

PORTFOLIO BREAK DOWN BY SIZE AT 31 DECEMBER 2009

	No. of companies	% of portfolio
Small Cap	11	44.3
Mid Cap	2	19.4
Unlisted	2	9.6
Cash/Cash Equivalent		26.7
Total	15	100.0

ANALYSIS OF HOLDINGS BY SECTOR AT 31 DECEMBER 2009

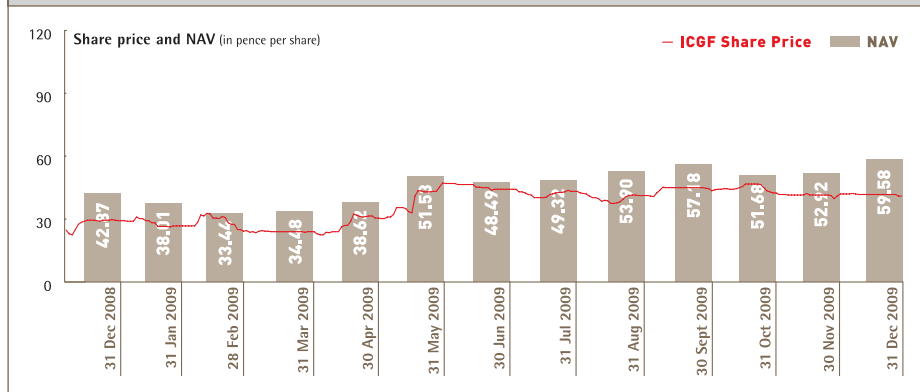
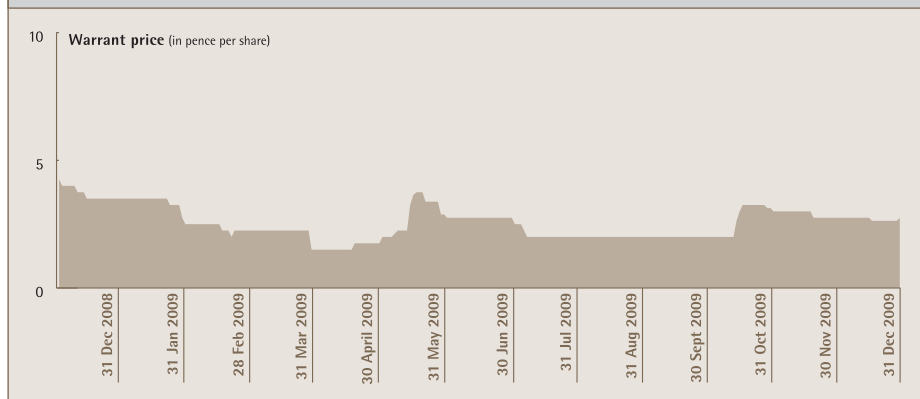
Sector summary	No. of companies	% of portfolio
Textiles	2	14.9
Transport	2	13.9
Financial Services	1	9.6
Media	2	8.9
Pharma	1	8.6
Process Controls	1	7.4
Housing & Construction	2	5.5
Engineering / Manufacturing	1	2.6
IT	2	1.1
Others	1	0.8
Total Investment	15	73.3
Net Cash/Cash equivalent		26.7
Total Portfolio		100.0

TOP 10 EQUITY HOLDINGS AT 31 DECEMBER 2009

Holding	Sector	% of portfolio
S. Kumars Nationwide	Textiles	12.1
Marwadi Shares and Finance	Financial Services	9.6
Bilcare	Pharmaceuticals	8.6
ICSA India	Process Controls	7.4
Spicejet	Airlines	7.3
Prime Focus	Media	7.1
Varun Shipping Co	Shipping	6.7
Arihant Foundations & Housing	Housing and Construction	2.8
Gabal Alok Impex	Textiles	2.8
MSK Projects India	Housing and Construction	2.7

SHARE PRICE AND NAV AS AT 31 DECEMBER 2009

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	41.00	59.58	59.58	IGCW	2.75

SHARE PRICE AND NAV PERFORMANCE

WARRANTS

PROGRESS UPDATE

The Company's NAV was up 12.6% in the month of December, with the Rupee appreciating by 2.4% against Sterling in the period. The carrying value of the unlisted investments was reviewed in the month and the valuation increase from this review was the equivalent of 2.0 pence per share on the Company's NAV and was equivalent to a 3.7% increase in the NAV in the month.

The BSE Sensex rose by 3.3% and the BSE Small Cap index by 11.6% during the month with FIIs purchasing a net USD 2.04bn of Indian equities in December. FII net inflow for the 12 months to 31 December 2009 was USD 17.6bn compared to a net outflow of USD 12.9bn for the equivalent period in 2008.

The Indian Prime Minister, Dr. Manmohan Singh, has stated that he expects the Indian economy to grow at more than 7% for the financial year ending March 2010. Food inflation, however, continues to be high, with

the index for the week ended 19th December being 19.8% higher than it was a year earlier. Controlling food inflation while maintaining growth is a key challenge facing Indian policymakers.

The Company used present price levels to exit from one investment and to sell down from other investments. On 31 December, cash and cash equivalents were 26.7% of the portfolio. Unlisted investments, at their revalued amounts, accounted for a further 9.6% of the portfolio.

As announced on 4 January 2010, David Cornell has joined the investment management team at India Investment Partners Limited from Henderson New Star. David is now involved in the management of the ICGF portfolio.

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

Fred Carr (Chairman)
Robin Nicholson
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