

Northern Trust International Fund
Administration Services (Guernsey) Limited
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Northern Trust

Jacqueline Cusack
Senior Corporate Secretarial Administrator

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Our Ref: JC180/INDIAP

8 May 2009

Dear Shareholder

INDIA CAPITAL GROWTH FUND LIMITED

We enclose a Notice and Agenda calling the Third Annual General Meeting ("the AGM") of India Capital Growth Fund Limited to be held on 9 June 2009, together with a Form of Proxy. A copy of the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 December 2008 has been previously sent to you and a copy can also be obtained from the Company website (www.indiacapitalgrowth.com).

Please note that together with the usual business to be considered at the AGM there are two Special Resolutions which require your vote. Special Resolution 2 on the papers is to consider that the new draft Memorandum and Articles of Incorporation initialed by the Chairman of the meeting for identification purposes (the "New Articles") be adopted in substitution for and to the exclusion of the entirety of the existing Memorandum and Articles of Incorporation of the Company (the "Existing Articles"). Please find attached a rider to this circular which summarises some of the material amendments to the Existing Articles. Please note that a copy of the New Articles is also available on the Company website (www.indiacapitalgrowth.com) or on request from the Company Secretary.

If you are unable to attend the AGM we should be grateful if you would kindly arrange for the Form of Proxy to be completed and signed. **Please return the completed Form of Proxy to us by Friday 5 June 2009 by e-mail or fax as detailed above, sending the original by post to;**

Northern Trust International Fund Administration Services (Guernsey) Limited
PO Box 255, Trafalgar Court
Les Banques, St Peter Port
Guernsey GY1 3QL

Yours faithfully

Jacqueline Cusack
Senior Corporate Secretarial Administrator, Corporate Secretarial Department
For **NORTHERN TRUST INTERNATIONAL FUND ADMINISTRATION
SERVICES (GUERNSEY) LIMITED**

Encs

INDIA CAPITAL GROWTH FUND LIMITED

(Company No. 43916)

NOTICE OF ANNUAL GENERAL MEETING

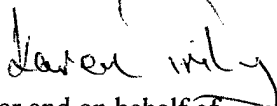
Notice is hereby given that the Third Annual General Meeting of the Company will be held at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands on 9 June 2009 at 1.30pm.

| Resolution on Form of Proxy | Agenda |
|------------------------------------|---|
| | 1. To elect a Chairman of the Meeting. |
| Ordinary Resolution 1 | 2. To receive and adopt the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 December 2008. |
| Ordinary Resolution 2 | 3. To re-appoint Ernst & Young LLP as Auditors of the Company until the conclusion of the next Annual General Meeting. |
| Ordinary Resolution 3 | 4. To authorise the Board of Directors to determine the remuneration of the Auditors. |
| Ordinary Resolution 4 | 5. To authorise and agree the remuneration of the Directors. |
| Ordinary Resolution 5 | 6. To renew the authority of the Company, in accordance with Section 315 of The Companies (Guernsey) Law, 2008 (as amended) ("the Law"), to make market purchases (within the meaning of Section 316 of the Law) of the Ordinary Shares of 1 penny each ("the Shares") provided that: the maximum number of Ordinary Shares hereby authorized to be purchased shall be 14.99 per cent of the Company's issued share capital and that such purchases will only be made pursuant to this authority through the market, for cash, at prices below the prevailing Net Asset Value Per Share where the Directors believe such purchases will result in an increase in the Net Asset Value Per Share of the remaining Ordinary Shares and to assist in narrowing any discount to Net Asset Value Per Share at which the Ordinary Shares may trade. The maximum price to be paid for the Shares will be not more than 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five business days before the purchase is made, and any purchases made will be in accordance with the Law. Any Shares bought back by the Company will be cancelled and this authority will expire at the next Annual General Meeting unless renewed at that Meeting. |
| Special Resolution 1 | 7. To approve the Company's investing strategy in accordance with the AIM Rules as follows: "The Company's investment objective is to provide long-term capital appreciation by investing (directly or indirectly) predominantly in companies based in India." |

Special Resolution 2

8. THAT, the new draft Memorandum and Articles of Incorporation initialed by the Chairman of the meeting for identification purposes be adopted in substitution for and to the exclusion of the entirety of the existing Memorandum and Articles of Incorporation of the Company.
9. Any other business.

By Order of the Board



For and on behalf of

**Northern Trust International Fund Administration
Services (Guernsey) Limited**
Secretary

8 May 2009

Notes

A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. The requisite form is attached hereto and must be delivered to PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL at least forty eight hours before the time of the Meeting.

INDIA CAPITAL GROWTH FUND LIMITED
(the “Company”)

Explanatory note in connection with Special Resolution 3 to be proposed at the Annual
General Meeting of the Company on 9 June 2009.

**Amendments to the Memorandum and Articles to incorporate changes to Guernsey
Company Law**

On 1 July 2008, a new consolidated Companies (Guernsey) Law, 2008 as amended (the “**New Companies Law**”) came into force, which replaced the Companies (Guernsey) Law, 1994 as amended (the “**Old Law**”).

The proposed new Memorandum and Articles have been prepared to reflect and/or to comply with changes introduced by the New Companies Law.

The following is a summary of the principal changes to the current Memorandum and Articles:

Memorandum of Incorporation

- The New Companies Law provides that a company’s objects are unrestricted unless restricted in its memorandum. It is therefore proposed to remove the existing objects clause of the memorandum making the Company’s objects unlimited in scope providing for maximum flexibility. Continuation of the Company’s investment policy will, however, remain subject to a Resolution at each AGM in accordance with the AIM Rules (as amended from time to time).
- Provisions relating to the Company’s share capital are to be moved from the Memorandum to the Articles.
- The provision relating to the Company’s common signature is also to be moved to the Articles.

Articles of Incorporation

- The definitions are made consistent with the New Companies Law.
- The reference to authorised share capital in Article 4.1 is to be removed as the New Companies Law does not recognise the concept of “authorised” share capital.
- The New Companies Law states that where a company limited by shares has only one class of shares, the directors may exercise the powers of the company (a) to issue shares of that class, or (b) to grant rights to subscribe for or to convert any security into such shares, except to the extent that they are prohibited from doing so by the company's memorandum, articles or any resolution of the company. The proposed new Article 4.19 gives the directors that authority to allot shares.
- The New Companies Law requires that where a company has more than one class of shares, the directors are authorised by the company's memorandum or articles to (a) to issue shares in the company, or (b) to grant rights to subscribe for or to convert any security into, shares in the company. The New Companies Law goes on to state

that this authorisation must state the maximum amount of shares that may be issued under it and specify the date on which it will expire which must not be more than 5 years after (i) in the case of authorisation contained in the company's memorandum or articles at the time of its original incorporation or (ii) in any other case, the date on which the resolution is passed by virtue of which the authorisation is given. The new Article 4.20 contains the necessary provisions.

- The concept of capital maintenance does not exist in the New Companies Law (as the New Companies Law no longer recognises the concept of “authorised” share capital). Under the New Companies Law, reduction of capital is now equated with the making of distributions and as such, requires the authorisation of the directors who must be satisfied on reasonable grounds that the company will, immediately after the distribution satisfy a solvency test prescribed in the New Companies Law in addition to any other requirements of the Memorandum and Articles of Incorporation. A special resolution is no longer required. The old Article 10.1.2 (ability to reduce share capital) and Article 11 (ability to increase share capital) are to be deleted.
- Article 12.3 is to be made consistent with the requirements of the New Companies law in relation to the details that are required to be given to shareholders prior to a general meeting.
- The New Companies Law sets a uniform timescale for the delivery of proxies for all companies. Articles 14.7 and 14.8 bring these provisions into the Articles, and provide the following time limits for the receipt of proxies:
 - in the case of a meeting or adjourned meeting, 48 hours before the time for holding the meeting or adjourned meeting;
 - in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of the poll; and
 - in the case of a poll taken not more than 48 hours after it was demanded, the time at which it was demanded.
- The Old Law was silent as to how companies should manage conflicts of interest at board level. As a result, this detail was traditionally set out in each company's articles. The New Companies Law however, introduces for the first time a legislative requirement that a director must, immediately after becoming aware of the fact that he is “interested” in a transaction or proposed transaction with the company, disclose to the board of directors:
 - the nature and monetary value of his interest (where the monetary value of that interest is quantifiable); or
 - the nature and extent of his interest (where the monetary value of that interest is not quantifiable).

This position is reflected in the proposed new Article 17.8.

- The New Companies Law removes the requirement for dividends to be paid only out of the profits of the Company, and instead a new “solvency test” must be met before a dividend can be paid. Articles 27.2., 27.3, 27.5 and 29 are to be amended accordingly.
- The new Article 26 provides that the Company may indemnify the directors, managers, agents and officers of the Company to the maximum extent permitted by the New Companies Law. The Old Law was silent on the subject of a Guernsey

company's ability to exempt persons (most usually directors) from, or indemnify them against, liabilities. This silence was interpreted as implicit authority for a company to provide blanket indemnities (either in its articles or in the relevant service contracts) in favour of its directors and officers against all losses and liabilities sustained or incurred in the exercise of their duties.

The availability of such indemnities from Guernsey companies took Guernsey out of line with other jurisdictions, such as the United Kingdom where the scope of such indemnities had been restricted by statute following high profile cases in which negligent directors and auditors avoided a substantial damages award against them by relying on a widely drawn indemnity in the relevant company's articles.

Section 157 of the New Companies Law provides that “any provision that purports to exempt a director of a company (to any extent) from any liability that would otherwise attach to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void”.

The amendment to the existing indemnity provision recognises the changes brought about by the New Companies Law and limits the scope of the indemnity to “the fullest extent permitted by the Companies Law”.

INDIA CAPITAL GROWTH FUND LIMITED
(Company No. 43916)

PROXY FORM

I/We,

please insert shareholder name using block capitals. Please note if the shareholder name is not inserted the Form of Proxy cannot be used

of
India Capital Growth Fund Limited hereby appoint

being a member of

(full name) of

(address)

or failing him, the Chairman of the Meeting or the Company Secretary as my/our proxy to attend and vote on my/our behalf and if necessary demand a poll at the Third Annual General Meeting of the Company to be held at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands on 9 June 2009 at 1.30pm and at any adjournment thereof.

| | Ordinary Resolutions | For | Against | Abstain |
|----|---|------------|----------------|----------------|
| 1. | To receive and adopt the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 December 2008. | | | |
| 2. | To re-appoint Ernst & Young LLP as Auditors to the Company until the conclusion of the next Annual General Meeting. | | | |
| 3. | To authorise the Directors to determine the Auditors remuneration. | | | |
| 4. | To authorise and agree the Directors' remuneration. | | | |
| 5. | To renew the authority of the Company, in accordance with Section 315 of The Companies (Guernsey) Law, 2008 (as amended) ("the Law"), to make market purchases (within the meaning of Section 316 of the Law) of the Ordinary Shares of 1 penny each ("the Shares") provided that: the maximum number of Ordinary Shares hereby authorized to be purchased shall be 14.99 per cent of the Company's issued share capital and that such purchases will only be made pursuant to this authority through the market, for cash, at prices below the prevailing Net Asset Value Per Share where the Directors believe such purchases will result in an increase in the Net Asset Value Per Share of the remaining Ordinary Shares and to assist in narrowing any discount to Net Asset Value Per Share at which the Ordinary Shares may trade. The maximum price to be paid for the Shares will be not more than 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five business days before the purchase is made, and any purchases made will be in accordance with the Law . Any Shares bought back by the Company will be cancelled and this authority will expire at the next Annual General Meeting unless renewed at that Meeting. | | | |

| | Special Resolutions | For | Against | Abstain |
|----|--|------------|----------------|----------------|
| 1. | To approve the Company's investing strategy in accordance with the AIM Rules as follows: "The Company's investment objective is to provide long-term capital appreciation by investing (directly or indirectly) predominantly in companies based in India." | | | |
| 2. | THAT, the new draft Memorandum and Articles of Incorporation initialed by the Chairman of the meeting for identification purposes be adopted in substitution for and to the exclusion of the entirety of the existing Memorandum and Articles of Incorporation of the Company. | | | |

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Signature(s)

Dated

Notes:

A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not also be a member.

Please indicate with an 'X' in the appropriate box how you wish your vote to be cast in respect of the Resolution. If you do not insert an 'X' in the appropriate box your Proxy will vote or abstain at his discretion

If it is desired to appoint some other person or persons as proxy or proxies the name(s) of the Proxy or Proxies desired must be inserted in the space provided and the alteration should be initialled.

Every instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, under that corporation's seal, or under the hand of some officer duly authorised in writing in that behalf.

Where there are joint registered holders of any share any one of such persons may vote at any meeting, either personally, in respect of such share as if he were solely entitled thereto; and if more than one of each joint holders be present at any meeting personally that one of the said persons so present in person whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof.

Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member

The instrument appointing a proxy, with the letter or power of attorney (if any) under which it is signed, shall be deposited at the Office at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named in such instrument proposes to vote, otherwise the person so named shall not be entitled to vote in respect thereof.