India Capital Growth Fund

Interim report and unaudited financial statements

For the period from 1 January 2017 to 30 June 2017

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Contents

Management and administration

Directors

	Fred Carr (Chairman) Peter Niven John Whittle

Registered office

	1st Floor Tudor House Le Bordage St Peter Port Guernsey GY1 1DB

Investment manager

	Ocean Dial Asset Management Limited 13-14 Buckingham Street London WC2N 6DF

Administrator and Secretary

	Apex Fund Services (Guernsey) Limited 1st Floor Tudor House Le Bordage St Peter Port Guernsey GY1 1DB

Custodian

As from 18 March 2017	Kotak Mahindra Bank Limited 3rd floor, 27 BKC C-27 G Block Bandra Kurla Complex Bandra East Mumbai 400 051
Up to 17 March 2017	SBI-SG Global Securities Services Pvt. Ltd Corporation Limited "Jeevan Seva" Annexe Building Ground Floor, S.V. Road Santacruz (W) Mumbai 400 054 India

Nominated adviser

	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU

Management and administration (continued)

Broker

Stockdale Securities Limited
Beaufort House
15 St Botolph Street
London EC3A 7BB

Registrar

Neville Registrars Limited
18 Laurel Lane
Halesowen
Birmingham B63 3DA

Independent auditor

Deloitte LLP
Regency Court
Glategny Esplanade
Guernsey GY1 3HW

Chairman's statement

I am pleased to report that the net asset value per share rose 23.8% over the first six months of 2017, 2.5% better than the Company's notional benchmark, the BSE Mid Cap TR Index. Alongside this excellent performance in NAV terms, it is particularly encouraging to highlight that the share price rose 27.7% over the same period, resulting in a meaningful narrowing of the discount (15.7% as at the end of June). Strong investment returns, both in absolute and relative terms, in conjunction with a steady increase in marketing activity, as well as growing coverage in both the trade and national press, is supporting a gradual and positive evolution in the shareholder register, about which more later.

After a brief slump in investor sentiment post the shock last year caused by Prime Minister Modi "demonetising" 85% of India's currency in circulation, India's equity and bond markets have seen a resurgence in foreign and domestic net inflows. The former is resulting from growing confidence in a recovery in corporate earnings globally, whilst the latter is being driven by a welcome move away from investment in traditional asset classes such as gold and real estate, as India's savings sector gradually formalises. This is a theme which is widely expected to continue and bodes well for the future, although mid cap equities have been a major beneficiary of these inflows causing valuations in India to "run up" somewhat. I commend to you the relevant comments in the Investment manager's report. The Company's increase in net asset value per share in Sterling terms was reduced by 1.0% due to a marginal depreciation in the Indian Rupee in the six month period.

Whilst it would appear that the demonetisation exercise created a spark to reignite interest in India's equity story, it is the broader reform agenda orchestrated by the Prime Minister that is whetting investors' appetites. The budget was well received by investors, particularly for its fiscal prudence, and this was shortly followed by the ruling Bharatiya Janata Party winning a number of key State elections, particularly in Uttar Pradesh, India's most populous state, suggesting Modi's party currently looks set to win a second five-year term in 2019. More recently the Government is grappling with the substantial task of implementing the recently passed Goods and Services Tax ("GST") Bill. Though likely to witness significant implementation challenges, once this has been bedded in effectively, GST is expected to bring significant improvements in corporate productivity and tax revenues for the Government.

In the annual report to shareholders in 2016 I drew your attention to the Company's long-term strategy intended to ensure that future share price movement became more closely aligned with net asset value performance. More latterly this has focused on increasing the potential investors' awareness of the Company, supporting strong investment returns, improved liquidity in the underlying scrip, and a growing interest in the India story. The Investment manager, supported by the Mumbai based team, continues to engage actively with the investment community, extending awareness to a much wider base of Wealth Managers, high net worth individuals, and the non-resident Indian community in the UK. This effort is being carried out with the dedicated support of the Company's broker, Stockdale Securities, who have also been actively engaging with investors from a research perspective, as well as managing a high percentage of the turnover of shares in the market. Marten and Co, whom the Company jointly hired with the Investment manager in mid-2016, continue to play their part in supporting the research and marketing endeavours.

With all this in mind, it is timely to announce that the Company is seeking a move away from the AIM market, with an intention to list the shares on the Main Market of the London Stock Exchange. After lengthy discussions with all our advisers, the consensus view is that by doing so we further the opportunity to improve the reputation, marketability, liquidity, and valuation of the Company's shares by gaining access to a wider investor audience, and putting the Company "on a par" with its immediate peer group in the closed-ended, dedicated India fund space. Naturally, this process does not offer any guarantee of success. However, analysis carried out on companies of a similar stature suggests that the current timing for such a move is appropriate.

The investment process continues to identify well managed companies with strong track records and robust balance sheets, across the small and mid-cap universe of Indian equity markets. The investment team remains focused on this challenge, continuing to use the volatility of the market to enter stocks at attractive prices whilst maintaining a long-term view. I want to take this opportunity to thank them for the value they have created to date, as well as thanking our shareholders for the commitment to us that they have made.

Fred Carr I Chairman
17 August 2017

Investment manager's report

In the six months to 30 June 2017 the NAV per share was up 23.8% in GBP outperforming the notional benchmark (BSE Midcap TR Index) by 2.5%. In Indian Rupee (INR) terms the NAV per share was up 25.2% outperforming the notional benchmark by 2.7%.

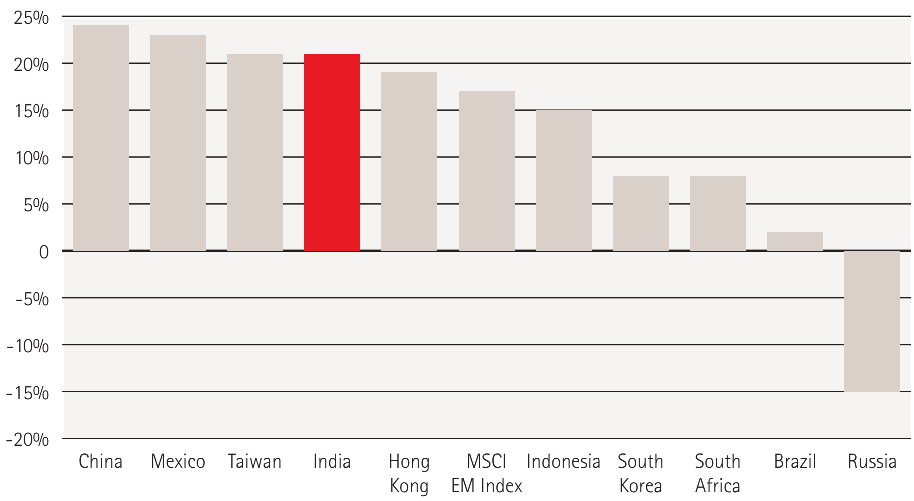
The first half of 2017 has witnessed strong performance across emerging markets with most outperforming the developed markets. The Indian equity markets too delivered impressive returns in this period with the BSE Sensex up 16.1% and the BSE Midcap TR up 22.5% in INR terms. India mid-cap stocks also outperformed the MSCI TR Index by 7.9% and the MSCI EM Index as shown in Chart 1.

We believe there have been three key developments in India during the first half which are worth highlighting.

The first is at the political level. The demonetisation exercise implemented in November 2016 as a measure to tackle corruption did wonders to Modi's image as a serious crusader against corruption. While there was a lot of media criticism on its tardy implementation, the subsequent assembly elections held in March 2017 in a few states reflected its popularity with the common man. The state of Uttar Pradesh, India's most populist State (with 80 seats in the Lower House), saw Modi's BJP party winning 312 out of 403 assembly seats, way ahead of the most optimistic projections. The party also won comfortably in the state of Uttarakhand and also formed local governments in Goa and Manipur in collaboration with smaller regional parties. The dominant nature of the BJP victory in the State elections will help BJP to gain majority in the Upper House by 2018. This will make BJP the single largest party in both the Houses of Parliament. This is significant as it will further help to push its economic and social reforms agenda. It also shows well for BJP's prospects in the next national elections scheduled for 2019, and hence on policy continuity.

The second major event was the Government delivering a fiscally prudent budget in February. This was important as it came just ahead of the State elections and in the backdrop of an economy which was witnessing a slowdown in growth. There were fears that the Government would deliver a populist budget with lot of freebies for the rural economy and try and spend its way out of trouble. On the contrary, the deficit was contained with modest tax revenue assumptions. Even the expenditure was targeted towards building infrastructure, in particular roads and railways. There remained policy continuity, with further liberalisation of foreign direct investment norms and bringing about greater transparency. This once again brought about a strong signal of the Government's intent.

Chart 1: MSCI EM % Return (US$) for six months to 30 June 2017



Source: Bloomberg

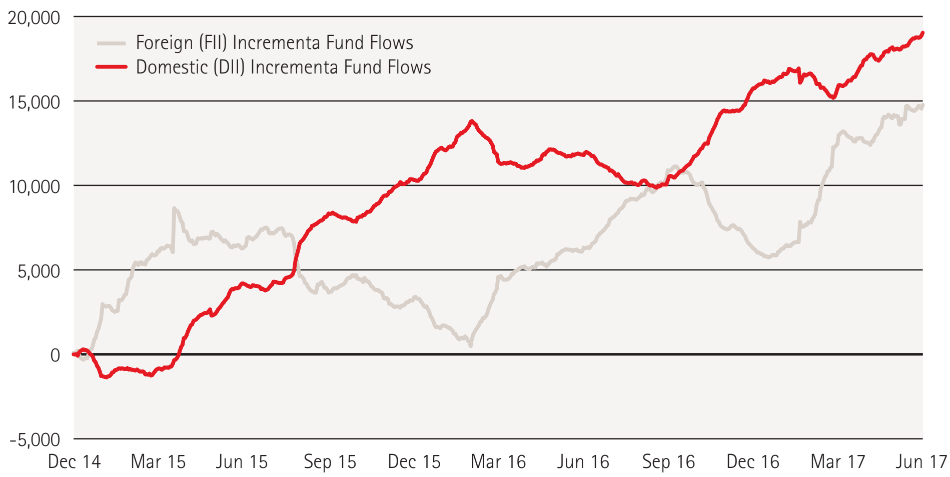
Finally, the Goods and Services Tax (GST) was implemented on 1 July 2017. This has been 10 years in the making and could clearly be called the biggest administrative reform since the country opened up its economy in the early 1990s. This not only involved an amendment to the constitution, but consensus building with 29 states in the country. From multi tax systems there are now only four tax tiers across the country. The GST is highly supportive to long-term growth as it removes the inefficiencies in the system and more importantly will hurt the informal sectors, many of whom survived by evading taxes. There is however bound to be short term pain. This is because the entire eco-system needs to be IT enabled, and many of the smaller businesses are just not geared for this. Also the switchover from the old system to the new system has created confusion, with businesses across the country de-stocking so as to minimize any negative impact. Even the Government admits that there will be one or two quarters of adjustments before the system gets back to normal.

India benefitted from not just strong foreign inflows (US$8.5bn) but the domestic mutual funds also continued to see strong inflows (US$3.3bn) in the six months to 30 June 2017. This is on the back of US$5.4bn domestic inflows in 2016 as well. There is optimism about the outlook for the Indian economy. Political stability, stable currency, falling inflation and sustained efforts by the Government in implementing reforms are factors contributing to this optimism.

On the macro front, GDP has been slowing in the last two quarters reporting 7% in December 2016 and 6.1% in March 2017, the slowest pace of quarterly growth for three years. This was partly a result of upward revision to earlier data but more a consequence of demonetisation, which virtually brought the economy to a halt for two weeks. Some pockets of the country are still to get back to normal. Concerns remain on the lack of capex by the private sector, which is still saddled with surplus capacity. Government spending has however accelerated. The Reserve Bank of India (RBI) however remains optimistic on growth, expecting gross value added (or GVA, a proxy for GDP) to improve to 7.4% in FY18 and 8.1% in FY19, with increased consumption demand forecast to be the predominant driver of stronger growth. The monsoons also appear to be normal, and this bodes well for rural demand.

Another positive is on inflation. After a nine-month pause, the RBI announced a 25 basis points cut in the policy rate to 6% following a sharp fall in CPI inflation to 1.5% in June, mainly led by a fall in food prices. Going forward, RBI maintains a neutral stance as it expects inflation to move up in the range of 3.5% - 4.5% by the second half of FY18, as the base effect fades and assuming the States implement salary and allowance increases similar to those of the Central Government.

Chart 2: Foreign (FII) and Domestic (DII) Incrementa Fund Flows (US$m)



Source: Bloomberg

On the corporate front, results for the quarters to December 2016 and March 2017 indicated a lower impact of demonetisation on corporate profitability than was expected. Energy, Materials and Financials outperformed. Private sector banks reported healthy loan growth, predominantly in retail credit. However asset quality pressures persist mainly for the public sector banks. In efforts to meaningfully address the issue of non-performing assets in the public banking sector, the Government passed an ordinance (circumventing the legislative process) giving additional powers to the RBI. This should facilitate broader recognition by the banks of the extent of the problem, but falls short of addressing any far reaching solution.

Consumer Staples and Consumer Discretionary companies reported weaker volume growth impacted due to demonetisation. Encouragingly though, management commentary was upbeat, pointing to a swift resumption in demand as cash in the economy normalises. The IT sector's woes continue; weak earnings on the back of disappointing volume growth combining with currency pressure, and limp guidance for next year. Health Care also disappointed as pricing pressure in the USA on generic drugs persist, impacting companies' revenue growth and margins. Cement companies surprised positively however on better volumes, despite demonetisation concerns.

Indian equities appear no longer to be cheap, as markets have run up, while earnings are yet to catch up. Value stocks are increasingly hard to find. Aggregate price/earnings ratio for Main Board (BSE Sensex) stocks suggest the market is trading at 19x FY18 and 16.1x FY19 (Bloomberg consensus estimates) reported earnings against the longer term average of 16.1x. Given that FY18 earnings may disappoint due to GST implementation challenges and might get pushed to FY19, some caution at this point may be well advised.

Portfolio construction and attribution

We continued to hold most of our existing investments in the first half with only two new stocks added and five stocks exited. We did however use the volatility to trim or add exposure in several stocks to take advantage of price movements.

During the period, the two stocks added were Sagar Cements (small size cement manufacturer with presence in South and West India) and PSP Projects (construction company offering a diversified range of construction and allied services across industrial, institutional, government, government residential and residential projects in India.). We exited Ajanta Pharma, Mahindra CIE and Voltas on lofty valuations, Gujarat Pipavav Port as it was losing market share to bigger ports and UFO Moviez as we could not build a decent position at our pre decided purchase price.

Many stocks in the portfolio contributed to the positive returns, including Dewan Housing (5.6% weight) up 79.4%, Federal Bank (5.4% weight) up 68.8%, Ramkrishna Forgings (3.5% weight) up 83.9%, Yes Bank (4.2% weight) up 27.6% and Motherson Sumi (4.3% weight) up 41.5%. Among the negative contributors were Tech Mahindra (2.4% weight) down 21.9%, Divis Labs (1.5% weight) down 17.4%, Ajanta Pharma (sold out) down 4.4% and Kitex Garments (1.8% weight) down 5.1%. Our outperformance stemmed mainly from stock selection in Financials, Materials and Consumer Discretionary while we were negatively impacted due to underweight in Energy and Utilities and stock selection in Health Care and Industrials.

Ocean Dial Asset Management
17 August 2017

Directors' report

The Directors present their interim report and the unaudited financial statements of the Company for the period from 1 January 2017 to 30 June 2017.

The Company

India Capital Growth Fund Limited (the "Company") was registered in Guernsey on 11 November 2005 and is a closed-ended investment company. At 30 June 2017, the Company had one wholly owned Mauritian subsidiary, ICG Q Limited. The Company's Ordinary Shares are currently admitted to trading on the AIM market of the London Stock Exchange ("AIM"), but application will be made to trade the Company's Ordinary Shares on the Main Market of the London Stock Exchange and to cancel the AIM listing.

Investment policy

The Company's investment objective is to provide long-term capital appreciation by investing in companies based in India via its wholly-owned subsidiary. The investment policy permits the Company to make indirect investments in a range of Indian equity and equity linked securities and predominantly in listed mid and small cap Indian companies with a smaller proportion in unlisted Indian companies. Investment may also be made in large-cap listed Indian companies and in companies incorporated outside India which have significant operations or markets in India. While the principal focus is on investment in listed or unlisted equity securities or equity linked securities, the Company has the flexibility to invest in bonds (including non-investment grade bonds), convertibles and other types of securities. The Company may, for the purposes of hedging, use derivative instruments such as financial futures, options and warrants. The Company may, from time to time, use borrowings to provide short-term liquidity and, if the Directors deem it prudent, for longer term purposes. The Directors intend to restrict borrowings on a longer term basis to a maximum amount equal to 25% of the net assets of the Company at the time of the drawdown. It is the Company's declared policy not to hedge the exposure to the Indian Rupee.

Results and dividends

The Company's performance during the period is discussed in the Investment Manager's Report on pages 6 to 8.

The results for the period are set out in the unaudited condensed statement of comprehensive income on page 15.

Consistent with the Company's investment policy of providing long term capital appreciation, the Directors do not recommend the payment of a dividend for the period ended 30 June 2017 (30 June 2016 and 31 December 2016: £ nil).

Ongoing charges

In accordance with the recommended methodology set out by the Association of Investment Companies ("AIC"), the Ongoing Charges of the Company and its wholly owned subsidiary, ICG Q Limited, for the period ended 30 June 2017 was 1.83% (30 June 2016: 2.12% and 31 December 2016: 1.96%).

Substantial interests

Shareholders who notified the Company they held an interest of 3% or more of the Ordinary Share Capital of the Company at 31 July 2017 are stated in the table below:

	NUMBER OF SHARES	% HOLDING
Lazard Asset Management	22,347,525	19.86%
Hargreaves Lansdown	11,686,207	10.39%
Miton Asset Management	6,965,000	6.19%
Charles Stanley	5,997,154	5.33%
EFG Harris Allday	4,754,020	4.23%
Gramercy	4,724,167	4.20%
Rathbones	3,842,915	3.42%

Directors

The names of the Directors of the Company, all of whom were in office for the entire period and to the date of this report, are set out on page 2.

Directors' interests

At 30 June 2017, Directors and their immediate families held the following declarable interests in the Company:

	ORDINARY SHARES 30.06.17	ORDINARY SHARES 30.06.16	SUBSCRIPTION SHARES 31.12.16
Fred Carr	150,000	130,000	150,000
Peter Niven	37,500	25,000	37,500
John Whittle	30,000	20,000	30,000

Approved by the Board of Directors and signed on behalf of the Board on 17 August 2017.

Peter Niven

Fred Carr

Independent interim review report of the auditor

Independent review report to India Capital Growth Fund Limited

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2017 which comprises the condensed statement of comprehensive income, the condensed statement of financial position, the condensed statement of changes in equity, the condensed cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in the notes to the interim financials, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules of the London Stock Exchange.

Deloitte LLP
St Peter Port, Guernsey
17 August 2017

Principal investments of ICG Q Limited

As at 30 June 2017

HOLDING	TYPE	SECTOR	VALUE £000s	% OF COMPANY NAV
Dewan Housing	Mid Cap	Financials	7,005	5.6
The Federal Bank	Mid Cap	Financials	6,697	5.4
Motherson Sumi	Large Cap	Consumer Discretionary	5,406	4.3
Yes Bank	Large Cap	Financials	5,211	4.2
Jyothy Laboratories	Small Cap	Consumer Staples	4,407	3.5
Kajaria Ceramic	Small Cap	Industrials	4,343	3.5
Ramkrishna Forgings	Small Cap	Materials	4,326	3.5
NIIT Technologies	Small Cap	IT	4,198	3.4
City Union Bank	Small Cap	Financials	4,017	3.2
Sobha Developers	Small Cap	Real Estate	3,935	3.2
Indusind Bank	Large Cap	Financials	3,897	3.1
Welspun India	Small Cap	Consumer Discretionary	3,557	2.9
P I Industries	Small Cap	Materials	3,380	2.7
The Ramco Cements	Mid Cap	Materials	3,354	2.7
Max Financial Services	Mid Cap	Financials	3,221	2.6
Sagar Cements	Small Cap	Materials	3,214	2.6
Exide Industries	Mid Cap	Consumer Discretionary	3,181	2.6
Skipper Ltd	Small Cap	Materials	3,154	2.5
Finolex Cables	Small Cap	Industrials	3,014	2.4
Balkrishna Industries	Mid Cap	Consumer Discretionary	3,000	2.4
Total top 20 equity investments			**82,517**	**66.3**

Refer to page 14 for market capitalisation size definitions.

Portfolio statement of ICG Q Limited

As at 30 June 2017

HOLDING	MARKET CAP SIZE	SHARES OWNED	VALUE £000s	% OF COMPANY NAV
Listed securities				
Consumer discretionary				
Balkrishna Industries	Mid Cap	152,000	3,000	2.41
Dish TV India	Small Cap	3,000,000	2,852	2.29
Exide Industries	Mid Cap	1,215,336	3,181	2.56
Kitex Garments	Small Cap	700,000	2,286	1.84
Motherson Sumi Systems	Large Cap	985,827	5,406	4.34
Welspun India	Small Cap	3,624,271	3,557	2.86
			20,282	**16.30**
Consumer staples				
Dabur India	Large Cap	590,000	2,045	1.64
Emami	Mid Cap	195,000	2,489	2.00
Jyothy Laboratories	Small Cap	1,043,355	4,407	3.54
Manpasand Beverages	Small Cap	300,000	2,803	2.25
Radico Khaitan	Small Cap	772,000	1,113	0.89
			12,857	**10.32**
Financials				
City Union Bank	Small Cap	1,913,676	4,017	3.23
Dewan Housing	Mid Cap	1,350,000	7,005	5.63
Indian Bank	Mid Cap	754,400	2,529	2.03
Indusind Bank	Large Cap	222,000	3,897	3.13
J & K Bank	Small Cap	1,553,987	1,570	1.26
Max Financial Services	Mid Cap	430,000	3,221	2.59
Federal Bank	Mid Cap	5,000,000	6,697	5.38
Yes Bank	Large Cap	300,000	5,211	4.19
			34,147	**27.44**
Healthcare				
Divis Laboratories	Mid Cap	245,100	1,883	1.51
Neuland Laboratories	Small Cap	148,000	2,489	2.00
			4,372	**3.51**
Industrials				
Finolex Cables	Small Cap	556,597	3,014	2.42
Jain Irrigation Systems	Small Cap	2,190,000	2,671	2.15

Portfolio statement of ICG Q Limited (continued)

As at 30 June 2017

HOLDING	MARKET CAP SIZE	SHARES OWNED	VALUE £000s	% OF COMPANY NAV
Industrials (continued)				
Kajaria Ceramics	Small Cap	550,000	4,343	3.49
PSP Projects	Small Cap	373,875	1,197	0.96
			11,225	**9.02**
IT				
NIIT Technologies	Small Cap	612,485	4,198	3.37
Tech Mahindra	Mid Cap	650,000	2,947	2.37
			7,145	**5.74**
Materials				
Berger Paints India	Mid Cap	980,000	2,864	2.30
Essel Propack	Small Cap	898,260	2,607	2.09
Good Luck India	Small Cap	518,343	532	0.43
JK Lakshmi Cement	Small Cap	500,000	2,878	2.31
PI Industries	Small Cap	340,000	3,380	2.72
Ramkrishna Forgings	Small Cap	700,000	4,326	3.48
Sagar Cements	Small Cap	330,000	3,214	2.59
Skipper	Small Cap	1,305,000	3,154	2.54
The Ramco Cements	Mid Cap	406,702	3,354	2.71
			26,309	**21.17**
Real estate				
Arihant Foundations & Housing	Small Cap	592,400	367	0.29
Sobha Developers	Small Cap	900,000	3,935	3.16
			4,302	**3.45**
Total equity investments			**120,639**	**96.95**
Cash less other net current liabilities of ICG Q Limited			3,610	2.90
Total net assets of ICG Q Limited			124,249	99.85
Cash less other net current liabilities of the Company			182	0.15
Total net assets			**124,431**	**100.00**

Equity investments by market capitalisation

Large Cap: companies with a market capitalisation above US$7bn (£5.4bn)	13.3%
Mid Cap: companies with a market capitalisation between US$2bn and US$7bn (£1.5bn to £5.4bn)	31.5%
Small Cap: companies with a market capitalisation below US$2bn (£1.5bn)	52.2%
	97.0%

Unaudited condensed statement of comprehensive income

For the six months to 30 June 2017

	NOTES	REVENUE £000	CAPITAL £000	UNAUDITED SIX MONTHS TO 30.06.17 TOTAL £000	UNAUDITED SIX MONTHS TO 30.06.16 TOTAL £000	AUDITED YEAR TO 31.12.16 TOTAL £000
Income						
Net gains on financial asset at fair value through profit or loss	5	-	24,125	24,125	10,461	17,385
Total income		**-**	**24,125**	**24,125**	10,461	17,385
Expenses						
Investment management fee		-	-	-	77	76
Operating expenses	3	(171)	-	(171)	(155)	(336)
Foreign exchange loss		(1)	-	(1)	(1)	(2)
Total expenses		**(172)**	**-**	**(172)**	(79)	(262)
Profit/(loss) for the period/year before taxation		**(172)**	**24,125**	**23,953**	10,382	17,123
Taxation	6	**-**	**-**	**-**	-	-
Profit/(loss) for the period/year after taxation		**(172)**	**24,125**	**23,953**	10,382	17,123
Earnings per Ordinary Share (pence)	4			**21.29**	13.84	19.04
Fully diluted earnings per Ordinary Share (pence)	4			**21.29**	13.84	19.04

The total column of this statement represents the Company's condensed statement of comprehensive income, prepared in accordance with IFRS. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

The profit after tax is the "total comprehensive income" as defined by IAS 1. There is no other comprehensive income as defined by IFRS and all the items in the above statement derive from continuing operations.

The notes on pages 19 to 27 form part of these financial statements.

Unaudited condensed statement of financial position

As at 30 June 2017

	NOTES	UNAUDITED 30.06.17 £000	UNAUDITED 30.06.16 £000	AUDITED 31.12.16 £000
Non-current assets				
Financial asset designated at fair value through profit or loss	5	124,249	70,849	100,374
Current assets				
Cash and cash equivalents		220	47	144
Receivables	7	170	112	139
		390	159	283
Current liabilities				
Payables	8	(208)	(146)	(179)
Net current assets		182	13	104
Total assets less current liabilities		**124,431**	**70,862**	**100,478**
Equity				
Ordinary share capital	10	1,125	750	1,125
Reserves		123,306	70,112	99,353
Total equity		**124,431**	**70,862**	**100,478**
Number of Ordinary Shares in issue	10	112,502,173	75,001,463	112,502,173
Net Asset Value per Ordinary Share (pence) - Undiluted		110.60	94.48	89.31
Net Asset Value per Ordinary Share (pence) – Diluted		110.60	83.32	89.31

The unaudited financial statements on pages 15 to 27 were approved by the Board of Directors on 17 August 2017 and signed on its behalf by:

Peter Niven

Fred Carr

The notes on pages 19 to 27 form part of these financial statements.

India Capital Growth Fund

Unaudited condensed statement of changes in equity

For the six months to 30 June 2017

	NOTES	SHARE CAPITAL £000	CAPITAL RESERVE £000	REVENUE RESERVE £000	OTHER DISTRIBUTABLE RESERVE £000	TOTAL £000
Balance as at 1 January 2017		1,125	13,145	(9,142)	95,350	100,478
Gain on investment in ICG Q Limited	5	-	24,125	-	-	24,125
Revenue loss for the period after taxation		-	-	(172)	-	(172)
Balance as at 30 June 2017		1,125	37,270	(9,314)	95,350	124,431

For the six months to 30 June 2016 (unaudited)

	NOTES	SHARE CAPITAL £000	CAPITAL RESERVE £000	REVENUE RESERVE £000	OTHER DISTRIBUTABLE RESERVE £000	TOTAL £000
Balance as at 1 January 2016		750	(4,240)	(8,880)	72,850	60,480
Gain on investment in ICG Q Limited	5	-	10,461	-	-	10,461
Revenue loss for the period after taxation		-	-	(79)	-	(79)
Balance as at 30 June 2016		750	6,221	(8,959)	72,850	70,862

For the year ended 31 December 2016 (audited)

	NOTES	SHARE CAPITAL £000	CAPITAL RESERVE £000	REVENUE RESERVE £000	OTHER DISTRIBUTABLE RESERVE £000	TOTAL £000
Balance as at 1 January 2016		750	(4,240)	(8,880)	72,850	60,480
Issue of shares		375	-	-	22,500	22,875
Gain on investment in ICG Q Limited	5	-	17,385	-	-	17,385
Revenue loss for the year after taxation		-	-	(262)	-	(262)
Balance as at 31 December 2016		1,125	13,145	(9,142)	95,350	100,478

The notes on pages 19 to 27 form part of these financial statements.

Unaudited condensed statement of cash flows

For the six months to 30 June 2017

	UNAUDITED 30.06.17 £000	UNAUDITED 30.06.16 £000	AUDITED 31.12.16 £000
Cash flows from operating activities			
Operating profit	23,953	10,382	17,123
Adjustment for:			
Net gain on financial asset at fair value through profit or loss	(24,125)	(10,461)	(17,385)
Foreign exchange losses	1	1	2
Operating loss before working capital changes	(171)	(78)	(260)
Increase in receivables	(31)	(91)	(118)
Increase in payables	29	-	33
Cash flow used in operating activities	(173)	(169)	(345)
Cash flows from financing activities			
Proceeds from issue of shares	-	-	22,875
Cash flows from investing activities			
Sale of investments	250	121	120
Purchase of investments	-	-	(22,600)
Net cash flow from investing activities	250	121	(22,480)
Net increase/(decrease) in cash and cash equivalents during the period/year	**77**	**(48)**	**50**
Cash and cash equivalents at the start of the period/year	144	96	96
Foreign exchange losses	(1)	(1)	(2)
Cash and cash equivalents at the end of the period/year	**220**	**47**	**144**

The notes on pages 19 to 27 form part of these financial statements.

Notes to the unaudited financial statements

For the six months to 30 June 2017

1. Accounting policies

The condensed financial statements have been prepared in accordance with International Financial Reporting Standard ('IFRS') IAS 34 'Interim Financial Reporting' and, except as described below, the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2016.

The condensed financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2016, which were prepared under full IFRS requirements.

Certain current standards, amendments and interpretations are not relevant to the Company's operations. Equally, certain interpretations to existing standards which are not yet effective are equally not relevant to the Company's operations. At the date of the authorisation of these financial statements, the following standards and interpretations which were in issue but not yet effective have not been early adopted in these financial statements:

Standards, interpretations and amendments to published statements not yet effective
Amendments to IFRS 7 and IFRS 9 - Mandatory effective date and Transition disclosures is effective for periods beginning on or after 1 January 2017.

Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 is effective for periods beginning on or after 1 January 2018

IFRS 9 - Financial Instruments (issued in 2014) is effective for periods beginning on or after 1 January 2018

IFRS 15 - Revenue from Contracts with Customers beginning on or after 1 January 2018

IFRS 16 - Leases beginning on or after 1 January 2019

The Board has not yet assessed the impact of these standards as they have been recently published. The Directors believe that other pronouncements which are in issue but not yet operative or adopted by the Company will not have a material impact on the financial statements of the Company, but these will continue to be reviewed.

2. Significant accounting judgements, estimates and assumptions

IFRS require management to make judgments, estimates and assumptions that effect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equate to the related actual results. The main use of accounting estimates and assumptions occurs in the calculation of the sensitivity analysis. And in relation to the valuation of unlisted investment, actual results may differ from the estimates. It is management's judgement that NAV of ICG Q Limited is an appropriate proxy for fair value as the Company can control the sale of the subsidiary's investments and therefore no liquidity discount is required.

For the six months to 30 June 2017

3. Operating expenses

	Unaudited Six months to 30.06.17 £000	Unaudited Six months to 30.06.16 £000	Audited Year to 31.12.16 £000
Directors' fees	35	45	80
D&O insurance	2	3	6
Administration and secretarial fees	20	22	40
Audit fee	13	13	22
Broker fee	18	13	36
Nomad fee	10	10	21
Registrar fee	2	1	4
Other professional fees	4	8	4
Marketing expenses	32	-	16
General expenses	28	23	53
Regulatory fees	7	8	16
Cost of issuing new shares	-	9	38
	171	155	336

4. Earnings per share

Earnings per Ordinary Share is calculated on the profit for the period of £23,953,000 (30 June 2016: £10,382,000 and 31 December 2016: £17,123,000) divided by the weighted average number of Ordinary Shares of 112,502,173 (30 June 2016: 75,001,463 and 31 December 2016: 89,950,429).

5. Financial assets designated at fair value through profit or loss

	Unlisted £000	Unaudited Six months to 30.06.17 Total £000	Unaudited Six months to 30.06.16 Total £000	Audited Year to 31.12.16 Total £000
Market value as at 1 January	100,374	100,374	60,509	60,509
Purchase of investments	-	-	-	22,600
Sales proceeds	(250)	(250)	(121)	(120)
Realised gain on sale of investments	164	164	53	52
At end of the period/year	100,288	100,288	60,441	83,041
Unrealised gain on revaluation	23,961	23,961	10,408	17,333
Fair value at end of period/year	**124,249**	**124,249**	**70,849**	**100,374**

5. Financial assets designated at fair value through profit or loss (continued)

The net realised and unrealised gains on financial assets designated at fair value through profit and loss for the period was £24,125,000 (period ended 30 June 2016: £10,461,000 and 31 December 2016: £17,385,000) which came from the Company's holding in ICG Q Limited. The movement is driven by the following amounts within the financial statements of ICG Q Limited, as set out below:

	Unaudited Six months to 30.06.17 Total £000	Unaudited Six months to 30.06.16 Total £000	Audited Year to 31.12.16 Total £000
Dividend income	149	257	636
Other income	-	-	627
Unrealised gain on financial assets at fair value through profit or loss	19,887	8,077	14,193
Realised gain on disposal of investments	5,063	2,626	3,295
Transaction costs	(36)	(20)	(93)
Investment management fee	(897)	(447)	(1,206)
Operating expenses	(38)	(31)	(67)
Foreign exchange loss	(3)	(1)	-
Net profit of ICG Q Limited	**24,125**	**10,461**	**17,385**

As described in the statutory accounts of the Company for the year ended 31 December 2016, the Company qualifies as an investment entity under IFRS 10. It therefore does not consolidate its investment in ICG Q Limited.

6. Taxation

Guernsey
India Capital Growth Fund Limited is exempt from taxation in Guernsey. The Company is exempt under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended) and paid the annual exemption fee of £1,200. For the period ended 30 June 2017, the Company had a tax liability of £nil (30 June 2016 and 31 December 2016: £nil).

7. Receivables

	Unaudited 30.06.17 Total £000	Unaudited 30.06.16 Total £000	Audited 31.12.16 Total £000
Other receivables and prepayments	170	112	139
	170	**112**	**139**

For the six months to 30 June 2017

8. Payables

	Unaudited 30.06.17 Total £000	Unaudited 30.06.16 Total £000	Audited 31.12.16 Total £000
Management fee	154	87	128
Other creditors	54	59	51
	208	**146**	**179**

9. Segmental information

The Board has considered the provisions of IFRS 8 in relation to segmental reporting and concluded that the Company's activities form a single segment under the standard. From a geographical perspective, the Company's activities are focused in a single area - Mauritius. The subsidiary, ICG Q Limited, focuses its investment activities in listed securities in India. Additional disclosures have been provided in this Interim Report to disclose the underlying information. Assessment of performance by the Board and investment decisions by the Investment Manager are made on the basis of the portfolio as a whole which is provided on pages 13 and 14.

10. Share capital

Ordinary Share Capital of £0.01 each

	Number of shares	Share capital £000
At 30 June 2017	112,502,173	1,125
At 30 June 2016	75,001,463	750
At 31 December 2016	112,502,173	1,125

The Company's capital is represented by Ordinary Shares of par value £0.01. Each share carries one vote and is entitled to dividends when declared. The Company has no restrictions or specific capital requirements on the issue or repurchase of Ordinary Shares.

Subscription Share Capital

	Number of shares	Share capital £000
At 30 June 2017	-	-
At 30 June 2016	37,500,710	-
At 31 December 2016	-	-

The Subscription Shares were issued on 6 August 2014, conferring the right to subscribe for one Ordinary Share at a fixed price of 61 pence on 6 August 2016. Following the exercise of those rights, the Subscription Shares were cancelled on 31 August 2016.

For the six months to 30 June 2017

11. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Directors are responsible for the determination of the investment policy and have overall responsibility for the Company's activities. Directors' fees are disclosed fully in each Annual Report. The fee payable to the Chairman is £28,000 per annum, £22,000 per annum to Peter Niven and £20,000 per annum to John Whittle.

The Investment Manager is entitled to receive a management fee payable jointly by the Company and its subsidiary equivalent to 1.5% per annum of Total Assets, calculated and payable monthly in arrears. The Investment Manager earned £897,000 in management fees during the six months ended 30 June 2017 (six months ended 30 June 2016: £447,000 and year ended 31 December 2016: £1,206,000) of which £154,000 was outstanding at 30 June 2017 (30 June 2016: £87,000 and 31 December 2016: £128,000).

Under the terms of the Administration Agreement, Apex Fund Services (Guernsey) Limited is entitled to a minimum annual fee of US$41,000 or a flat fee of 5 basis points of the NAV of the Company, whichever is greater. The Administrator is also entitled to reimbursement of all out of pocket expenses recoverable by way of a fixed disbursement charge of US$50 per month excluding all international calls and courier. The Administrator earned £20,000 for administration and secretarial services during the six months ended 30 June 2017 (six months ended 30 June 2016: £18,000 and year ended 31 December 2016: £44,000) of which £3,200 was outstanding at 30 June 2017 (30 June 2016: £3,200 and 31 December 2016: £3,400).

12. Fair value of financial instruments

The following tables show financial instruments recognised at fair value analysed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The analysis as at 30 June 2017 is as follows:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Unlisted securities	-	124,249	-	124,249
	–	**124,249**	**–**	**124,249**

The analysis as at 30 June 2016 is as follows:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Unlisted securities	-	70,849	-	70,849
	–	**70,849**	**–**	**70,849**

12. Fair value of financial instruments (continued)

The analysis as at 31 December 2016 was as follows:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Unlisted securities	-	100,374	-	100,374
	-	**100,374**	**-**	**100,374**

The Company's investment in ICG Q Limited, the Company's wholly owned subsidiary is priced based on the subsidiary's net asset value as calculated as at the reporting date. The Company has the ability to redeem its investment in ICG Q Limited at the net asset value at the measurement date therefore this is categorised as level 2. The classification within the hierarchy does not necessarily correspond to the Investment Manager's perceived risk of the investment, nor the level of the investments held within the subsidiary. All the underlying investments of ICG Q Limited are categorised as level 1. The period-end fair value of those investments, together with cash held in ICG Q Limited, comprise all but an insignificant proportion of the net asset value of the subsidiary.

13. Financial instruments and risk profile

Capital management

The Company is a closed-ended investment company and thus has a fixed capital for investment. It has no legal capital regulatory requirement. Subject to the Guernsey Companies Law, the Board has the power to purchase shares for cancellation thus reducing capital and the Board considers on a regular basis whether it is appropriate to seek shareholder approval for the exercise of such powers. In the period ended 30 June 2017, the Board determined that it was inappropriate to exercise such powers, but will seek such shareholder approval at the 2017 Annual General Meeting. The Board also considers from time to time whether it may be appropriate to raise new capital to improve liquidity and reduce operating expenses as a percentage of Net Asset Value. Such an increase occurred in August 2016 following the exercise of Subscription Share rights, pursuant to the Subscription Share bonus issue in August 2014.

Investment portfolio management

The Company holds a single investment in ICG Q Limited, which holds an underlying portfolio of 30 to 40 equity instruments based in India.

The primary objective of the Company is to provide long-term capital appreciation by investing predominantly in companies based in India through its subsidiary, ICG Q Limited. The investment policy permits making investments in a range of equity and equity linked securities of such companies. ICG Q Limited's portfolio of investments is predominantly in listed mid and small cap Indian companies and it did not hold any unlisted security during the period ended 30 June 2017. While the principal focus is on investments in listed equity securities or equity-linked securities, ICG Q Limited has the flexibility to invest in bonds, convertibles and other type of securities.

The following risk profiles are a summary of the key risks the Company may be exposed to via ICG Q Limited and the Company's policies for managing those risks, most of which manifest themselves in ICG Q Limited.

13. Financial instruments and risk profile (continued)

Market price risk
Market price risk arises mainly from the uncertainty about future prices of the financial instrument held by ICG Q Limited. It represents the potential loss ICG Q Limited may suffer through holding market positions in the face of price movements.

ICG Q Limited's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objectives and policies and in adherence to the investment guidelines and the investment and borrowing powers set out in the Admission Document. ICG Q Limited's investment portfolio is concentrated and, as at 30 June 2017, comprised investment in 38 companies. ICG Q Limited thus has higher exposure to market risk in relation to individual stocks than more broadly spread portfolios.

ICG Q Limited's portfolio consists mainly of mid and small cap listed Indian securities, and thus the effect of market movements is not closely correlated with the principal market index, the BSE Sensex. The BSE Mid Cap Index provides a better (but not ideal) indicator of the effect of market price risk on the portfolio.

Assuming perfect correlation the sensitivity of ICG Q Limited to market price risk can be approximated by applying the percentage of funds invested (30 June 2017: 96.95%; 30 June 2016: 94.70%; 31 December 2016: 98.40%) to any movement in the BSE Mid Cap Index. At 30 June 2017, with all other variables held constant, this approximation would produce a movement in the net assets of ICG Q Limited of £12,064,000 (30 June 2016: £6,711,000 and 31 December 2016: £9,868,000) for a 10% (30 June 2016 and 31 December 2016:10%) movement in the index which would impact the Company via a fair value movement of the same magnitude in its holding in ICG Q Limited.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of the financial instruments held by ICG Q Limited will fluctuate because of changes in foreign exchange rates. ICG Q Limited's portfolio comprises predominantly Rupee denominated investments but reporting, and in particular the reported Net Asset Value, is denominated in Sterling. Any appreciation or depreciation in the Rupee would have an impact on the performance of the Company. The underlying currency risk in relation to ICG Q Limited's investments is the Rupee. ICG Q Limited may enter into currency hedging transactions but appropriate mechanisms on acceptable terms are not expected to be readily available.

At 30 June 2017, if the Indian Rupee had strengthened or weakened by 10% (30 June 2016 and 31 December 2016: 10%) against Sterling with all other variables held constant, pre-tax profit for the year would have been £12,406,000 (30 June 2016: £7,056,000 and 31 December 2016: £10,040,000) higher or lower, respectively, mainly as a result of foreign exchange gains or losses on translation of Indian Rupee denominated financial assets designated at fair value through profit or loss in ICG Q Limited and the consequent impact on the fair value of the Company's investment in ICG Q Limited.

The Company's policy is not to hedge its Indian Rupee exposure.

Credit risk
Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with ICG Q Limited. Credit risk in relation to securities transactions awaiting settlement is managed through the rules and procedures of the relevant stock exchanges. In particular settlements for transactions in listed securities are effected by the custodian on a delivery against payment or receipt against payment basis. Transactions in unlisted securities are effected against binding subscription agreements.

13. Financial instruments and risk profile (continued)

The principal credit risks for the Company are in relation to deposits with banks. Kotak Mahindra Bank Limited ("Kotak-IN") acts as the principal banker to the Company. The aggregate exposure to the Kotak-IN group at 30 June 2017 was £3,422,000 (30 June 2016: £3,814,000 held with SBI-SG and 31 December 2016: £1,593,000 held with SBI-SG).

Kotak-IN acted as custodian of the Group's assets as from 18 March 2017. The securities held by Kotak-IN as custodian are held in trust and are registered in the name of ICG Q Limited. Kotak-IN has a credit rating of CRISIL AAA.

Interest rate risk

Interest rate risk represents the uncertainty of investment return due to changes in the market rates of interest. The direct effect of movements in interest rates is not material as any surplus cash is predominantly in Indian Rupees, and foreign investors are not permitted to earn interest on Indian Rupee balances.

Liquidity risk

Liquidity risk is the risk that ICG Q Limited will encounter in realising assets or otherwise raising funds to meet financial commitments. As the trading volume on the Indian Stock Market is lower than that of more developed stock exchanges the Group is likely to be invested in relatively illiquid securities. ICG Q Limited's unlisted securities are even less liquid and may not be realisable until a third party investor is found. Unlisted securities represent nil% (2016: nil%) of the portfolio. ICG Q Limited's focus is to invest predominantly in mid and small cap stocks. As noted in the Investment Manager's Report, minimum liquidity criteria are utilised for new purchases. However there remain holdings where there is relatively little market liquidity. As with unlisted securities these investments may take time to realise. The Directors do not believe that the market is inactive enough to warrant a discount for liquidity risk on ICG Q Limited's investments.

ICG Q Limited seeks to maintain sufficient cash to meet its working capital requirements.

The Directors do not believe it to be appropriate to adjust the fair value of the Company's investment in ICG Q Limited for liquidity risk, as it has the ability to effect a disposal of any investment in ICG Q Limited's portfolio at the prevailing market price and the distribution of proceeds back to the Company should it so wish.

Taxation risk

Taxation risk is the risk the taxation of income and capital gains of ICG Q Limited and the Company may increase as a result of changes in the tax regulations and practice in Guernsey, Mauritius and India. ICG Q Limited is registered with the Securities and Exchange Board of India ("SEBI") as a foreign portfolio investor ("FPI") with a Category II licence, holds a Category 1 Global Business Licence in Mauritius and has obtained a Mauritian Tax Residence Certificate ("TRC") which have been factors in determining its resident status under the India-Mauritius Double Taxation Avoidance Agreement ("DTAA") and General Anti Avoidance Rules ("GAAR") under the Income Tax Act 1961 ("ITA").

Consequently, prior to 1 April 2017 under the DTAA, capital gains of ICG Q Limited resulting from the sale of shares in India (whether listed or unlisted), including shares on conversion of foreign currency convertible bonds issued by Indian companies, were subject to the capital gains tax ("CGT") rate in Mauritius which is 0%.

13. Financial instruments and risk profile (continued)

From 1 April 2017 under the DTAA, investments purchased from that date will be subject to CGT rates in India which, for short term CGT (defined as investments held for less than one year) is applied at a rate of 15% and for long term CGT (defined as investments held for greater than one year) is 0%. Further, for two years to 31 March 2019 ICG Q Limited qualifies for a discount of 50% on these CGT liabilities.

ICG Q Limited seeks to minimise the impact of these changes in the taxation rates applicable to its capital gains by maintaining its investment strategy of investing in a concentrated portfolio for long term capital appreciation and thus restricting capital gains of less than one year to insignificant levels.

14. Contingent liabilities

The Directors are not aware of any contingent liabilities as at 30 June 2017 (30 June 2016 and 31 December 2016: nil).

15. Subsequent events

These financial statements were approved for issuance by the Board on 17 August 2017. Subsequent events have been evaluated until this date and there were none after the period that required adjustments to the interim financial statements and disclosures to the notes.

As set out in the notice of the extraordinary general meeting ("EGM") of the Company in 2014, shareholders approved the resolution that the Board would undertake in 2017 (and every three years thereafter) an assessment of the Company's performance since the date of the 2014 EGM to 6 August 2017 and only propose an ordinary continuation resolution in the event that the performance criteria has not been met. The Company is pleased to announce that the performance criteria has been met and therefore will not be proposing a continuation vote at the 2017 annual general meeting ("AGM"), nor will the 2015 continuation resolution referred to in the Company's original AIM admission document be proposed. The Company will continue for another three years after the date of the 2017 AGM and will conduct another three year assessment prior to the 2020 AGM.

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