SHARE PRICE AND NAV PERFORMANCE

WARRANTS

PROGRESS UPDATE

NAV was down 5.9% for the month driven mostly by a 5.6% depreciation of the Rupee against Sterling. The BSE Sensex fell 0.9% and the BSE Small Cap Index fell 4.1% over the month.

Positive market sentiment post the elections with the formation of a stable Congress Government in May has been tempered by worries of a possible poor monsoon. The Indian Meteorological Department has revised its outlook for the monsoon to 'below normal' and this may impact rural demand which has so far held up despite larger and more distant worldwide crises.

The wholesale price index fell by 1.30% for the year to 20 June 2009, although the consumer price index measured for industrial workers rose

by 8.63% in the year to 31 May 2009 (the latest consumer price index data available). Due to a high base effect, the annual movement in the wholesale price index is expected to be negative for another 2 to 3 months.

FILs purchased a net USD 823.5 million in Indian equities, although this figure was substantially higher during the middle of the month from when it reduced.

The company has taken advantage of the present price levels to sell down from three smaller investments while continuing to analyse new opportunities.

Information on the principal investee companies, updated monthly, is contained in the Presentation on the Company's web site (www.indiacapitalgrowth.com)



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	75,000,063
Warrants outstanding	14,999,937
Warrant exercise price	100p
Warrant exercise period	23 April 2009 to 21 May 2009, and subsequently post publication of the annual accounts in 2010 and 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