Annual Report 09

JPMorgan Indian Investment Trust plc

Annual Report & Accounts for the year ended 30 September 2009

J.P.Morgan
Asset Management

Features

Contents

Objective

Capital growth from investments in India.

Investment Policies

- To invest in a diversified portfolio of equity and equity-related securities of Indian companies.
- To invest also in companies which earn a material part of their revenues from India.
- The Company will not invest in the other countries of the Indian sub-continent nor in Sri Lanka.
- To invest no more than 15% of gross assets in other investment companies (including investment trusts).
- To use gearing when appropriate to increase potential returns to shareholders; the Company's gearing policy is to use short-term gearing for tactical purposes, up to a maximum level of 15% of shareholders' funds.

Benchmark

MSCI India Index expressed in sterling.

Risk

Investors should note that there can be significant economic and political risks inherent in investing in a single emerging economy such as India. As such, the Indian market can exhibit more volatility than developed markets and this should be taken into consideration when evaluating the suitability of the Company as a potential investment.

Capital Structure

The Company has an authorised share capital of 250,000,000 Ordinary shares of 25p each and 35,000,000 Subscription shares of 1p each. At the year end 108,060,964 Ordinary shares were in issue, including 1,979,788 shares held in Treasury, and 17,952,579 Subscription shares.

Continuation Vote

The Company's Articles require that, at the Annual General Meeting to be held in 2014 and at every fifth year thereafter, the Directors will propose a resolution that the Company continues as an investment trust.

Management Company

The Company employs JPMorgan Asset Management (UK) Limited to manage its assets.

Financial Results

Total Returns (capital plus income)

45.1%
Return to shareholders[1,2]
(2008: -30.9%)

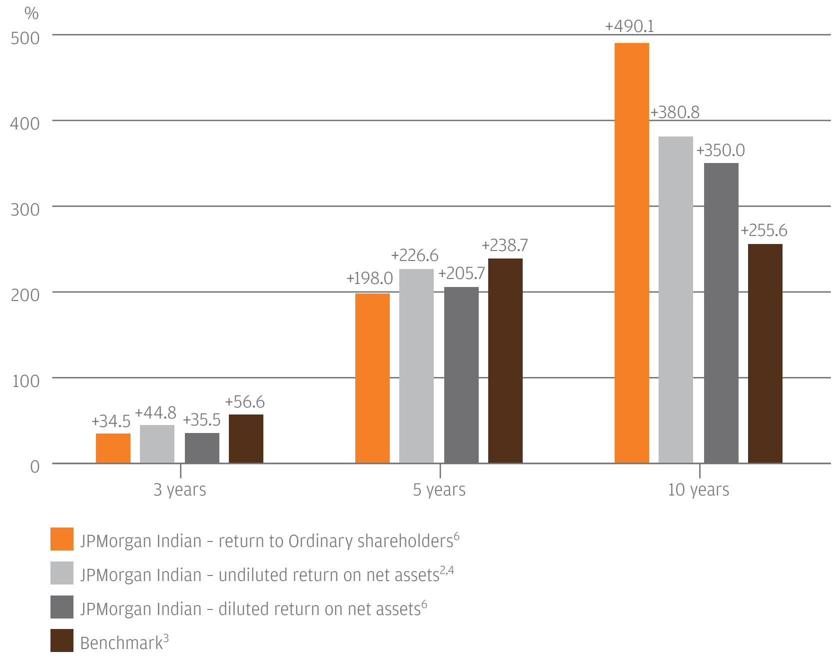
47.1%
Benchmark return[3]
(2008: -28.9%)

37.5%
Undiluted return on net assets[4]
(2008: -29.8%)

28.7%
Diluted return on net assets[2,5]
(2008: -29.8%)

Long Term Performance

for periods ended 30th September 2009



A glossary of terms and definitions is provided on pages 62 and 63.

[1] Includes the return from the bonus issue of Subscription shares during the year.

[2] Source: J.P. Morgan

[3] Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling.

[4] Return on net assets calculated using the undiluted net asset value.

[5] Return on net assets calculated using the diluted net asset value which assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end.

[6] Source: Morningstar.

Chairman's Statement

Year Under Review

The year to 30th September 2009 has proved to be a challenging one for investors as markets veered from panic to enthusiasm. Over the year, your Company provided a return to shareholders of 45.1%, underperforming our benchmark, the MSCI India Index (in sterling terms), which rose by 47.1%. This is somewhat disappointing, but should be viewed in the context of the longer term. The Managers have contributed positively to performance in each of the previous six years. The Board have spent a considerable amount of time in recent months discussing with the Managers the portfolio and the reasons for the underperformance. The Board is confident that the fundamental, research-based approach of the Managers which has provided such good returns for your Company over a long period is the correct one, and believe that it will again provide superior returns in more normal market conditions.

Our investment managers remain upbeat about the long term prospects for the Indian market and have maintained the themes of infrastructure and capital projects and high quality domestic consumer investments within the portfolio. In support of this view, the Company has recently entered into a one year floating rate US$ 50 million loan with ING Bank to provide the investment managers with the flexibility to gear the portfolio. The investment managers, in their Report on pages 5 to 7, set out in more detail a review of the underlying portfolio and the outlook for the future.

The Board is aware of the provisions in the new Draft Indian Direct Tax Code which impact on the Indian-Mauritius Tax Treaty and is monitoring the situation.

Board of Directors

During the year, the Board carried out evaluations of the Directors, the Chairman, the Board and its Committees. The Director retiring by rotation at this year's Annual General Meeting is myself and, being eligible, I offer myself for re-election. Vijay Joshi, having served as a Director for in excess of nine years, also stands for re-election. Vijay's insights into the Indian economy and government have proved invaluable to the Board's deliberations and I have no hesitation in recommending his re-election.

As part of its discussions regarding the re-election of Directors, the Board has agreed to a phased programme of renewal to refresh its membership. At the Annual General Meeting in 2011, Pierre Dinan will retire and not seek re-election, while Vijay Joshi will do likewise in 2012. Suitable replacements for Pierre and Vijay will be sought over the coming months.

Investment Manager

The Board has reviewed the investment management, secretarial and marketing services provided to the Company by JPMorgan Asset Management (UK) Limited ('JPMAM'). This annual review has included their performance record, management processes, investment style, resources and risk control mechanisms. The Board was satisfied with the results of the review and therefore in the opinion of the Directors, the continuing appointment of JPMAM for the provision of these services, on the terms agreed, is in the best interests of shareholders as a whole.

Share Issues and Repurchases

At the Annual General Meeting in January 2009 shareholders granted the Directors authority to repurchase up to 14.99% of the Company's shares. Whilst the Company did not repurchase any shares for cancellation during the year, your Board believes that such a facility is an important tool in the management of discount volatility and is, therefore, seeking approval from shareholders to renew the authority at the forthcoming Annual General Meeting. Shares repurchased in this way might not be cancelled but rather held in Treasury. Purchases of shares to be held in Treasury will be made in accordance with the Listing Rules of the UK Listing Authority and the Companies (Acquisitions of Own Shares) (Treasury Shares) Regulations 2003 as amended.

Shareholders also granted the Directors authority to issue new Ordinary shares. At times over recent years, the Company's ordinary shares have traded at a premium to net asset value ('NAV') which has enabled the issue of new Ordinary shares at various levels of premia. The Board has established guidelines relating to the issue of shares and if the conditions are met, this authority will be utilised to enhance the Company's NAV per share and therefore benefit existing shareholders. To supplement this authority the Board proposes to reissue shares from Treasury when appropriate. Doing so would be cheaper than issuing new shares since it would avoid the necessity of the Company paying listing fees to the London Stock Exchange and the UK Listing Authority. The Board will only buy back shares at a discount to their prevailing NAV, and issue shares when they trade at a premium to their NAV, so as not to prejudice remaining shareholders.

The Board believe that the judicious use of share repurchase and issuance powers can minimise discount volatility by enabling the repurchase of shares at a discount and the issuance of new shares at a premium to their NAV. By undertaking such a programme the Board expects that the share price will move in a reasonable range around NAV, which your Directors believe is in the best interests of shareholders as a whole.

Bonus Issue of Subscription Shares

In November 2008, the Company issued 21,001,937 Subscription shares to shareholders on the basis of one Subscription share for every five Ordinary shares previously held. Each Subscription share confers the right (but not the obligation) to subscribe for one Ordinary share on any business day during the period from 2nd January 2009 to 2nd January 2014, after which the rights under the Subscription shares will lapse.

It has been pleasing to note that the Company's Ordinary share price has remained comfortably above the initial exercise price of 227p per Subscription share throughout the year. Between 2nd January 2009 and 30th September 2009, applications were received to convert 3,049,358 Subscription shares into Ordinary shares, raising proceeds of £6.9m. As at the date of this report, a further 1,756,577 Subscription shares have been converted, meaning that 23% of the Subscription shares initially issued have now been converted and £10.9 million raised for investment by the Company. The Board expects that a substantial proportion of the remaining Subscription shares will be converted before the first step up in price on 3rd January 2010.

Chairman's Statement continued

Further details of the Subscription shares, including the subscription periods and their respective prices and the bonus cost for the calculation of taxation, can be found on page 64 and on the Company's website at www.jpmindian.co.uk

Annual General Meeting

This year's Annual General Meeting will be held at Trinity House, Tower Hill, London EC3N 4DH at 12.00 noon on Monday 25th January 2010. As in previous years, in addition to the formal part of the meeting, there will be a presentation from representatives of the Manager, Rukhshad Shroff and Raj Nair, who will answer questions on the portfolio and performance. There will also be an opportunity to meet the Board and representatives of JPMorgan.

If you have any detailed or technical questions, it would be helpful if you could raise them in advance with the Company Secretary at Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ. Shareholders who are unable to attend the AGM are encouraged to use their proxy votes.

Hugh Bolland
Chairman

21st December 2009

Investment Managers’ Report

Edward Pulling

Rukshad Shroff

Rajendra Nair

Review

The past financial year has been the most eventful of any over the life of this Company. Events both within India and without rocked the Indian stockmarket, driving it down 35% in late 2008 and then propelling it to double from its low by September 2009. When compared to other asset classes in other parts of the world, the Indian stockmarket has weathered the storm admirably. This resilience has reminded existing investors and informed new investors of the undeniable long term strengths and prospects of the Indian investment story.

The period October 2008 to March 2009 was a tumultuous one, as the liquidity crunch intensified following the collapse of Lehman Brothers in September and the world economy suffered the equivalent of a massive seizure as businesses de-stocked and laid off workers in a bid to conserve cash. The resulting risk aversion hit most asset classes. Equity markets hit a low in October, rebounded towards the end of the year before re-testing their lows again in March. Eventually a modicum of stability returned as economies began to respond to the extraordinary stimuli provided by governments and central banks around the world and historically low yields resulted in a return of risk appetite. This, in turn, helped equity markets stage an extraordinary turnaround in the following two quarters retracing a large part of the losses of 2008.

During the year under review the MSCI India Index rose by 47.1% (in sterling terms) substantially outperforming the regional and emerging markets indices. Consumer discretionary, materials and industrials outperformed while defensives like healthcare and staples lagged. The sharp turnaround in risk appetite was evident in foreign portfolio flows; in the first half of the year foreign institutional investors sold stock worth around US$ 5 billion, but the tide turned in the subsequent two quarters with inflows of US$ 20 billion.

Although the Indian economy, being domestically driven, managed to avoid the worst effects of the credit crisis, it was not completely unscathed. GDP growth decelerated to a low of 5.8% in the fourth quarter of 2008, while industrial production declined (albeit marginally) for the first time in over a decade during the same period. Nevertheless, India remained among the few countries in the world to achieve positive growth. More recently, growth momentum seems to have recovered in line with the rest of the world. Inflation, which peaked in mid 2008, fell steadily through the fourth quarter of that year and slipped into negative territory in the first half of 2009 for the first time in almost two decades as commodity prices (notably oil) plunged. Inflation, however, has almost certainly bottomed and is expected to rise to 5-6% by the first half of 2010. Concomitantly interest rates are also expected to rise next year.

In November 2008, in one of the worst terror attacks in Indian history, terrorists went on the rampage in multiple locations in Mumbai over 3 days, killing over 140 people. In the immediate aftermath, tensions with Pakistan dramatically increased although the prospect of military conflict soon receded. Notwithstanding the tragic nature of this event, it had negligible impact on the economy and the stock market.

Investment Managers' Report continued

Performance attribution for the year ended 30th September 2009		
Contributions to Total Returns		
Benchmark Total Return		47.1%
Investment Manager Contribution		
Asset Allocation	-6.2%	
Stock Selection	-1.4%	
Currency Effect	0.6%	
Gearing / Cash	1.1%	
Investment Manager Contribution		-5.9%
Portfolio Total Return		41.2%
Fees and Accounts Related Effects		
Management Fees		
Other Expenses	-1.3%	
VAT Recovered	0.3%	
Exercise of Subscription Shares	-1.0%	
Residual*	-1.7%	
Other effects		-3.7%
Net Asset Value Total Return – Undiluted		37.5%
Subscription Share Dilution		-8.8%
Net Asset Value Total Return – Diluted		28.7%
Share Price Total Return		34.8%
'Unit' Share Price Total Return		45.1%

Source: *Xamin, J.P. Morgan and Morningstar.*
All figures are on a total return basis.

Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark index.

A 'Unit' comprises the return from 5 Ordinary shares and 1 Subscription share.

*Residual item arises principally from timing in the income flows.

A glossary of terms and definitions is provided on pages 62 and 63.

In January, the Chairman of New York Stock Exchange listed Satyam Computers confessed to long term accounting irregularities at the company, leaving a massive hole (of around US$ 1.2 billion) in the balance sheet. This caused the stock to plunge and raised governance concerns about corporate India. The damage was limited to some extent by the prompt action of the government which reconstituted the board of directors which in turn sold the company to Tech Mahindra (part owned by Mahindra & Mahindra & British Telecom).

In May, contrary to expectations of a divided Parliament, the results from the national elections surprised most. The Congress party led United Progressive Alliance (UPA) returned to power with a strong mandate, with the highly regarded Dr. Manmohan Singh back at the helm as Prime Minister for a second term. Due to the wide margin of victory, there are expectations that the government will be able to focus on rejuvenating growth momentum and cutting the fiscal deficit unencumbered by the communists who were an extremely disruptive influence in the previous term. On the other hand, the monsoon season was a poor one, with overall rainfall 22% below normal. This will affect agriculture output and, more importantly, rural consumption this year. Economists expect this to shave between 0.5 and 1.0% off GDP growth for the financial year 2010, although a late revival in rains should help the winter crop offset some of this damage. As a result of the drought in many parts of the country, food inflation rose sharply to double-digit levels (around 13% year on year).

Performance

The Company underperformed the benchmark over the financial year mainly due to the disconnect between our bottom up investment approach and the macro factor driven move in markets this year. We were underweight stocks that were heavily leveraged and were, therefore, most vulnerable to the credit crunch. As the macro environment normalised, such names have been amongst the best performers which has hurt relative performance. The portfolio was also too defensively positioned, with overweight positions in the staples and healthcare sectors and excessive levels of cash. This helped in the October 2008 - March 2009 period, but hurt performance when markets staged their dramatic turnaround.

The overweight in Bharti Airtel, which has been a a feature of the portfolio over recent years and has outperformed substantially over that time, severely lagged this year. Initially this was due to the uncertainty from the proposed transaction with South Africa's MTN (which was subsequently called off) and later due to the unexpectedly fierce tariff war from the likes of Tata Docomo and Reliance Communications. The underweight in global cyclicals, which also contributed to the relative performance in the second half of 2008 and in early 2009, detracted from performance as markets turned around.

Despite the weak returns this year, we do not intend to abandon our long term, fundamentals driven, bottom up investment approach as we continue to believe that this is the most appropriate strategy for India over the longer term. To this end, we have realigned the portfolio over the course of the past six months to reflect our more optimistic view on India (following the election results) by adding to the infrastructure and consumption names in the portfolio.

Outlook

The near term trajectory of the markets will inevitably be determined by the global macro environment. While the macro gurus debate the likely outcomes for the world economy, it is probably reasonable to expect the recovery in the developed world to remain sluggish in the near term with policy makers trying to balance the inherently conflicting objectives of sustaining the growth momentum while winding down the stimulus plans to manage the burgeoning deficits. Meanwhile, the bulk of the growth in the world economy will be generated by the likes of China, India and Brazil for the foreseeable future. It would not be an exaggeration to say that the worst economic crisis since the Great Depression has perhaps done more to burnish the investment case for the likes of China and India than any other event in history.

Our base case investment hypothesis on India is that the economy (which is around US$ 1.1trillion in size currently) can double over the next 5-6 years, which implies GDP growth to 7-8% (in real terms) led by rising infrastructure and consumption spending. To put this in context, GDP growth averaged 8.8% for the financial years 2004-2008. We believe that this will be made possible by the fact that the current government is possibly the strongest in two decades, which at the outset can be confident of serving its full term, and is determined to use economic growth to generate employment and reduce the grinding poverty in the country.

This should drive a sharp recovery in the earnings cycle. It is worth noting that although nominal GDP growth in India has been at around 8-9% during the worst economic crisis since the Great Depression, earnings growth has been muted at low to mid single digits over the financial year 2009-10 (primarily due to the high base from an exceptionally strong cycle over the previous five years). We now believe that Indian corporate earnings have passed the nadir of the cycle and have commenced a multi year recovery. Earnings can double between fiscal 2010 and fiscal 2013, as massive investments in long duration, big ticket projects come on line.

However, headline valuations are not compelling following the exceptional performance this year with the Sensex trading at around 17-18 times 2010 earnings and 15-16 times 2011 consensus estimates. This is in line with long term averages but substantially below previous peaks. Our optimistic investment case is predicated on the belief that equity returns over the next 3-5 years will be driven by growth in earnings rather than expansion in multiples.

Edward Pulling
Rukhshad Shroff
Rajendra Nair
Investment Managers

21st December 2009

Summary of Results

Total Returns for the year ended 30th September	2009	2008	
Return to shareholders[1,2]	45.1%	-30.9%	
Undiluted return on net assets	37.5%	-29.8%	
Diluted return on net assets[2,3]	28.7%	-29.8%	
Benchmark return[4]	47.1%	-28.9%	
Net Asset Value, Share Price, Discount and Market Data at 30th September			% change
Shareholders' funds (£'000)	431,458	303,999	41.9
Undiluted net asset value per Ordinary share	406.7p	295.8p	37.5
Diluted net asset value per Ordinary share	380.7p	295.8p	28.7
Ordinary share price	364.0p	270.0p	34.8
Ordinary share price discount to diluted net asset value per Ordinary share	4.4%	8.7%	
Ordinary shares in issue – excluding shares held in Treasury	106,081,176	102,769,874	
Subscription share price	138.5p	–	
Subscription shares in issue	17,952,579	–	
Revenue for the year ended 30th September			
Net revenue loss attributable to shareholders (£'000)	808	2,353	
Revenue loss per Ordinary share	0.78p	2.29p	
Actual Gearing Factor at 30th September[5]	99.7%	94.7%	
Total Expense Ratio (TER)[6]	1.3%	1.8%	

A glossary of terms and definitions is provided on pages 62 and 63.

[1] Includes the return from the bonus issue of Subscription shares during the year.

[2] Source: J.P. Morgan

[3] Diluted return on net assets is calculated using the diluted net asset value which assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end.

[4] Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling.

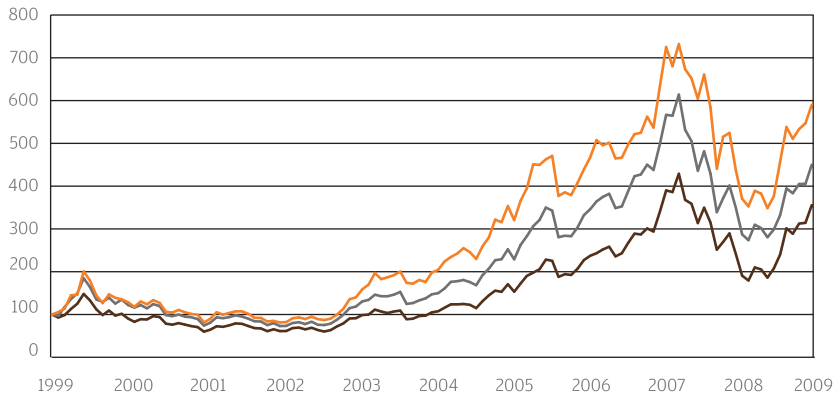
[5] Investents expressed as a percentage of shareholders' funds.

[6] Management fees and all other operating expenses excluding interest and VAT recoverable, expressed as a percentage of the average of the opening and closing net assets.

Performance

Ten Year Performance

Figures have been rebased to 100 at 30th September 1999



Source: Morningstar/MSCI.

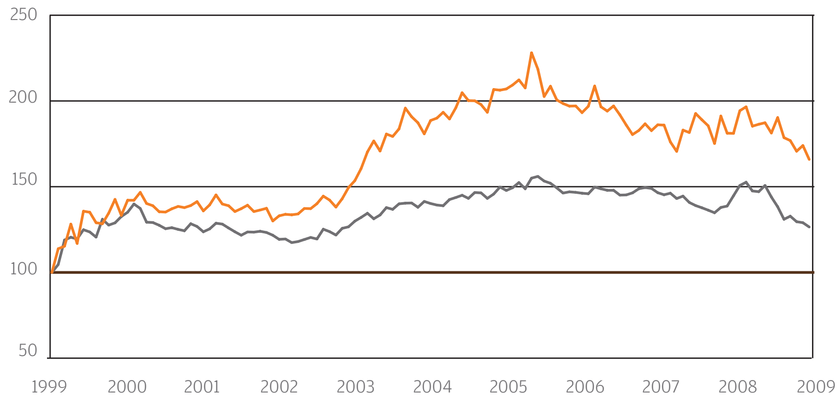
JPMorgan Indian – Ordinary share price

JPMorgan Indian – diluted net asset value per Ordinary share

Benchmark

Performance Relative to Benchmark

Figures have been rebased to 100 at 30th September 1999



Source: Morningstar/MSCI.

JPMorgan Indian – Ordinary share price

JPMorgan Indian – diluted net asset value per Ordinary share

The benchmark is represented by the brown horizontal line

Ten Year Financial Record

At 30th September	1999	2000	2001	2002	2003	2004[1]	2005[1]	2006	2007	2008	2009
Shareholders' funds (£'000)	69,556	81,856	49,452	48,236	67,573	104,394	205,087	294,203	436,186	303,999	**431,458**
Undiluted net asset value per Ordinary share (p)	84.8	103.4	62.8	62.0	100.6	124.4	212.8	281.0	421.0	295.8	**406.7**
Diluted net asset value per Ordinary share (p)[2]	84.8	103.4	62.8	62.0	100.6	124.4	212.8	281.0	421.0	295.8	**380.7**
Ordinary share price (p)	61.8	79.5	50.3	50.3	86.5	122.3	218.3	271.0	390.5	270.0	**364.0**
Ordinary share price (discount)/premium to diluted net asset value per Ordinary share	(27.2)	(23.1)	(20.0)	(18.9)	(14.1)	(1.7)	2.6	(3.6)	(7.3)	(8.7)	**(4.4)**
Actual gearing factor (%)[3]	105.3	90.3	104.3	96.6	101.2	98.8	101.2	99.8	100.7	94.7	**99.7**
Subscription share price	–	–	–	–	–	–	–	–	–	–	**138.5**
Year ended 30th September											
Gross revenue return (£'000)	851	1,198	999	941	1,065	1,756	2,240	2,922	3,759	3,856	**3,955**
Loss per share (p)	0.36	1.12	0.54	0.46	0.26	0.28	0.45	1.31	2.49	2.29	**0.78**
Total expense ratio (TER) (%)[4]	1.8	2.2	2.1	2.4	2.0	2.2	1.7	1.7	1.5	1.8	**1.3**
Rebased to 100 at 30th September 1999											
Ordinary share price total return[5]	100.0	128.7	81.4	81.4	140.1	198.0	353.4	438.8	632.4	437.8	**590.1**
Undiluted return on net assets[5]	100.0	122.4	74.1	73.0	118.6	147.2	252.3	332.1	497.8	349.7	**480.8**
Diluted return on net assets[5]	100.0	122.4	74.1	73.0	118.6	147.2	252.3	332.1	497.8	349.7	**450.0**
Benchmark return[6]	100.0	90.6	59.9	61.2	91.3	105.0	170.7	227.1	339.9	241.7	**355.6**

A glossary of terms and definitions is included on pages 62 and 63.

[1] Restated following the adoption of International Financial Reporting Standards.

[2] Assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end.

[3] Investments expressed as a percentage of shareholders' funds.

[4] Management fees and all other operating expenses excluding interest and VAT recoverable, expressed as a percentage of the average of the opening and closing net assets.

[5] Source: Morningstar/ J.P. Morgan.

[6] Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling.

Ten Largest Group Investments

Company	Sector	At 30th September 2009 Valuation £'000	Portfolio %[1]	Benchmark %	Active Position %	At 30th September 2008 Valuation £'000	Portfolio %[1]	Benchmark %	Active Position %
Reliance Industries	Energy	**52,731**	**12.2**	**13.6**	**(1.4)**	44,777	14.8	16.7	(1.9)
Infosys Technologies	Information Technology	**42,988**	**10.0**	**9.9**	**0.1**	18,720	6.2	8.3	(2.1)
Housing Development Finance	Financials	**30,867**	**7.2**	**5.5**	**1.7**	20,774	6.8	5.9	0.9
HDFC Bank	Financials	**29,302**	**6.8**	**4.3**	**2.5**	17,730	5.8	4.4	1.4
ICICI Bank	Financials	**27,633**	**6.4**	**6.6**	**(0.2)**	11,588	3.8	5.4	(1.6)
Bharat Heavy Electricals	Industrials	**21,538**	**5.0**	**2.6**	**2.4**	16,020	5.3	2.4	2.9
Maruti Suzuki India[2]	Consumer Discretionary	**17,324**	**4.0**	**1.1**	**2.9**	332	0.1	0.6	(0.5)
Bharti Airtel	Telecommunication Services	**13,633**	**3.2**	**–**	**3.2**	18,274	6.0	–	6.0
ITC	Consumer Staples	**11,411**	**2.6**	**2.4**	**0.2**	12,601	4.1	2.7	1.4
Larsen & Toubro	Industrials	**11,325**	**2.6**	**3.2**	**(0.6)**	13,472	4.4	3.2	1.2
Total[3]		**258,752**	**60.0**	**49.2**		174,288	57.3	49.6	

[1] Based on total assets less current liabilities of £431.5 million (2008: £304.0 million).

[2] Not included in the ten largest Group investments at 30th September 2008.

[3] As at 30th September 2008, the value of the ten largest Group investments amounted to £182.9 million representing 60.2% of total assets less current liabilities.

Group Portfolio Analysis

Sector	At 30th September 2009 Portfolio %[1]	Benchmark %	Active Position %	At 30th September 2008 Portfolio %[1]	Benchmark %	Active Position %
Financials	**29.6**	**25.7**	**3.9**	27.3	24.0	3.3
Energy	**16.4**	**17.6**	**(1.2)**	18.2	23.2	(5.0)
Information Technology	**12.3**	**15.4**	**(3.1)**	8.5	13.5	(5.0)
Industrials	**11.5**	**9.5**	**2.0**	13.2	9.3	3.9
Materials	**7.2**	**10.4**	**(3.2)**	2.4	7.7	(5.3)
Consumer Discretionary	**6.3**	**4.6**	**1.7**	0.5	3.2	(2.7)
Utilities	**5.6**	**6.1**	**(0.5)**	5.8	5.8	–
Telecommunication Services	**4.2**	**2.2**	**2.0**	7.6	3.1	4.5
Healthcare	**3.8**	**3.4**	**0.4**	3.8	3.8	–
Consumer Staples	**2.8**	**5.1**	**(2.3)**	4.5	6.4	(1.9)
Fixed Interest	**–**	**–**	**–**	2.9	–	2.9
Net current assets	**0.3**	**–**	**0.3**	5.3	–	5.3
Total	**100.0**	**100.0**		100.0	100.0	

[1] Based on total assets less current liabilities of £431.5 million (2008: £304.0 million).

List of Group Investments

at 30th September 2009

Company	Valuation £'000
Financials	
Housing Development Finance	30,867
HDFC Bank	29,302
ICICI Bank	27,633
Kotak Mahindra Bank	9,910
Infrastructure Development Finance	9,871
Power Finance	5,750
Indiabulls Real Estate	4,232
State Bank of India	4,061
Reliance Capital	2,789
Shriram Transport	1,737
Union Bank of India	1,561
Bajaj Finserv	108
Total Financials	**127,821**
Energy	
Reliance Industries	52,731
Oil & Natural Gas Commission	9,846
Bharat Petroleum	4,142
Hindustan Petroleum	2,001
Petronet	1,844
Total Energy	**70,564**
Information Technology	
Infosys Technologies	42,988
Tata Consultancy Services	10,053
Total Information Technology	**53,041**
Industrials	
Bharat Heavy Electricals	21,538
Larsen & Toubro	11,325
Tata Motors	7,660
Mundra Port and Special Economic Zone	3,437
Asea Brown Boveri	2,793
Exide Industries	1,895
Cummins India	636
Lloyd Electric & Engineering	377
Total Industrials	**49,661**

Company	Valuation £'000
Materials	
Grasim Industries	7,500
Hindalco Industries	4,539
JSW Steel	4,442
Ambuja Cements	4,327
Associated Cement	3,969
Jindal Steel & Power	3,962
Godrej Industries	2,354
Total Materials	**31,093**
Consumer Discretionary	
Maruti Suzuki India	17,324
Hero Honda	6,525
Bajaj Auto	2,911
Indian Hotels	372
DC Design	1
Total Consumer Discretionary	**27,133**
Utilities	
Reliance Infrastructure	7,939
Tata Power	7,845
National Thermal Power	4,185
Indraprastha Gas	2,552
PTC India	1,636
Total Utilities	**24,157**
Telecommunication Services	
Bharti Airtel	13,633
Reliance Communications	4,734
Total Telecommunication Services	**18,367**
Healthcare	
Sun Pharmaceuticals Industries	7,051
Dr Reddys Laboratories	3,979
DIVI's Laboratories	2,984
Biocon	2,246
Total Healthcare	**16,260**
Consumer Staples	
ITC	11,411
Advanta India	867
Total Consumer Staples	**12,278**
Total Group investments held at fair value	**430,375**

Board of Directors

Hugh Bolland*†

(Chairman of the Board and Nomination Committee)

A Director since September 2004. Appointed Chairman in January 2008

Currently serving as a director of Fidelity Asian Values plc and Alliance Trust plc. Previously a director of Schroder Investment Management Limited, Schroder European Property Advisors Limited, Schroder Property Investment Limited and Schroder Split Fund plc.

Richard Burns*†‡

(Chairman of the Audit Committee)

A Director since December 2006

Former Joint Senior Partner and Head of Investment at Baillie Gifford. He is a Director of The Bankers Investment Trust plc, EP Global Opportunities Trust plc, Mid Wynd International Investment Trust plc and Standard Life Equity Income Trust plc.

Pierre Dinan‡

A Director since December 2002

Until July 2004 he was a senior partner of the Mauritian chartered accountants firm De Chazal Du Mee (DCDM). He was also formerly a director of Multiconsult, a global business management services company and a wholly owned subsidiary of DCDM. Multiconsult are employed to act as secretary and administrator to the Company's wholly owned subsidiary JPMorgan Indian Investment Company (Mauritius) Limited.

Vijay Joshi*†

A Director since May 1995

Fellow of St. John's College, Oxford and Emeritus Fellow of Merton College, Oxford. Former economic adviser to the Ministry of Finance, Government of India.

Peter Sullivan*†‡

A Director since October 2007

Until 31st March 2008 he was Chief Executive Officer for Standard Chartered Bank (Hong Kong) Limited, responsible for the Bank's daily business and operations. He joined Standard Chartered in 1994 having previously spent fourteen years with Citibank where he was Regional Director of Cash Management Services for Citibank Europe, Middle East and Africa.

*Member of the Audit Committee.
†Considered independent of the manager.
‡Member of Nomination Committee.

Directors' Report

The Directors present their report for the year ended 30th September 2009.

Business Review

Business of the Company

The Company carries on business as an investment trust and was approved by HM Revenue & Customs as an investment trust in accordance with Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 30th September 2008. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it should continue to qualify. The Company will continue to seek approval under Section 842 of the Income and Corporation Taxes Act 1988 each year.

Approval for the year ended 30th September 2008 is subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company is not a close company for taxation purposes.

The Company owns 100% of the share capital of its subsidiary undertaking JPMorgan Indian Investment Company (Mauritius) Limited, an investment holding company registered in Mauritius.

The Company's registration number is 2915926.

A review of the Company's activities and prospects is given in the Chairman's Statement on pages 2 to 4, and in the Investment Managers' Report on pages 5 to 7.

The Group's portfolio of investments has been listed on page 12.

Objective

The Company's objective is to achieve capital growth from investments in India. It aims to outperform the MSCI India Index (expressed in sterling terms).

Investment Policies and Risk Management

In order to achieve its objective, the Company invests in a diversified portfolio and employs a Manager with a strong focus on research and company visits that enables it to identify what it believes to be the most attractive stocks in the market.

The Board has sought to manage the Company's risk by imposing various investment limits and restrictions.
These limits and restrictions may be varied at any time by the Board at its discretion.

The Company does not invest more than 15% of its gross assets in other UK listed investment companies (including investment trusts). The Company does not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of their gross assets in UK listed investment companies.

Investment Restrictions and Guidelines

The Board seeks to manage the Company's risk by imposing various investment limits and restrictions:

- The Company will not normally invest in the other countries of the Indian sub-continent nor in Sri Lanka.
- The Company can invest in companies that earn a material part of their revenues from India.
- At time of purchase, the maximum permitted exposure to any individual stock is 14.99% of total assets.
- No more than 10% of the Company's assets will be invested in unquoted investments.
- To use gearing when appropriate to increase potential returns to shareholders; the Company's gearing policy is to use short-term gearing for tactical purposes, up to a maximum level of 15% of shareholders funds.

Compliance with the Board's investment restrictions and guidelines is monitored regularly by the Manager and is reported to the Board on a monthly basis.

These limits and restrictions may be varied by the Board at any time at its discretion.

Performance

In the year to 30th September 2009, the Company produced a total return to shareholders of 45.1%, an undiluted return on net assets of 37.5% and a diluted return on net assets of 28.7%. This compares with the return on the Company's benchmark index of 47.1%. At 30th September 2009, the value of the Company's investment portfolio was £430.4 million.
The Investment Managers' Report on pages 5 to 7 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

Total income and profit

Total income for the year amounted to £125.1 million (2008: loss of £122.5 million) and net profit after deducting administration expenses, interest and taxation, amounted to £120.4 million (2008: loss of £128.7 million). Distributable profit for the year amounted to a net loss of £0.8 million (2008: net loss of £2.4 million).

Directors' Report continued

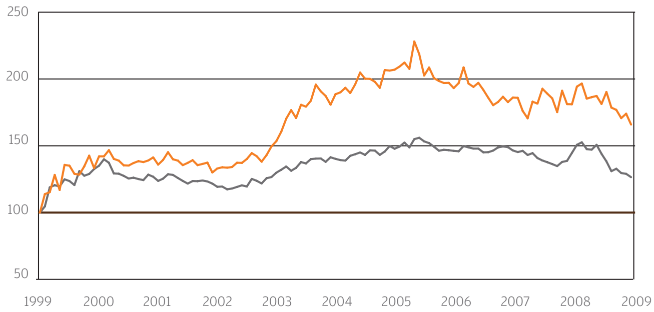
Key Performance Indicators ('KPIs')

The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance against the benchmark index:**
  This is the most important KPI by which performance is judged.

Performance relative to Benchmark Index

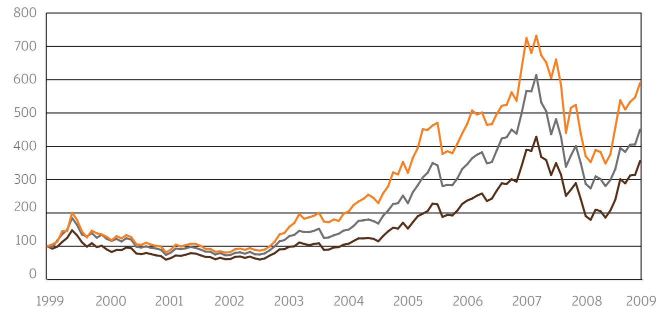
Figures have been rebased to 100 at 30th September 1999



Source: Morningstar/MSCI.
JPMorgan Indian – Ordinary share price
JPMorgan Indian – diluted net asset value per Ordinary share
The benchmark is represented by the brown horizontal line

Ten Year Performance

Figures have been rebased to 100 at 30th September 1999



Source: Morningstar/MSCI.
JPMorgan Indian – Ordinary share price
JPMorgan Indian – diluted net asset value per Ordinary share
Benchmark

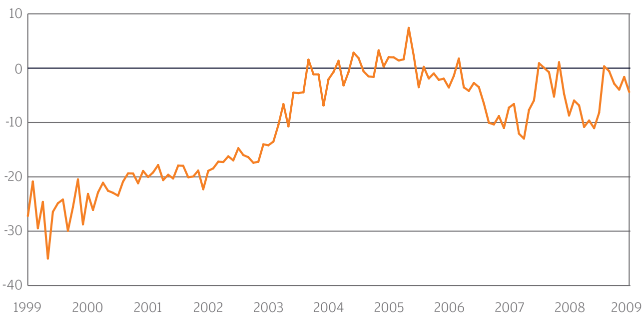
- **Performance against the Company's peers**
  The principal objective is to achieve capital growth and out-performance relative to the benchmark. The Board also monitors the performance relative to both the benchmark and a broad range of competitor funds.

- **Performance attribution**
  The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation, stock selection and gearing. Details of the attribution analysis for the year ended 30th September 2009 are given in the Investment Managers' Report on pages 5 to 7.

- **Discount to net asset value ('NAV')**
  The Board has for several years operated a share repurchase programme which seeks to address imbalances in supply of and demand for the Company's shares within the market and thereby minimise the volatility and absolute level of the discount to NAV at which the Company's shares trade. In the year to 30th September 2009, the shares traded between a premium of 0.3% and a discount of 11.0%.

The Board also has the ability to purchase shares into Treasury and to issue them at a later date at a narrower discount. Further details on Treasury shares can be found in the Chairman's Statement on pages 2 to 4.

Premium/(Discount)



Source: Datastream
JPMorgan Indian – share price discount/premium to diluted net asset value

- **Total expense ratio ('TER')**
  The TER is an expression of the Company's management fees and all other operating expenses excluding interest and VAT recoverable, expressed as a percentage of the average of the opening and closing net assets. The TER for the year ended 30th September 2009 was 1.3% (2008: 1.8%). The Board reviews each year an analysis which shows a comparison of the Company's TER and its main expenses with those of its peers.

Share Capital

The Company has authority to issue new shares, to repurchase shares into Treasury and to repurchase shares for cancellation.

During the year to 30th September 2009 the Company did not repurchase any shares for cancellation (2008: 57,000) nor into Treasury (2008: 765,000).

At a General Meeting held on 30th October 2008, shareholders approved a bonus issue of subscription shares placing and offer for subscription as described in the Company's Prospectus dated 30th September 2008.

Pursuant to the approval of the Company's proposals, the Company's authorised share capital was increased from £50,000,000 to £62,850,000 by the creation of 35,000,000 Subscription shares and 50,000,000 new Ordinary shares. The Company then issued 261,944 new Ordinary shares for a total consideration of £ £594,000 and 21,001,937 Subscription shares as a bonus issue.

During the year the Company issued 3,049,358 Ordinary shares for a total consideration of £6,922,000 on the conversion of Subscription shares. Since the year end, following the receipt of further conversion requests, a further 1,756,577 Ordinay shares have been issued for a total consideration of £3,986,000.

Further details of the Company's Subscription shares are set out below.

The Board will seek Shareholder approval at the forthcoming Annual General Meeting to renew the Directors' authority to issue new shares and repurchase shares for cancellation. More details are given on pages 20 and 21 and the full text of the resolutions are set out on pages 55 and 56.

Subscription shares

On 4th November 2008, the Company issued 21,001,937 Subscription shares as a bonus issue to the Ordinary shareholders on the basis of one Subscription share for every five Ordinary shares previously held. Each Subscription share confers the right, (but not the obligation), to subscribe for one Ordinary share on any business day during the period 2nd January 2009 to 2nd January 2014, after which the rights under the Subscription shares will lapse.

Future exercise prices, calculated at the close of business on 29th October 2008 and based on the Company's net asset value per share of 223.8 pence per share plus a percentage premium to such amount, rounded up to the nearest whole penny, have been determined as follows:

If Subscription share rights are exercised on any day between and including 2nd January 2009 and 2nd January 2010, 227 pence.

If Subscription share rights are exercised on any day between and including 3rd January 2010 and 2nd January 2012, 247 pence.

If Subscription share rights are exercised on any day between and including 3rd January 2012 and 2nd January 2014, 291 pence.

Further details on the Subscription shares, including the apportionments for capital gains tax purposes and how they may be exercised can be found on page 64 of this report and on the Company's website at www.jpmindian.co.uk.

Principal Risks

With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. These key risks fall broadly under the following categories:

- Investment and Strategy: An inappropriate investment strategy, for example asset allocation or the level of gearing, may lead to under-performance against the Company's benchmark Index and peer companies, resulting in the Company's shares trading on a wider discount. The Board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and reported by the Manager JPMorgan Asset Management (UK) Limited ("JPMAM"). JPMAM provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Managers, who attend all Board meetings, and review data which show statistical measures of the Company's risk profile. The Investment Managers employ the Company's gearing, within a strategic range set by the Board.
- Market: Market risk arises from uncertainty about the future prices of the Company's investments. It represents the potential loss that the Company might suffer through holding investments in the face of negative market movements. The Board considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines, which are monitored and reported on by JPMAM. The Board monitors the implementation and results of the investment process with the Manager.

Directors' Report continued

- Accounting, Legal and Regulatory: In order to qualify as an investment trust, the Company must comply with Section 842 of the Income and Corporation Taxes Act 1988 ('Section 842'). Details of the Company's approval are given under 'Business of the Company' above. Were the Company to breach Section 842, it would lose its investment trust status and, as a consequence, gains within the Company's portfolio would be subject to Capital Gains Tax. The Section 842 qualification criteria are continually monitored by JPMAM and the results reported to the Board each month. The Company must also comply with the provisions of The Companies Acts and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules. A breach of the Companies Acts could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules could result in the Company's shares being suspended from listing which in turn would breach Section 842. The Board relies on the services of its Company Secretary, JPMAM to ensure compliance with The Companies Acts and the UKLA Listing Rules.
- Corporate Governance and Shareholder Relations: Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance report on pages 22 to 25.
- Operational: Loss of key staff by JPMAM, such as the Investment Managers, could affect the performance of the Company. Disruption to, or failure of, JPMAM's accounting, dealing or payments systems or the custodian's records could prevent accurate reporting and monitoring of the Company's financial position. Details of how the Board monitors the services provided by JPMAM and its associates and the key elements designed to provide effective internal control are included with the Internal Control section of the Corporate Governance report on pages 24 and 25.
- Financial: The financial risks faced by the Company include market price risk, interest rate risk, liability risk and credit risk. Further details are disclosed in note 17 on pages 46 to 52.
- Political and Economic: Adminstrative risks, such as the imposition of restrictions on the free movement of capital.

Future Developments

Clearly, the future development of the Company is much dependent upon the success of the Company's investment strategy in the light of economic and equity market developments. The Investment Managers discuss the outlook in their report on page 7.

Management of the Company

The Manager and Secretary is JPMorgan Asset Management (UK) Limited ('JPMAM'). JPMAM is employed under a contract which can be terminated on one year's notice, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

JPMAM is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides banking, dealing and custodian services to the Company.

The Board has evaluated the performance of the Manager and confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole. In arriving at this view, the Board considered the investment strategy and process of the Manager, noting performance against the benchmark over the long term and the quality of the support that the Company receives from JPMAM.

Management Fee

The Manager is remunerated at a rate of 1.2% of the Group's assets less current liabilities. Included in this is the fee payable by the Company's subsidiary JPMorgan Indian Investment Company (Mauritius) Limited of 0.6% of its assets less current liabilities. The above fees are paid monthly in arrears.

Investments in funds managed or advised by JPMAM or any of its associated companies are excluded from the calculations and therefore attract no fee.

Going Concern

The Directors believe that having considered the Company's investment objective (see page 15), risk management policies (see pages 46 to 52), capital management policies and procedures (see pages 52 to 53), the nature of the portfolio and expenditure projections that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Payment Policy

It is the Company's policy to obtain the best terms for all business and therefore there are no standard payment terms. In general, the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by those terms. As at 30th September 2009, the Company had no outstanding trade creditors (2008: none).

Directors

The Directors of the Company who held office at the end of the year, together with their beneficial interests in the Company's shares are shown below.

Ordinary shares	At 30th September 2009	At 1st October 2008
Hugh Bolland	20,000	10,000
Richard Burns	10,000	10,000
Pierre Dinan	–	–
Vijay Joshi	9,700	3,900
Peter Sullivan	–	–

Subscription shares	At 30th September 2009	At 1st October 2008
Hugh Bolland[1]	4,000	–
Richard Burns	2,000	–
Pierre Dinan[1]	–	–
Vijay Joshi	1,940	–
Peter Sullivan	–	–

[1] Since the year end Messrs. Bolland and Joshi have converted their Subscription shares into Ordinaries.

In accordance with the Company's Articles of Association and Combined Code on Corporate Governance, the Directors retiring by rotation at the forthcoming Annual General Meeting will be Hugh Bolland and Vijay Joshi who, being eligible, offer themselves for re-election by shareholders.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Disclosure of information to Auditors

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and

(b) each of the Directors has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's Auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418(2) of the Companies Act 2006.

Section 992 Companies Act 2006

The following disclosures are made in accordance with Section 992 Companies Act 2006.

Capital Structure

The Company's capital structure is summarised on the inside front cover of this report.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in note 11 to the Notice of Annual General Meeting on page 57.

Notifiable Interests in the Company's Voting Rights

At the date of this report, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	%
Chase Nominees Limited[1,2]	16,439,146	13.1
Legal and General Investment Management	4,183,458	3.9

[1] Held on behalf of JPMAM ISA and Share Plan participants.
[2] Non-beneficial.

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its directors concerning compensation for loss of office.

Independent Auditors

Deloitte LLP have expressed their willingness to continue in office as Auditors and a resolution to re-appoint them and authorise the Directors to determine their remuneration for the ensuing year, will be proposed at the Annual General Meeting.

Annual General Meeting

NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial advisor authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

(i) Authority to issue relevant securities and disapply pre-emption rights (resolutions 6 and 7)

The Directors will seek renewal of the authority at the AGM to issue 10,981,740 new shares or shares held in Treasury other than by a pro rata issue to existing shareholders up to an aggregate nominal amount of £2,745,435, such amount being equivalent to approximately 10% of the present issued share capital. The full text of the resolutions is set out in the Notice of Meeting on pages 55 and 56.

It is advantageous for the Company to be able to issue new shares to investors purchasing shares through the JPMAM savings products and also to other investors when the Directors consider that it is in the best interests of shareholders to do so. Any such issues would only be made at prices greater than the NAV, thereby increasing the assets underlying each share and spreading the Company's administrative expenses, other than the management fee which is charged on the value of the Company's market capitalisation, over a greater number of shares. The issue proceeds would be available for investment in line with the Company's investment policies.

(ii) Authority to repurchase the Company's shares (resolution 8)

The authority to repurchase up to 14.99% of the Company's issued share capital, renewed by shareholders at the 2009 Annual General Meeting, will expire on 24th July 2011 unless renewed at the forthcoming Annual General Meeting.
The Directors consider that the renewal of the authority is in the interests of shareholders as a whole as the repurchase of shares at a discount to NAV enhances the NAV of the remaining shares. The Board will therefore seek shareholder approval at the Annual General Meeting to renew this authority, which will last until 24th July 2011 or until the whole of the 14.99 per cent has been acquired, whichever is the earlier. The full text of the resolution is set out in the Notice of Meeting on pages 55 and 56. Repurchases will be made at the discretion of the Board, and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares, as and when market conditions are appropriate.

(iii) Adoption of new Articles of Association (Resolution 9)

The Company proposes to adopt new articles of association. These incorporate amendments to the current articles of association to reflect the changes in company law brought about by the Act which came into effect on 1st October 2009 and changes made to the Act in August 2009 to implement the EU Shareholder Rights Directive in the UK, as well as some minor technical or clarifying changes.

The principal changes in the new articles of association proposed to be adopted at the AGM relate to shareholder meetings and resolutions, the Company's constitution and share capital.

In August 2009, changes were made to the provisions in the Act on company meetings by The Companies (Shareholders' Rights) Regulations 2009 ('Shareholders' Rights Regulations') to implement the EU Shareholder Rights Directive in the UK. The new articles incorporate amendments in relation to meetings to ensure consistency with the Act (as amended by the Shareholders' Rights Regulations).

Under the Act all provisions of the Company's memorandum, but most significantly the objects clause, are deemed to form part of the Company's articles from 1st October 2009. It is possible for the objects clause to be removed or amended by amending the articles by special resolution. It is not necessary under the Act for a company to set out its objects. The Act provides that, unless the articles state otherwise, a company's objects will be unrestricted.

One of the other key provisions of the memorandum which is deemed to form part of the Company's articles from 1st October 2009 is the restriction created by the existing authorised share capital statement. The Act removes the requirement for a company to place limits on its authorised share capital.

By adopting the new Articles which do not contain the objects clause or the authorised share capital statement, the Company will remove these provisions, which would otherwise be deemed to form part of the Company's articles under section 28 of the 2006 Act, from its articles.

For a more detailed explanation of these and other amendments please refer to the Appendix to this document on pages 58 to 61.

A copy of the current articles of association and the proposed new articles of association that reflect these amendments will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the offices of JPMAM, Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ up until the close of the AGM. Copies will also be available at Trinity House, Tower Hill, London EC3N 4DH being the place of the AGM, for 15 minutes prior to, and during, the AGM.

Recommendation

The Board considers that resolutions 6 to 9 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do, where voting rights are exercisable, in respect of their own beneficial holdings which amount in aggregate to 45,700 shares representing approximately 0.1% of the existing issued share capital of the Company.

By order of the Board
Andrew Norman, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Secretary
21st December 2009

Corporate Governance

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 27, indicates how the Company has applied the principles of good governance of the Financial Reporting Council Combined Code (the 'Combined Code') and the AIC's Code of Corporate Governance (the 'AIC Code'), which complements the Combined Code and provides a framework of best practice for investment trusts.

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the Combined Code, other than in respect of the provision relating to the appointment of a senior independent director, and the AIC Code throughout the year under review.

Role of the Board

A management agreement between the Company and JPMAM sets out the matters over which the Manager has authority. This includes management of the Company's assets and the provision of accounting, company secretarial, administration, and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's corporate governance and risk control arrangements.

The Board meets at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMAM, which is responsible to the Board for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

Board Composition

The Board, chaired by Hugh Bolland, consists of five non-executive Directors, four of whom are considered to be independent of the Company's Manager, including the Chairman. The Board considers that, under the terms of the AIC Code, Pierre Dinan is not an independent Director.

The Board does not feel that it would be appropriate to adopt a policy whereby Directors serve for a limited period of time, given the specialist nature of the Company's investment universe. However, in order to achieve a balance of skills, experience, length of service and ages, it is the Board's policy to induct new Directors to provide an orderly succession over time.

The Board does not consider it necessary to appoint a senior independent director as all of the current Directors are non-executives.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below.

The Board is responsible for ensuring appropriate level of corporate governance and considers that, save for the exceptions noted above, the Company has complied with the best practice provisions of the Combined Code and the AIC Code, insofar as they are relevant to the Company's business, throughout the year under review.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be re-elected by shareholders. Thereafter, Directors are required to submit themselves for re-election at least every three years. Subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for the Director to seek an additional term. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking re-election but, when making a recommendation, the Board will take into account the requirements of the Combined Code, including the need to refresh the Board and its Committees. The Company's Articles of Association require that Directors stand for re-election at least every three years.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting.

The Board confirms that Hugh Bolland, who retires by rotation at this year's Annual General Meeting, continues to be an effective Director and demonstrate commitment to his role and therefore recommends his re-election. Vijay Joshi, having served in excess of nine years, also retires at this year's AGM. The Board recommends his re-election.

Meetings and Committees

The Board delegates certain responsibilities and functions to committees. Details of membership of committees are shown with the Directors' profiles on page 14. Directors who are not members of committees may attend at the invitation of the Chairman.

The table below details the number of Board, Audit Committee and Nomination Committee meetings attended by each Director. During the year there were five Board meetings, two Audit Committee meetings and one Nomination Committee meeting.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Nomination Committee Meetings Attended
Hugh Bolland	5	2	1
Richard Burns	5	2	1
Pierre Dinan[1]	5	2	1
Vijay Joshi	5	2	1
Peter Sullivan	5	2	1

[1] Not an independent Director and therefore precluded from acting as a Member of the Audit Committee. Attended at the invitation of the Committee.

Training and Appraisal

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter regular briefings are provided on changes in regulatory requirements that affect the Company and Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts.

The Board conducts a formal evaluation of the Manager, its own performance and of that of its committees and individual Directors. Questionnaires, drawn up by the Board, are completed by each Director. The responses are collated and then discussed at a private meeting. The evaluation of individual Directors is led by the Chairman, whilst the other Directors evaluate the performance of the Chairman himself. The Board as a whole evaluates the Manager, its own performance and that of its committees.

Board Committees

Nomination Committee

The Nomination Committee, chaired by Hugh Bolland, which in any one year consists of those Directors who are not standing for election or re-election at the next Annual General Meeting, meets at least annually to ensure that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary.

The Committee undertakes an annual performance evaluation as described above to ensure that all members of the Board have devoted sufficient time and contributed adequately to the work of the Board. The Committee also reviews Directors' fees and makes recommendations to the Board as and when required.

Audit Committee

The Audit Committee, chaired by Richard Burns and comprising the Independent Non-Executive Directors, meets at least twice each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual accounts and the Company's compliance with the Combined Code. It reviews the terms of the management agreement and examines the effectiveness of the Company's internal control systems, receives information from the Managers' Compliance department and reviews the scope and results of the external audit, its cost effectiveness, the balance of audit and non-audit and the independence and objectivity of the external auditors. In the Directors' opinion the auditors are considered independent. The Audit Committee also has a primary responsibility for making recommendations to the Board on the re-appointment and removal of external auditors. Representatives of the Company's auditors attend the Audit Committee meeting at which the draft Annual Report and Accounts are considered.

The Directors' statement on the Company's system of internal control is set out on pages 24 and 25.

Terms of Reference

Both the Nomination Committee and the Audit Committee have written terms of reference which define clearly their respective responsibilities, copies of which are available on the Company's website and for inspection on request at the Company's registered office and at the Company's Annual General Meeting.

Corporate Governance continued

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders four times a year by way of the annual report and accounts, the half year financial report and two interim management statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

All shareholders are encouraged, to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet shareholders and answer their questions. In addition, a presentation is given by the Investment Managers who review the Company's performance. During the year the Company's brokers and the Investment Managers hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Secretary whose details are shown on page 65.

The Company's Annual Report and Accounts is published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to submit questions via the Company's website or write to the Company Secretary at the address shown on page 65.

Details of the proxy voting position on each resolution will be published on the Company website shortly after the Annual General Meeting.

Internal Control

The Combined Code requires the Directors, at least annually, to review the effectiveness of the Company's system of internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management.

The Directors are responsible for the Company's system of internal control, which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMAM and its associates, the Company's system of internal control mainly comprises monitoring the services provided by JPMAM and its associates, including the operating controls established by them, to ensure they meet the Company's business objectives. The Company does not have an internal audit function of its own, but relies on the internal audit department of JPMAM which reports any material failings or weaknesses. This arrangement is kept under review.

The key elements designed to provide effective internal control are as follows:

Financial Reporting – Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

Management Agreement – Appointment of a manager and custodian regulated by the Financial Services Authority (FSA), whose responsibilities are clearly defined in a written agreement.

Management Systems – The Managers' system of internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by JPMAM's Compliance Department which regularly monitors compliance with FSA rules.

Investment Strategy – Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board, either directly or through the Audit Committee, keeps under review the effectiveness of the Company's system of internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- reviews the terms of the management agreement and receives regular reports from JPMAM's Compliance department;
- reviews reports on the internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed; and
- reviews every six months an independent report on the internal controls and the operations of JPMAM.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of internal control for the year ended 30th September 2009 and to the date of approval of this Annual Report and Accounts.

During the course of its review of the system of internal control, the Board has not identified or been advised of any failings or weaknesses which it has determined to be significant.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM. The following is a summary of JPMAM's policy statement on corporate governance and voting policy which has been noted by the Board. The full policy is available from JPMAM on request, or can be downloaded from the internet as follows: go to www.jpmorganassetmanagement.co.uk/institutional and within the "Commentary & Analysis" tab you will find a section on Corporate Governance.

"JPMAM is committed to delivering superior investment performance to its clients worldwide. We believe that one of the drivers of investment performance is an assessment of the corporate governance principles and practices of the companies in which we invest our clients' assets and we expect those companies to demonstrate high standards of governance in the management of their business.

Proxy voting is an important part of the corporate governance process, and we view seriously our obligation to manage the voting rights of the shares entrusted to us as we would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable we will vote at all of the meetings called by companies in which we are invested.

In order to do this we have formulated detailed guidelines for each region, which set out our stance on a variety of key corporate governance issues, including disclosure and transparency, board composition and independence, control structures, remuneration, as well as social and environmental issues (see below). These guidelines form the basis of our proxy voting decisions, although it should be noted that JPMAM makes all of its voting decisions on a case by case basis, taking into account the individual circumstances of each vote."

Corporate Social Responsibility

The following is a summary of JPMAM's policy statement on corporate social responsibility which has been noted by the Board:

"We believe it is our primary duty to act in the best financial interests of our clients and to achieve good financial returns consistent with an acceptable level of risk. We recognise that non-financial issues, such as social and environmental issues, can have an economic impact and that any company run in the long-term interests of its shareholders will need to manage effectively relationships with its employees, suppliers and customers, to behave ethically and to have regard to the environment and society as a whole. Our investment managers take these factors into account as part of any investment decision."

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution to approve this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited they are indicated as such. The auditors' opinion is included in their report on pages 28 and 29.

For the year to 30th September 2009, the Chairman was paid at the rate of £27,500 per annum, the Audit Committee Chairman was paid at the rate of £22,500 per annum and the other Directors at the rate of £20,000 per annum.

Directors' Remuneration[1]

Director's Name	2009 £	2008 £
David Baker[2]	–	6,385
Hugh Bolland	27,500	26,045
Richard Burns	22,500	21,817
Philip Daubeney[2]	–	8,779
Pierre Dinan	20,000	20,000
Vijay Joshi	20,000	20,000
Peter Sullivan	20,000	20,000
Total	110,000	123,026

[1] Audited information.
[2] Resigned as a Director on 24th January 2008.

The total Directors' fees of £110,000 (2008: £123,026) have been paid to Directors and no amounts (2008: nil) have been paid to third parties for making available the services of Directors.

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The Chairman of the Board and the Chairman of the Audit Committee are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfilling those roles.

As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead, the Nomination Committee reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager, JPMAM, and industry research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. Directors' fees were last adjusted on 1st October 2007. The Directors' fees are not performance related. The Articles stipulate that aggregate fees must not exceed £150,000 per annum. Any increase in the maximum aggregate amount requires both Board and shareholder approval.

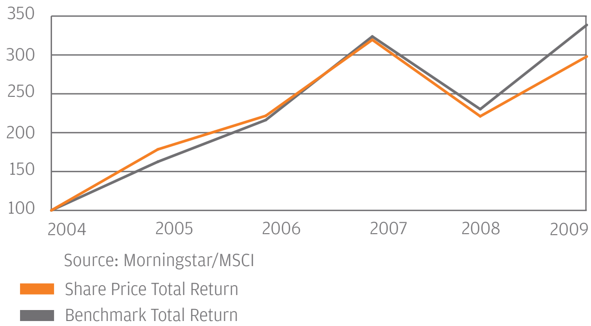
The terms and conditions of Directors' appointments are set out in formal letters of appointment. Details of the Board's policy on tenure are set out on pages 22 and 23.

The Company does not operate any type of incentive or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company. The Directors do not have service contracts and are not paid compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in connection with attending the Company's business.

A graph showing the Company's share price total return compared with its benchmark, the MSCI India Index expressed in sterling terms over the last five years, is shown below.

By order of the Board

Five year share price and benchmark total return to 30th September



The Company's benchmark is the MSCI India Index expressed in sterling. Comparison of the Company's performance is made with this benchmark. The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or track this index and, consequently, there may be some divergence between its performance and that of the Company.

Andrew Norman, for and on behalf of
JPMorgan Asset Management (UK) Limited
Secretary
21st December 2009

Directors' Responsibilities in Respect of the Accounts

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union [and Article 4 of the IAS Regulation] and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

For and on behalf of the Board
Hugh Bolland
Chairman
21st December 2009

Independent Auditors' Report

Independent auditors' report to the members of JPMorgan Indian Investment Trust plc

We have audited the financial statements of JPMorgan Indian Investment Trust plc for the year ended 30th September 2009 which comprise the Group Income Statement, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements, the Group and Company Statements of Changes in Equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with sections 495, 496 and 497 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30th September 2009 and of the Group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulations.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement contained within the directors' Report in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Clive Bouch (Senior Statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London 21st December 2009

Group Income Statement

for the year ended 30th September 2009

	Notes	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Investment income	3	**3,681**	**–**	**3,681**	3,397	–	3,397
Other income	3	**274**	**–**	**274**	459	–	459
Gains/(losses) on investments held at fair value through profit or loss	9(d)	**–**	**121,460**	**121,460**	–	(125,797)	(125,797)
Foreign exchange losses		**–**	**(293)**	**(293)**	–	(529)	(529)
Total income/(loss)		**3,955**	**121,167**	**125,122**	3,856	(126,326)	(122,470)
Management fee	4	**(3,651)**	**–**	**(3,651)**	(5,064)	–	(5,064)
VAT recoverable	4	**–**	**–**	**–**	734	–	734
Other administrative expenses	5	**(1,106)**	**–**	**(1,106)**	(1,485)	–	(1,485)
(Loss)/profit before finance costs and taxation		**(802)**	**121,167**	**120,365**	(1,959)	(126,326)	(128,285)
Finance costs	6	**(6)**	**–**	**(6)**	(396)	–	(396)
(Loss)/profit before taxation		**(808)**	**121,167**	**120,359**	(2,355)	(126,326)	(128,681)
Taxation	7	**–**	**–**	**–**	2	–	2
Net (loss)/profit		**(808)**	**121,167**	**120,359**	(2,353)	(126,326)	(128,679)
(Loss)/earnings per Ordinary share – undiluted	8	**(0.78)p**	**116.50p**	**115.72p**	(2.29)p	(122.78)p	(125.07)p
(Loss)/earnings per Ordinary share – diluted	8	**(0.75)p**	**112.88p**	**112.13p**	(2.29)p	(122.78)p	(125.07)p

The 'Total' column of this statement represents the Group's Income Statement, prepared in accordance with IFRS. The supplementary 'Revenue' and 'Capital' columns are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

All income is attributable to the equity shareholders of JPMorgan Indian Investment Trust plc, the Company. There are no minority interests.

The notes on pages 35 to 53 form an integral part of these accounts.

Group and Company Statements of Changes in Equity

for the year ended 30th September 2009

	Called up share capital £'000	Share premium £'000	Other reserve £'000	Group 2009 Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 30th September 2008	26,188	50,914	41,929	5,886	183,124	6,362	(10,404)	**303,999**
Issue of Ordinary shares	65	529	–	–	–	–	–	**594**
Bonus issue of Subscription shares	210	(210)	–	–	–	–	–	**–**
Subscription shares' issue costs	–	(416)	–	–	–	–	–	**(416)**
Exercise of Subscription shares into Ordinary shares	(30)	30	–	–	–	–	–	**–**
Issue of Ordinary shares on conversion of Subscription shares	762	6,160	–	–	–	–	–	**6,922**
Profit/(loss) for the year	–	–	–	–	121,167	–	(808)	**120,359**
At 30th September 2009	27,195	57,007	41,929	5,886	304,291	6,362	(11,212)	**431,458**

	Called up share capital £'000	Share premium £'000	Other reserve £'000	Group 2008 Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 30th September 2007	26,202	50,914	41,929	5,886	312,958	6,348	(8,051)	**436,186**
Purchase of shares into Treasury	–	–	–	–	(3,234)	–	–	**(3,234)**
Repurchase and cancellation of shares	(14)	–	–	–	(274)	14	–	**(274)**
Loss for the year	–	–	–	–	(126,326)	–	(2,353)	**(128,679)**
At 30th September 2008	26,188	50,914	41,929	5,886	183,124	6,362	(10,404)	**303,999**

Group and Company Statements of Changes in Equity continued

for the year ended 30th September 2009

	Called up share capital £'000	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
				Company 2009				
At 30th September 2008	26,188	50,914	41,929	5,886	186,083	6,362	(13,363)	**303,999**
Issue of Ordinary shares	65	529	–	–	–	–	–	**594**
Bonus issue of Subscription shares	210	(210)	–	–	–	–	–	**–**
Subscription shares' issue costs	–	(416)	–	–	–	–	–	**(416)**
Exercise of Subscription shares into Ordinary shares	(30)	30	–	–	–	–	–	**–**
Issue of Ordinary shares on conversion of Subscription shares	762	6,160	–	–	–	–	–	**6,922**
Profit/(loss) for the year	–	–	–	–	122,193	–	(1,834)	**145,359**
At 30th September 2009	27,195	57,007	41,929	5,886	308,276	6,362	(15,197)	**431,458**

	Called up share capital £'000	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
				Company 2008				
At 30th September 2007	26,202	50,914	41,929	5,886	316,179	6,348	(11,272)	**436,186**
Purchase of shares into Treasury	–	–	–	–	(3,234)	–	–	**(3,234)**
Repurchase and cancellation of shares	(14)	–	–	–	(274)	14	–	**(274)**
Loss for the year	–	–	–	–	(126,588)	–	(2,091)	**(128,679)**
At 30th September 2008	26,188	50,914	41,929	5,886	186,083	6,362	(13,363)	**303,999**

The notes on pages 35 to 53 form an integral part of these accounts.

Group and Company Balance Sheets

at 30th September 2009

	Notes	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Non current assets					
Investments held at fair value through profit or loss	9	**430,375**	287,898	**430,196**	302,483
Current assets	10				
Other receivables		**1,670**	2,955	**10**	880
Cash and cash equivalents		**1,607**	14,445	**1,360**	748
		3,277	17,400	**1,370**	1,628
Current liabilities	11				
Other payables		**(2,194)**	(1,299)	**(108)**	(112)
Net current assets		**1,083**	16,101	**1,262**	1,516
Net assets		**431,458**	303,999	**431,458**	303,999
Equity attributable to equity holders					
Called up share capital	12	**27,195**	26,188	**27,195**	26,188
Share premium	13	**57,007**	50,914	**57,007**	50,914
Other reserve	13	**41,929**	41,929	**41,929**	41,929
Exercised warrant reserve	13	**5,886**	5,886	**5,886**	5,886
Capital reserves	13	**304,291**	183,124	**308,276**	186,083
Capital redemption reserve	13	**6,362**	6,362	**6,362**	6,362
Revenue reserve	13	**(11,212)**	(10,404)	**(15,197)**	(13,363)
Total equity		**431,458**	303,999	**431,458**	303,999
Net asset value per Ordinary share – undiluted	14	**406.7p**	295.8p	**406.7p**	295.8p
Net asset value per Ordinary share – diluted	14	**380.7p**	295.8p	**380.7p**	295.8p

The accounts on pages 30 to 34 were approved by the Directors and authorised for issue on 21st December 2009 and signed on its behalf by:

Hugh Bolland
Chairman

The notes on pages 35 to 53 form an integral part of these accounts.

Group and Company Cash Flow Statements

for the year ended 30th September 2009

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Operating activities				
Profit/(loss) before taxation	**120,359**	(128,681)	**120,359**	(128,678)
Add back interest	**6**	396	**–**	161
Add back (gains)/losses on investments held at fair value through profit or loss	**(121,460)**	125,797	**(122,177)**	126,457
Unrealised foreign exchange (gains)/losses	**(9)**	144	**–**	144
Net (purchases)/sales of investments held at fair value through profit or loss	**(21,016)**	25,554	**19,465**	9,231
Gifted money to Subsidiary company	**–**	–	**(25,000)**	–
Decrease/(increase) in prepayments, VAT and other receivables	**798**	(686)	**870**	(776)
Decrease/(increase) in amounts due from brokers	**496**	(1,077)	**–**	–
(Decrease)/increase in other payables	**(48)**	25	**(5)**	3
Increase in amounts due to brokers	**941**	959	**–**	–
Net cash (outflow)/inflow from operating activities before interest payable and taxation	**(19,933)**	22,431	**(6,488)**	6,542
Interest paid	**(5)**	(407)	**–**	(166)
Tax paid	**–**	(86)	**–**	–
Net cash (outflow)/inflow from operating activities	**(19,938)**	21,938	**(6,488)**	6,376
Financing activities				
Net proceeds from the issue of Ordinary shares	**7,100**	–	**7,100**	–
Repurchase of shares	**–**	(3,508)	**–**	(3,508)
Net repayment of short term loans	**–**	(12,144)	**–**	(3,144)
Net cash inflow/(outflow) from financing activities	**7,100**	(15,652)	**7,100**	(6,652)
(Decrease)/increase in cash and cash equivalents	**(12,838)**	6,286	**612**	(276)
Cash and cash equivalents at the start of the year	**14,445**	8,159	**748**	1,024
Cash and cash equivalents at the end of the year	**1,607**	14,445	**1,360**	748

The notes on pages 35 to 53 form an integral part of these accounts.

Notes to the Accounts

for the year ended 30th September 2009

1. Principal activity

The principal activity of the Company is that of an investment holding company within the meaning of Section 842 of the Income and Corporation Taxes Act 1988. The principal activity of its Subsidiary company, JPMorgan Indian Investment Company (Mauritius) Limited, is that of an investment company.

2. Accounting policies

(a) Basis of accounting

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), International Accounting Standards and Standing Interpretations Committee and interpretations approved by the International Accounting Standards Committee ('IASC') that remain in effect and to the extent that they have been adopted by the European Union.

The accounts have been prepared on the going concern basis. The disclosures on going concern in the Directors' Report on page • form part of these financial statements. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('AIC') in January 2009 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Company's share capital is denominated in sterling and this is the currency in which its shareholders operate and expenses are generally paid. The Directors have therefore determined the functional currency to be sterling.

Amendments to existing standards that are not yet effective and may be relevant but have not been early adopted by the Group or Company are as follows:

– Amendment to IAS 1 'Presentation of financial statements', effective for periods beginning on or after 1st January 2009: and

– Amendment to IFRS 7 'Financial statements: disclosures', effective for periods beginning on or after 1st January 2009.

The Board are currently assessing the impact which the above amendments may have on the Group and Company financial statements.

(b) Basis of consolidation

The Group accounts incorporate the accounts of the Company and its wholly owned subsidiary JPMorgan Indian Investment Company (Mauritius) Limited. Intra group balances are eliminated on consolidation.

(c) Presentation of the Income Statement

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue nature and a capital nature has been presented alongside the Income Statement. In accordance with the Company's status as a UK investment company under Section 833 of the Companies Act 2006, net capital returns may not be distributed by way of dividend. Additionally, the net revenue is the measure the Directors believe appropriate in assessing compliance with certain requirements set out in Section 842 of the Income and Corporation Taxes Act 1988.

The Company has taken advantage of the exemption conferred by Section 408 of the Companies Act 2006, and omitted the Company's profit and loss account from the annual accounts.

(d) Investments held at fair value through profit or loss

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within a timeframe established by the market concerned.

Investments are designated upon initial recognition as 'held at fair value through profit or loss'. At subsequent reporting dates investments are valued at fair values which are bid market prices. Fair values for unquoted investments, or for investments for which there is only an inactive market, are established by using various valuation techniques. These may include recent arm's length market transactions, the current fair value of another instrument that is substantially the same or discounted cash flow analysis or net asset value. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is used.

Notes to the Accounts continued

Changes in the fair value of investments 'held at fair value through profit or loss' and gains or losses on disposal are included in the capital column of the Income Statement within 'Gains or losses on investments held at fair value through profit or loss'. Transaction costs incurred on the acquisition and disposal of investments are also included within this caption.

Gains and losses on sales of investments, increases and decreases in the valuation of investments held at the year end, foreign exchange gains and losses and other capital receipts and payments are dealt with in capital reserves.

All purchases and sales are accounted for on a trade date basis.

(e) Income

Dividends receivable from equity shares are included in the revenue column of the Income Statement on an ex-dividend basis except where, in the opinion of the Directors, the dividend is capital in nature, in which case it is included in the capital column.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Deposit interest receivable is included in the revenue column on an accruals basis.

(f) Expenses

All expenses and interest payable are accounted for on an accruals basis. All administration expenses, including the management fee and interest payable, are charged to the revenue column of the Income Statement.

(g) Financial instruments

Cash and cash equivalents may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Other receivables are non interest bearing, short term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Other payables are non interest bearing, short term in nature and are accordingly stated at nominal value.

Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest rate method.

Derivative financial instruments are valued at fair value and are included in current assets or current liabilities in the balance sheet in accordance with IAS 39: 'Financial instruments: recognition and measurement'.

(h) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is more likely than not that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under Section 842 of the Income and Corporation Taxes Act 1988 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(i) Foreign currency

For the purpose of the consolidated financial statements, the results and financial position of both entities in the Group are expressed in sterling which is the functional currency of the Company and the presentational currency of the Group.

Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items and non monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains or losses arising on retranslation are included in net profit or loss for the year and presented as revenue or capital as appropriate.

(j) VAT

Irrecoverable VAT is included in the expense on which it has been suffered. The basis on which it has been calculated is the partial exemption method using the proportion of taxable supplies to non taxable supplies. Further information regarding VAT on management fees is given in note 4 below.

	Group	
	2009 £'000	**2008 £'000**
3. Income		
Investment income		
Dividends from investments listed overseas	**3,510**	3,294
Interest	**171**	103
	3,681	3,397
Other income		
Deposit interest	**143**	459
Interest on VAT recovered	**131**	-
	274	459
Total income	**3,955**	3,856

	Group	
	2009 £'000	**2008 £'000**
4. Management fee		
Management fee[1]	**3,651**	5,064
VAT recoverable[2]	**–**	(734)
	3,651	4,330

[1]Details of the management fee are given in the Directors' Report on page 18.

[2]No VAT has been charged on management fees since November 2007 when HM Revenue & Customs announced acceptance that VAT was not chargeable on investment trust management fees. The Company has since recovered VAT amounting to £734,000 in respect of VAT paid in the past. This amount was credited to the revenue column of the Income Statement in the previous year. Interest amounting to £131,000 has also been received and credited to the revenue column in this year and is included within 'Other income' in note 3 above.

Notes to the Accounts continued

	Group 2009 £'000	2008 £'000
5. Other administrative expenses		
Other management expenses	**811**	1,185
Directors' fees[1]	**110**	123
Savings scheme costs[2]	**133**	132
Auditors' remuneration for audit services[3]	**41**	40
Auditors' remuneration for all other services	**11**	5
	1,106	1,485

[1]Full disclosure is given in the Directors' Remuneration Report on page 26.

[2]These fees were payable to JPMAM for the marketing of 'Wrapper' products.

[3]Auditors' remuneration includes £15,000 (2008: £15,000) payable to Lamusse Sek Sum & Co., the auditor of the subsidiary undertaking.

	Group 2009 £'000	2008 £'000
6. Finance costs		
Interest on bank loans and overdrafts repayable within one year	**6**	396

	Group 2009 £'000	2008 £'000
7. Taxation		
(a) Taxation on ordinary activities		
UK corporation tax at 28% (2008: 29%)	**–**	–
Prior year adjustment	**–**	(2)
Current tax	**–**	(2)

(b) Factors affecting the tax charge for the year

The tax charge for the year is lower than the Company's applicable rate of corporation tax of 28% (2008: 29%). The difference is explained below.

	Group 2009 £'000	2008 £'000
Profit/(loss) before taxation	**120,359**	(128,681)
Corporation tax at 28% (2008: 29%)	**33,700**	(37,317)
Effects of:		
Non taxable capital (gains)/losses	**(33,927)**	36,634
Non taxable overseas dividends	**(60)**	–
Deferred tax asset not recognised	**287**	683
Prior year adjustment	**–**	(2)
Current tax	**–**	(2)

7. **Taxation (continued)**

(c) Provision for deferred taxation

No provision for deferred taxation has been made in the current year or prior year. Neither the Company nor its Subsidiary have provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments as they are exempt from tax on these items due to their status as Investment Companies.

(d) Factors that may affect future tax charges

The Company has an unrecognised deferred tax asset of £4,012,000 (2008: £3,185,000). This has arisen from deductible expenses exceeding taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future. Deferred taxation for the Subsidiary is calculated at the applicable tax rate enacted by the balance sheet date of 15% (2008: 15%).

	Group	
	2009 £'000	2008 £'000
8. (Loss)/earnings per Ordinary share		
(Loss)/return per Ordinary share is based on the following:-		
Revenue loss	**(808)**	(2,353)
Capital return/(loss)	**121,167**	(126,326)
Total return/(loss)	**120,359**	(128,679)
Weighted average number of Ordinary shares in issue during the year used for the purpose of the undiluted calculation	**104,007,815**	102,882,855
Weighted average number of Ordinary shares in issue during the year used for the purpose of the diluted calculation	**107,343,556**	102,882,855
Undiluted		
Revenue loss per share	**(0.78)p**	(2.29)p
Capital return/(loss) per share	**116.50p**	(122.78)p
Total return/(loss) per share	**115.72p**	(125.07)p
Diluted		
Revenue loss per share	**(0.75)p**	(2.29)p
Capital return/(loss) per share	**112.88p**	(122.78)p
Total return/(loss) per share	**112.13p**	(125.07)p

The diluted (loss)/return per Ordinary share represents the (loss)/return on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the year as adjusted for the conversion of all outstanding Subscription shares into Ordinary shares at the year end. For this purpose, the assumed proceeds from this conversion are regarded as having been received from the issue of Ordinary shares at the average market price of Ordinary shares during the year. The difference between the number of Ordinary shares issued and the number of Ordinary shares that would have been issued at the average market price of Ordinary shares during the year is treated as an issue of Ordinary shares for no consideration.

There was no dilution to the returns for the year ended 30th September 2008 as there were no dilutive potential Ordinary shares in issue at that date.

Notes to the Accounts continued

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
9. Investments held at fair value through profit or loss				
(a) Group and Company				
Investments listed on a recognised investment exchange	**430,375**	287,898	**6,729**	19,486
Unlisted investments	**–**	–	**423,467**	282,997
	430,375	287,898	**430,196**	302,483

	Group[1] 2009 Listed £'000	Company[2] 2009 Listed £'000
Opening book cost	**249,275**	**22,547**
Opening investment holding gains/(losses)	**38,623**	**(3,061)**
Opening valuation	**287,898**	**19,486**
Movements in the year:		
Purchases at cost	**126,793**	**13,879**
Sales – proceeds	**(105,830)**	**(33,353)**
(Losses)/gains on sales of investments based on the carrying value at the previous balance sheet date	**(3,321)**	**4,907**
Movement in investment holding gains and losses	**124,835**	**1,810**
Closing valuation	**430,375**	**6,729**
Closing book cost	**263,732**	**3,286**
Closing investment holding gains	**166,643**	**3,443**
Closing valuation	**430,375**	**6,729**

[1] During the year, prior year holding losses amounting to £3,184,000 have been transferred to gains and losses on sales of investments.
[2] During the year, prior year holding losses amounting to £4,693,000 have been transferred to gains and losses on sales of investments.

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
(b) Transaction costs				
Transaction costs on purchases	**466**	563	**25**	22
Transaction costs on sales	**283**	638	**23**	9
	749	1,201	**48**	31

The above costs comprise mainly brokerage commission.

	Company 2009 £'000	Company 2008 £'000
9. Investments held at fair value through profit or loss (continued)		
(c) Investment in Subsidiary undertaking		
Historic cost of investment in Subsidiary[1]	**70,848**	70,848
Opening cumulative gifts to Subsidiary	**34,637**	34,637
Opening cumulative holding gains	**177,512**	297,882
Opening valuation	**282,997**	403,367
Gifted money to Subsidiary	**25,000**	–
Net movement in investment holding gains and losses	**115,470**	(120,370)
Closing valuation	**423,467**	282,997

The Company owns 100% of the ordinary share capital of its Subsidiary company JPMorgan Indian Investment Company (Mauritius) Limited, an investment company registered in Mauritius.

[1] The historic cost of the investment in the Subsidiary represents the cost of the ordinary shares and warrants subscribed on its incorporation in 1994. The prior year comparative has been re-presented to show the historic costs of capital subscriptions, the gifts made to the Subsidiary and holding gains and losses

	Group 2009 £'000	Group 2008 £'000
(d) Gains/(losses) on investments held at fair value through profit or loss		
(Losses)/gains on investments held at fair value through profit or loss based on historical cost	**(6,505)**	70,882
Amounts recognised as investment holding losses/(gains) in the previous year in respect of investments sold during the year	**3,184**	(89,737)
Losses on sales of investments based on the carrying value at the previous balance sheet date	**(3,321)**	(18,855)
Net movement in investment holding gains and losses	**124,835**	(106,896)
Other capital charges	**(54)**	(46)
Total gains/(losses) on investments held at fair value through profit or loss	**121,460**	(125,797)

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
10. Current assets				
Other receivables				
Securities sold awaiting settlement	**1,504**	2,000	**–**	–
Prepayments and accrued income	**157**	221	**10**	146
VAT recoverable	**–**	734	**–**	734
Derivative financial instruments – forward currency contracts	**9**	–	**–**	–
	1,670	2,955	**10**	880

The Directors consider that the carrying amount of other receivables approximates to their fair value.

Notes to the Accounts continued

Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short term bank deposits held by the Group. The carrying amount of these represents their fair value. Cash balances in excess of a predetermined amount are placed on short term deposit at market rates of interest.

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
11. Current liabilities				
Other payables measured at amortised cost				
Securities purchased awaiting settlement	**1,900**	959	**–**	–
Other creditors and accruals	**294**	340	**108**	112
	2,194	1,299	**108**	112

The Directors consider that the carrying amount of other payables approximates to their fair value.

	2009 £'000	2008 £'000
12. Called up share capital		
Authorised share capital		
250,000,000 (2008: 200,000,000) Ordinary shares of 25p each	**62,500**	50,000
35,000,000 (2008: nil) Subscription shares of 1p each	**350**	–
	62,850	50,000
Allotted and fully-paid share capital		
Ordinary shares of 25p each		
Opening balance of 102,769,874 (2008: 103,591,874) Ordinary shares	**25,693**	25,898
Issue of 261,944 (2008: nil) Ordinary shares	**65**	–
Issue of 3,049,358 (2008: nil) Ordinary shares on conversion of Subscription shares	**762**	–
Repurchase of nil (2008: 57,000) Ordinary shares for cancellation	**–**	(14)
Repurchase of nil (2008: 765,000) Ordinary shares into Treasury	**–**	(191)
Sub total	**26,520**	25,693
1,979,788 (2008: 1,979,788) Ordinary shares held in Treasury	**495**	495
Closing balance[1]	**27,015**	26,188
Subscription shares of 1p each		
Bonus issue of 21,001,937 Subscription shares	**210**	–
Conversion of 3,049,358 Subscription shares into Ordinary shares	**(30)**	–
Closing balance[2]	**180**	–

[1] Comprises 108,060,964 (2008: 104,749,662) Ordinary shares of 25p each including 1,979,788 (2008: 1,979,788) shares held in Treasury. On 5th November 2008, following a placing and offer for subscription, the Company issued 261,944 Ordinary shares with a nominal value of £65,000 at a price of 227p per share. The total consideraiton received for this issue amounted to £594,000. A further 3,049,358 Ordinary shares were issued to Subscription shareholders who exercised their right to convert into Ordinary shares.

[2] Comprises 17,952,579 Subscription shares of 1p each. On 5th November 2008, the Company issued 21,001,937 Subscription shares by way of a bonus issue to qualifying shareholders on the basis of one Subscription share for every five Ordinary shares held. Each Subscription share confers the right, but not the obligation, to subscribe for one Ordinary share on any business day during the period from 2nd January 2009 to 2nd January 2014, after which the rights under the Subscription shares will lapse. The conversion prices have been determined as follows:
(a) if exercised between 2nd January 2009 and 2nd January 2010 – 227 pence;
(b) if exercised between 3rd January 2010 and 2nd January 2012 – 247 pence; and
(c) if exercised between 3rd January 2012 and 2nd January 2014 – 291 pence.
During the year, shareholders have exercised their right to convert 3,049,358 Subscription shares into Ordinary shares for a total consideration of £6,922,000.

13. Reserves

	Group					
	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital reserves[1] £'000	Capital redemption reserve £'000	Revenue reserve £'000
At 1st October 2008	50,914	41,929	5,886	183,124	6,362	(10,404)
Losses on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	(3,321)	–	–
Net movement in investment holding gains	–	–	–	124,835	–	–
Unrealised gain on forward currency contracts	–	–	–	9	–	–
Issue of Ordinary shares	529	–	–	–	–	–
Bonus issue of Subscription shares	(210)	–	–	–	–	–
Subscription shares' issue costs	(416)	–	–	–	–	–
Exercise of Subscription shares into Ordinary shares	30	–	–	–	–	–
Issue of Ordinary shares on conversion of Subscription shares	6,160	–	–	–	–	–
Other capital charges	–	–	–	(54)	–	–
Net losses on foreign currency transactions	–	–	–	(302)	–	–
Retained revenue loss for the year	–	–	–	–	–	(808)
At 30th September 2009	57,007	41,929	5,886	304,291	6,362	(11,212)

[1] Capital reserves comprise gains and losses on sales of investments and holding gains and losses on investments held at the year end. Net holding gains on investments held at the year end amounted to £166,643,000.

Notes to the Accounts continued

	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Company Capital reserves[1] £'000	Capital redemption reserve £'000	Revenue reserve £'000
13. Reserves continued						
At 1st October 2008	50,914	41,929	5,886	186,083	6,362	(13,363)
Gains on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	4,907	–	–
Net movement in investment holding gains and losses	–	–	–	142,280	–	–
Issue of Ordinary shares	529	–	–	–	–	–
Bonus issue of Subscription shares	(210)	–	–	–	–	–
Subscription shares' issue costs	(416)	–	–	–	–	–
Exercise of Subscription shares into Ordinary shares	30	–	–	–	–	–
Issue of Ordinary shares on conversion of Subscription shares	6,160	–	–	–	–	–
Gifted money to Subsidiary company	–	–	–	(25,000)	–	–
Other capital charges	–	–	–	(10)	–	–
Net gains on foreign currency transactions	–	–	–	16	–	–
Retained revenue loss for the year	–	–	–	–	–	(1,834)
At 30th September 2009	57,007	41,929	5,886	308,276	6,362	(15,197)

[1] Capital reserves comprise gains and losses on sales of investments and holding gains and losses on investments held at the year end. Net holding gains on investments held at the year end amounted to £296,425,000.

	2009	2008
14. Net asset value per Ordinary share		
Undiluted:		
Ordinary shareholders funds (£'000)	**431,458**	303,999
Number of Ordinary shares in issue	**106,081,176**	102,769,874
Net asset value per Ordinary share (pence)	**406.7**	295.8
Diluted:		
Ordinary shareholders funds assuming exercise of Subscription shares (£'000)	**472,210**	303,999
Number of potential Ordinary shares in issue	**124,033,755**	102,769,874
Net asset value per Ordinary share (pence)	**380.7**	295.8

The diluted net asset value per Ordinary share assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end. The Company will only re-issue shares held in Treasury at a premium and therefore these shares have no dilutive potential.

There was no dilution to the net asset value at 30th September 2008 as there were no dilutive potential Ordinary shares in issue at that date.

15. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the balance sheet date (2008: nil).

16. Transactions with the Manager

Details of the management contract are set out in the Directors' Report on page 18. The management fee payable to JPMorgan Asset Management Limited (JPMAM) by the Group and Company for the year was £3,651,000 and £1,963,000 respectively (2008: £5,064,000 and £2,719,000 respectively) of which nil (2008: nil) was outstanding in both the Group's and Company's accounts at the year end. In addition £115,000 (2008: £132,000) was payable by the Group and Company to JPMAM for the marketing and administration of 'wrapper' products of which nil (2008: nil) was outstanding in both the Group's and Company's accounts at the year end.

Included in other management expenses in note 5 on page 38 are safe custody fees payable to JPMorgan Chase as custodian by the Group and Company amounting to £505,000 and £7,000 respectively (2008: £800,000 and £11,000 respectively) of which £2,000 and £2,000 respectively (2008: £167,000 and £2,000 respectively) was outstanding at the year end.

JPMAM carries out some of its dealing transactions through Group subsidiaries. These transactions are carried out at arms' length. The commission payable to JPMorgan Securities for the year by the Group and Company was £47,000 and £24,000 respectively (2008: £85,000 and £13,000 respectively) of which nil (2008: nil) was outstanding in both the Group's and Company's accounts at the year end.

Handling charges payable on dealing transactions undertaken by overseas sub custodians on behalf of the Group and Company amounted to £54,000 and £10,000 respectively (2008: £46,000 and £14,000 respectively) of which £13,000 and £4,000 respectively (2008: nil and nil respectively) was outstanding at the year end.

At the year end, the Group and Company held bank balances of £1,607,000 and £1,360,000 respectively (2008: £1,169,000 and £774,000 respectively), with JPMorgan Chase which was placed on deposit with an approved list of banks.
Interest amounting to £143,000 and £44,000 was receivable by the Group and Company respectively (2008: £26,000 and £5,000 respectively) during the year from JPMorgan Chase.

Notes to the Accounts continued

17. Financial Instruments' exposure to risk and risk management policies

The Company is an investment trust and its wholly owned subsidiary is an investment company and they both invest in equities and other securities for the long term so as to secure the investment objective stated on the Features page. In pursuing the objective, the Group is exposed to a variety of risks that could result in a reduction in net assets or a reduction in the profits available for dividends. These risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Group's risk management.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Group's financial instruments may comprise the following:

- investment in equity shares of Indian companies and other securities which are held in accordance with the investment objective;
- UK Treasury Stock;
- short term debtors, creditors and cash arising directly from its operations;
- derivative transactions including short term forward currency contracts for the purpose of settling short term liabilities; and
- sterling bank loans for the purpose of raising finance for the Company's operations and providing leveraged returns for the Company's shareholders.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Group may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks, and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

Certain of the Group's assets, liabilities and income are denominated in currencies other than sterling, which is the Company's functional currency and the presentational currency of the Group. As a result, movements in exchange rates may affect the sterling value of those items.

Management of currency risk

The Manager monitors the Group's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Group of the foreign currency exposure by considering the effect on the Group's net asset value and income of a movement in the rates of exchange to which the Group's assets, liabilities, income and expenses are exposed. Income denominated in foreign currencies is converted to sterling on receipt. The Group may use short term forward currency contracts to manage working capital requirements.

Foreign currency exposure

The fair value of the Group's and Company's monetary items that have foreign currency exposure at 30th September are shown below. Where equity investments, which are not monetary items, are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

17. **Financial Instruments' exposure to risk and risk management policies (continued)**

	Group At 30th September 2009			Company At 30th September 2009		
	Indian Rupees £'000	US$ £'000	Total £'000	Indian Rupees £'000	US$ £'000	Total £'000
Current assets	3,513	19	3,532	–	–	–
Creditors	(3,628)	–	(3,628)	–	–	–
Foreign currency exposure to net monetary items	(115)	19	(96)	–	–	–
Equity investments held at fair value	430,375	–	430,375	430,196	–	430,196
Total net foreign currency exposure	430,260	19	430,279	430,196	–	430,196

	Group At 30th September 2008			Company At 30th September 2008		
	Indian Rupees £'000	US$ £'000	Total £'000	Indian Rupees £'000	US$ £'000	Total £'000
Current assets	2,069	128	2,197	–	88	88
Foreign currency exposure to net monetary items	2,069	128	2,197	–	88	88
Equity investments held at fair value	278,941	–	278,941	293,526	–	293,526
Total net foreign currency exposure	281,010	128	281,138	293,526	88	293,614

The above year end amounts are broadly representative of the exposure to foreign currency risk during the year.

17. Financial Instruments' exposure to risk and risk management policies (continued)

Foreign currency sensitivity

The following tables illustrate the sensitivity of profit after taxation for the year and net assets with regard to the monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on monetary currency financial instruments held at each balance sheet date and assumes a 10% (2008: 10%) appreciation or depreciation in sterling against the Indian Rupee and US Dollar and the income receivable in foreign currency to which the Group and Company are exposed, which is deemed a reasonable illustration based on the volatililty of exchange rates during the year.

If sterling had weakened this would have had the following effect:-

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Income statement return after taxation				
Revenue return	368	340	71	70
Capital return	(10)	220	–	9
Total return after taxation for the year	358	560	71	79
Net assets	358	560	71	79

Conversely if sterling had strengthened this would have had the following effect:-

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Income statement return after taxation				
Revenue return	(368)	(340)	(71)	(70)
Capital return	10	(220)	–	(9)
Total return after taxation for the year	(358)	(560)	(71)	(79)
Net assets	(358)	(560)	(71)	(79)

In the opinion of the Directors, the above sensitivity analysis with respect to monetary financial assets and liabilities is broadly representative of the whole year. The sensitivity with regard to the Group's and Company's investments and foreign currency is subsumed into other price risk sensitivity on page •.

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate cash borrowings.

Management of interest rate risk

The Group does not normally hold significant cash balances. Short term borrowings are used when required. The Group may finance part of its activities through borrowings at levels approved and monitored by the Board. However the Company has had no loan facility in place since July 2008.

17. **Financial Instruments' exposure to risk and risk management policies (continued)**

Interest rate exposure

The exposure of financial assets and liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below.

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Exposure to floating interest rates				
Cash and cash equivalents	**1,607**	14,445	**1,360**	748
Total exposure	**1,607**	14,445	**1,360**	748

Interest receivable on cash balances is at a margin below LIBOR.

For part of the comparative year, the Company had a £15 million revolving loan facility with Lloyds TSB which expired in July 2008 and was not renewed.

The exposure to floating interest rates has fluctuated during the year as follows:

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Minimum credit/maximum debit interest rate exposure – net cash/(loan) balances	**1,449**	(3,841)	**(25)**	(1,976)
Maximum credit interest rate exposure to floating rates – net cash balances	**19,689**	21,715	**7,112**	9,754

Interest rate sensitivity

The following table illustrates the sensitivity of the revenue after taxation for the year and net assets to a 1% (2008: 1%) increase or decrease in interest rate in regards to monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the monetary financial instruments held at the balance sheet date, with all other variables held constant.

Effect of a 1% increase in interest rate:

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Income statement – return after taxation				
Revenue return	**16**	**14**	144	7
Total return after taxation for the year and net assets	**16**	**14**	144	7

Notes to the Accounts continued

17. Financial Instruments' exposure to risk and risk management policies (continued)

Effect of a 1% decrease in interest rate:

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Income statement – return after taxation				
Revenue return	**(16)**	**(14)**	(144)	(7)
Total return after taxation for the year and net assets	**(16)**	**(14)**	(144)	(7)

In the opinion of the Directors, the above sensitivity analysis may not be representative of the whole year as the level of exposure to floating interest rates may fluctuate.

(iii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk or currency risk, which may affect the value of investments.

Management of other price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the investment objective and seeks to ensure that individual stocks meet an acceptable risk reward profile.

Other price risk exposure

The exposure to changes in market prices at 30th September comprises holdings in equity investments as follows:

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Equity investments held at fair value through profit or loss	**430,375**	**430,196**	278,941	302,483

The above data is broadly representative of the exposure to other price risk during the year.

Concentration of exposure to other price risk

An analysis of the Group's investments is given on page 12. This shows that the investments' value is entirely in India. Accordingly there is a concentration of exposure to that country. However it should be noted that an investment may not necessarily be wholly exposed to the economic conditions in its country of domicile.

17. **Financial Instruments' exposure to risk and risk management policies (continued)**

Other price risk sensitivity

The following table illustrates the sensitivity of net assets to an increase or decrease of 10% (2008: 10%) in the fair value of equity investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on equity investments and adjusting for change in the management fee, but with all other variables held constant.

Effect of a 10% increase in fair value:

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Income statement – return after taxation				
Revenue return	**(516)**	**(516)**	(335)	(352)
Capital return	**43,038**	**43,020**	27,894	29,352
Total return after taxation and net assets	**42,522**	**42,504**	27,559	29,000

Effect of a 10% decrease in fair value:

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Income statement – return after taxation				
Revenue return	**516**	**516**	335	352
Capital return	**(43,038)**	**(43,020)**	(27,894)	(29,352)
Total return after taxation and net assets	**(42,522)**	**(42,504)**	(27,559)	(29,000)

(b) **Liquidity risk**

This is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Group's assets comprise readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities. The Board's policy is to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities, working capital requirements and to gear the Group as appropriate. The Group's loan facility with Lloyds TSB expired in July 2008 and has not been renewed.

Liquidity risk exposure

Contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required are as follows:-

	2009			
	Group		Company	
	Less than three months £'000	Total £'000	Less than three months £'000	Total £'000
Other payables				
Securities purchased awaiting settlement	**1,900**	**1,900**	**–**	**–**
Other creditors and accruals	**294**	**294**	**108**	**108**
	2,194	**2,194**	**108**	**108**

Notes to the Accounts continued

17. Financial Instruments' exposure to risk and risk management policies (continued)

	2008			
	Group		Company	
	Less than three months £'000	Total £'000	Less than three months £'000	Total £'000
Other payables				
Securities purchased awaiting settlement	959	959	–	–
Other creditors and accruals	340	340	112	112
	1,299	1,299	112	112

(c) Credit risk

Credit risk is the risk that the counterparty to a transaction fails to discharge its obligations under that transaction which could result in a loss to the Group.

Managment of credit risk

Portfolio dealing

The Company invests in markets that operate DVP (Delivery Versus Payment) settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

Cash

Counterparties are subject to daily credit analysis by the Manager and trades can only be placed with counterparties that have a minimum rating of A1/P1 from Standard & Poor's and Moody's respectively.

Exposure to JPMorgan Chase

The Company's assets are clearly ring-fenced in client designated accounts. Therefore, in the event that JPMorgan Chase were to cease trading, these assets would be protected.

Credit risk exposure

The amounts shown in the balance sheet under other receivables, cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

Cash and cash equivalents comprise balances held at banks that have a minimum rating of A1/P1 from Standard & Poor's and Moody's respectively.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either included in the balance sheet at fair value or the carrying amount in the balance sheet is a reasonable approximation of fair value.

18. Capital management policies and procedures

The Company's capital comprises the following:

	2009 £'000	2008 £'000
Equity		
Share capital	**27,195**	26,188
Reserves	**404,263**	277,811
Total capital	**431,458**	303,999

18. Capital management policies and procedures (continued)

The capital management objectives are to ensure that the Group will continue as a going concern and to optimise capital return to the Company's equity shareholders. Gearing is permitted up to a maximum level of 15% of shareholders' funds.

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Investments	**430,375**	**430,196**	287,898	302,483
Net assets	**431,458**	**431,458**	303,999	303,999
Gearing	**99.7%**	**99.7%**	94.7%	99.5%

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back equity shares, either for cancellation or to hold in Treasury, which takes into account the share price discount or premium; and
- the need for issues of new shares, including issues from Treasury.

19. Business and geographical segments

The Directors are of the opinion that the Group is engaged in a single segment of business of investing in equity and equity related securities of companies operating and generating revenue in India.

Shareholder Analysis
as at 30th September 2009

Ordinary shares	Number of shares	% Holding
Private Client Brokers	38,279,661	35.4
Retail Investors[1]	31,737,244	29.4
Individuals in the Investment Trust Share Plan[2]	10,757,994	9.9
Individuals in the Investment Trust Individual Savings Account[2]	3,981,992	3.7
Individuals in the Investment Trust Pension Account[2]	1,058,032	1.0
Total Retail Holdings	85,814,923	79.4
Unit Trusts	6,940,009	6.4
Pension Funds	4,318,700	4.0
Other Institutions	4,252,262	3.9
Investment Trusts[3]	2,033,775	1.9
Insurance Companies	1,998,838	1.8
Foreign Government	441,574	0.4
Charities	281,095	0.3
Total Institutions	20,266,253	18.7
Treasury Shares[4]	1,979,788	1.8
Total Shares in Issue	108,060,964	100.0

Subscription shares	Number of shares	% Holding
Retail Investors[1]	6,330,255	35.3
Private Client Brokers	4,905,168	27.3
Individuals in the Investment Trust Share Plan[2]	2,210,369	12.3
Individuals in the Investment Trust Individual Savings Account[2]	706,070	3.9
Individuals in the Investment Trust Pension Account[2]	211,320	1.2
Total Retail Holdings	14,363,182	80.0
Other Institutions	1,162,396	6.5
Unit Trusts	969,035	5.4
Pension Funds	808,171	4.5
Insurance Companies	348,682	1.9
Investment Trusts[3]	271,113	1.5
Charities	30,000	0.2
Total Institutions	3,589,397	20.0
Total Shares in Issue	17,952,579	100.0

[1]Includes shareholders below 10,000 threshold.

[2]Savings producg managed by JPMorgan.

[3]Includes 443,000 Ordinary shares and 88,600 Subscription shares held by JPMorgan Elect plc.

[4]Shares held in Treasury do not carry any voting rights.

Source: Thomson Reuters.

Notice of Annual General Meeting

Notice is hereby given that the sixteenth Annual General Meeting of JPMorgan Indian Investment Trust plc will be held at Trinity House, Tower Hill, London EC3N 4DH on 25th January 2010 at 12.00 noon for the following purposes:

1 To receive the Directors' Report, the Annual Accounts and the Auditors' Report for the year ended 30th September 2009.

2 To approve the Directors' Remuneration Report for the year ended 30th September 2009.

3 To re-elect Mr Hugh Bolland as a Director.

4 To re-elect Mr Vijay Joshi as a Director.

5 To re-appoint Deloitte LLP as Auditors to the Company and to authorise the Directors to agree their remuneration.

Special Business

To consider the following resolutions

Ordinary Resolution

Authority to allot relevant securities

6 THAT in substitution for all previous authorities the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £2,745,435 or, if less, 10% of the total ordinary share capital in issue immediately preceding the passing of this resolution such authority to expire on the conclusion of the Annual General Meeting in 2011, unless previously revoked, varied or extended by the Company in general meeting.

Special Resolutions

Authority to disapply pre-emption rights:

7 That subject to the passing of Resolution 6 set out above, the Directors of the Company be and they are hereby empowered pursuant to Section 570 and 573 of the Companies Act 2006 to allot (within the meaning of Section 560(1) of the Act) equity securities (within the meaning of Section 560(1) of the Act) wholly for cash as if Section 561(1) of the Act did not apply to any such sale, provided that this power shall be limited to the allotment (within the meaning of Section 551 of the Act) of equity securities (including any issue of shares for cash out of treasury) for cash up to an aggregate nominal amount of 2,745,435, representing approximately 10% of the Company's total ordinary share capital in issue as at the date of the passing of this resolution and shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2011, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuance of such offers, agreements or arrangements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares:

8 THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693 of the Act) of its issued ordinary shares and subscription shares.

PROVIDED ALWAYS THAT

(i) the maximum number of ordinary shares and subscription shares hereby authorised to be purchased shall be 16,198,338 or 2,691,091 respectively or if different, that number of ordinary shares or subscription shares which is equal to 14.99% of the Company's issued share capital of the relevant share class as at the date of the passing of this Resolution;

(ii) the minimum price which may be paid for an ordinary share and subscription share shall be 25 pence and 1 pence respectively;

(iii) the maximum price which may be paid for a share shall be an amount equal to (a) 105 per cent of the average of the middle market quotations for the share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased or (b) the price of the last independent trade or (c) the highest current independent bid;

(iv) any purchase of ordinary shares will be made in the market for cash at prices below the prevailing net asset value per ordinary share (as determined by the Directors);

(v) the authority hereby conferred shall expire on 24th July 2011 unless the authority is renewed at the Company's Annual General Meeting in 2011 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.

Notice of Annual General Meeting continued

Adoption of new Articles of Association - Special Resolution

9 (i) THAT the Articles of Association of the Company be amended by deleting all the provisions formerly in the Company's Memorandum of Association which, by virtue of Section 28 of the Act, are to be treated as provisions of the Company's Articles of Association; and

(ii) THAT the Articles of Association produced to the meeting and initialled by the chairman of the meeting and for the purpose of identification be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board
Andrew Norman, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Secretary

21st December 2009

Notes

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1 A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

2 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person. If you attend the Meeting in person, your proxy appointment will automatically be terminated.

3 A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a 'Nominated Person').
The rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

4 Any instrument appointing a proxy, to be valid,must be lodged in accordance with the instructions given on the proxy form.

5 You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded.Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last sent shall be treated as replacing and revoking the other or others.

6 To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.00 p.m. two days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.00 p.m. two days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.

7 Entry to the Meeting will be restricted to shareholders, with guests admitted only by prior arrangement.

8 A corporation, which is a shareholder, may appoint individuals to act as its representatives and to vote in person at the Meeting (see instructions given on the proxy form). In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that (i) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the Meeting but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative,
a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

Representatives should bring to the Meeting evidence of their appointment, including any authority under which it is signed.

9 The register of interests of the Directors and connected persons in the share capital of the Company is available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting.

10 No Director has any contract of service with the Company.

11 As at 18th December 2009 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 109,817,541 ordinary shares, carrying one vote each and 16,196,002 subscription shares with no voting rights. Therefore the total voting rights in the Company are 107,837,753. (The shares held in Treasury, totalling 1,979,788, do not carry voting rights).

Electronic appointment – CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

Appendix

Explanatory Notes to Resolution 11

The Companies Act 2006 (the '2006 Act'), which is replacing the Companies Act 1985 (the '1985 Act') has been implemented in stages but is fully in force from 1st October 2009. In addition, the Shareholders' Rights Regulations which amend certain provisions of the 2006 Act relating to meetings of the Company came into force in August 2009. Under Resolution 11, the Company is adopting new Articles of Association (the 'Articles') which will reflect the changes in company law brought about by the Shareholders' Rights Regulations and by the provisions of the 2006 Act which came into effect on or before 1st October 2009. The Articles also include some other modernising and clarifying amendments, including, where appropriate, adopting the wording of the new model form articles for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008 (the 'model form articles'), which are replacing the Table A articles under the 1985 Act on which many of the Company's current articles are based. Set out below is a summary of the principal changes.

1. The Company's objects

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The provisions governing the operations of the Company are currently set out in both its memorandum of association and its articles of association. Under the 2006 Act, the memorandum no longer contains an objects clause and simply records the names of the subscribers and the number of shares which each subscriber agreed to take in the Company. Under Section 28 of the 2006 Act, the objects clause and all other provisions in the memorandum are treated as part of the articles with effect from 1st October 2009 but the Company can remove these provisions by special resolution. Unless the articles provide otherwise, the Company's objects will be unrestricted. The Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are treated as forming part of the Company's articles of association as of 1st October 2009. Resolution 11 confirms the removal of these provisions and adopts the new Articles.

2. Limited liability (Article 3)

Under the 2006 Act, the memorandum of association also no longer contains a clause stating that the liability of the members of a company is limited. For existing companies, this statement is automatically treated as having moved into the articles on 1st October 2009. As noted in paragraph 1 above, Resolution 11 confirms the removal, from the Company's articles of association, of the provisions of the Company's memorandum of association which are treated as forming part of the Company's articles of association by virtue of Section 28 of the 2006 Act, which includes the statement of limited liability. An explicit statement of the members' limited liability is therefore included in the new Articles.

3. Authorised share capital and unissued shares

The 2006 Act abolishes the concept of authorised share capital and under the 2006 Act, the memorandum of association no longer contains a statement of the Company's authorised share capital. For existing companies, this statement is deemed to be a provision of the Company's articles of association setting out the maximum amount of shares that may be allotted by the Company. The adoption of the new Articles by the Company will have the effect of removing this provision relating to the maximum amount. Directors will still need to obtain the usual shareholders' authorisation in order to allot shares.

References to authorised share capital and to unissued shares have therefore been removed from the new Articles.

4. Redeemable shares (Article 5)

Under the 2006 Act, the articles of association need not include the terms on which redeemable shares may be redeemed. The Directors may determine the terms, conditions and manner of redemption of redeemable shares provided they are authorised to do so by the articles. The new Articles contain such authorisation.

5. Share certificates (Article 13)

The new Articles contain new provisions for the issue of consolidated share certificates, in line with the model form articles.

6. Transfer of shares (Articles 31 and 32)

The provision which gave the ability to suspend the registration of transfers of shares for periods not exceeding 30 days in any one year has been removed from the new Articles as there is no ability under the 2006 Act to close the register.

7. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital (Article 44)

Under the 1985 Act, a company required specific authorisations in its articles of association to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital. Under the 2006 Act, public companies do not require specific authorisations in their articles of association to undertake these actions, but shareholder authority is still required. Amendments have been made to the new Articles to reflect these changes.

8. Participation in meetings at different places and by electronic means (Article 55)

Amendments made to the 2006 Act by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The new Articles include amendments to provide greater scope for members to participate in meetings of the Company even if they are not present in person at the principal place where the meeting is being held. The amendments allow for members to participate not only by attendance at satellite meeting locations, but also by any other electronic means of participation.

9. Adjournments (Article 57)

The Shareholders' Rights Regulations add a provision to the 2006 Act which requires that, when a general meeting is adjourned due to lack of quorum, at least ten days' notice must be given to reconvene the meeting. The new Articles include amendments to the provisions dealing with notice of adjourned meetings to make them consistent with this new requirement.

10. Removal of chairman's casting vote

Pursuant to changes brought about by the Shareholders' Rights Regulations, a traded company is no longer permitted to allow the chairman to have a casting vote in the event of an equality of votes. Accordingly, this provision has been removed in the new Articles.

11. Voting rights (Article 66)

The Shareholders' Rights Regulations clarify the various powers of proxies and representatives of corporate members in respect of resolutions taken on a show of hands. Where a proxy has been duly appointed by one member, he has one vote on a show of hands unless he has been appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been appointed by more than one member to vote for the resolution and by more than one member to vote against the resolution. Where a corporate member appoints representatives to attend meetings on its behalf, each representative duly appointed by a corporate member has one vote on a show of hands. The new Articles contain provisions which clarify these rights and also clarify how the provisions giving a proxy a second vote on a show of hands should apply to discretionary powers.

12. Voting record date (Article 67)

The new Articles include a new provision which was not previously in the Company's articles of association, dealing with the method for determining which persons are allowed to attend or vote at a general meeting of the Company and how many votes each person may cast. Under this new provision, when convening a meeting the Company may specify a time, not more than 48 hours before the time of the meeting (excluding any part of a day that is not a working day), by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting. This new provision is in line with a requirement for listed companies introduced by the Shareholders' Rights Regulations.

13. Validity of votes (Article 71)

Following the implementation of the Shareholders' Rights Regulations, proxies are expressly required to vote in accordance with instructions given to them by members. The new Articles contain a provision stating that the Company is not required to enquire whether a proxy or corporate representative has voted in accordance with instructions given to him and that votes cast by a proxy or corporate representative will be valid even if he has not voted in accordance with his instructions.

14. Termination of proxy authority (Article 77)

Article 77 provides that the termination of a proxy's authority should be in writing as this is required by the Shareholders' Rights Regulations.

15. Corporate representatives (Article 79)

The new Articles provide that the Company can require a corporate representative to produce a certified copy of the resolution appointing him before permitting him to exercise his powers.

16. Retirement of directors by rotation (Articles 85 and 86)

The new Articles have been redrafted in order to make this provision clearer and to ensure (as far as possible) a regular number of retiring directors each year, with the number to retire being the number nearest to one-third of the board, excluding those directors who are retiring and seeking re-election for other reasons. Article 85 continues to comply with Combined Code provision A.7.1 which recommends that all directors should be subject to re-election at intervals of no more than three years. New Article 86 requires any non-executive director who has held office for nine years or more to put himself up for re-election at each annual general meeting. This is in line with Combined Code provision A.7.2.

Appendix continued

17. Alternate directors (Articles 92, 94 and 96)

Article 92 now clarifies that an alternate director is entitled to be paid expenses (but not directors' fees). Article 94 is a new provision which effectively applies the provisions of Article 90, regarding removal of directors, to alternate directors. Article 96(c) makes it clear that an alternate is subject to the same restrictions as the director who appointed him.

18. Borrowing powers (Article 98)

A number of presentational and descriptive amendments have been made to the borrowing powers provision:

(i) Article 98(1)(a) – a reference has been added to amounts "credited as paid up" on share capital to clarify that these should be included as well as amounts actually paid up.

(ii) Article 98(1)(b) – this has been amended to refer to total of "any credit balance on the distributable and undistributable reserves of the Group", to clarify that all reserves of the Group will be relevant for the calculation and to reflect the language used by those preparing the accounts. The reference to "including share premium account, capital redemption reserve and credit balance on the profit and loss account reserve" has therefore been deleted.

(iii) Article 98(1) – the last paragraph has been amended to allow the Company also to adjust for variations in its capital redemption reserve since the balance sheet date as the directors may reasonably consider to be appropriate.

(iv) Articles 98(1)(a) and 98(3)(e) – additional wording has been included to clarify how any preference shares that might be issued should be treated for the purposes of the borrowing powers. Under IFRS and UK GAAP preference shares are now treated as a debt on a company's balance sheet, rather than equity. The additional wording included in Articles 104(3)(c) and 104(1)(e) reflects this accounting treatment. The effect of this wording is to exclude the amount of any preference share capital from the calculation of the Company's share capital and reserves and to include such amount in the calculation of the Company's borrowings.

19. Delegation to persons or committees (Article 99)

Article 99 follows the new, simplified approach to delegation adopted in the model form articles, allowing the directors to delegate as they decide appropriate.

20. Directors' appointments, interests and conflicts of interest (Article 104)

Article 104, which is the provision for dealing with conflicts in our current articles, allowing directors to be interested in transactions and to be an officer of or employed by or interested in a body corporate in which the Company is interested provided that he has disclosed his interest in accordance with the articles and the provisions of the Acts, has been amended so that it contains provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director from being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict falls within the situations covered by Article 104.

21. Procedures regarding board meetings & resolution in writing (Articles 106 & 109)

The provisions of Article 106 have been amended to make it clear that notice of a board meeting may be given personally, by telephone, in hard copy or in electronic form. The requirements for giving notice to directors who are not in the United Kingdom have also been clarified. In order to clarify the procedure for written resolutions of directors, Article 109 has been amended so that, rather than referring to a resolution in writing by all directors, a resolution in writing will be valid and effectual as if it had been passed at a meeting if executed by all the directors entitled to receive notice of the meeting and who would have been entitled to vote (and whose vote would have been counted) on a resolution at a meeting.

22. Quorum (Article 110)

The proposed amendment to Article 110, which deals with the quorum requirement for board meetings, clarifies that a director cannot count in the quorum for a matter or resolution on which he is not entitled to vote (or when his vote cannot be counted) but he may count in the quorum for the other matters or resolutions to be considered or voted on at the meeting.

23. Permitted interests and voting (article 111)

Article 111 has been amended to allow a director to vote on a resolution which relates to giving him an indemnity or funding for expenditure incurred in defending proceedings provided all the other directors have been given or are to be given arrangements on substantially the same terms. This exception has become a common exception for listed companies to include.

24. Notice when post not available (Article 131)

Article 131 is the article covering service of notice in the event of a postal strike. It has been amended to allow the Company in such circumstances to serve notices only on those members who receive notices via electronic means, provided that, as before, the Company also puts an advertisement in two national newspapers and sends a confirmatory hard copy notice if the postal service is available again within seven days of the meeting.

25. The seal (Articles 140 and 141)

Article 140 provides that instruments (other than share certificates) to which the seal is affixed shall be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors.

26. Change of name (Article 143)

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006 a company is able to change its name by other means provided for by its articles. To take advanatage of this provision, the new Articles enable the Directors to pass a resolution to change the Company's name.

Glossary of Terms and Definitions

Return to Shareholders

Total return to the investor on a mid-market price to mid-market price basis. The return includes the return from the bonus issue of Subscription shares during the year.

Diluted Net Asset Value ('NAV') per Ordinary Share

The diluted NAV per Ordinary share assuming that all outstanding Subscription shares were converted into Ordinary shares at the year end. There were no dilutive potential Ordinary shares in issue at 30th September 2008.

Undiluted Return on Net Assets

Return on the undiluted NAV per Ordinary share, on a bid value to bid value basis.

Diluted Return on Net Assets

Return on the diluted NAV per Ordinary share, on a bid value to bid value basis.

Benchmark Return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested in the shares of the underlying companies at the time the shares were quoted ex-dividend. The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Actual Gearing Factor

Investments expressed as a percentage of shareholders' funds. This shows the effect of gearing on the NAV if the market value of the portfolio were to increase by 100%.

Total Expense Ratio

Management fees and all other operating expenses excluding interest and VAT recoverable, expressed as a percentage of the average of the opening and closing net assets.

Share Price Discount/Premium to Net Asset Value

If the share price of an investment company is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV. The opposite of a discount is a premium. It is more common for an investment company's shares to trade at a discount than at a premium.

(Loss)/Earnings per Ordinary Share

The undiluted (loss)/return per Ordinary share represents the (loss)/return on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the year.

The diluted (loss)/return per Ordinary share represents the (loss)/return on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the year as adjusted for the conversion of outstanding Subscription shares into Ordinary shares at the year end. For this purpose, the assumed proceeds from this conversion are regarded as having been received from the issue of Ordinary shares at the average market price of Ordinary shares during the year. The difference between the number of Ordinary shares issued and the number of Ordinary shares that would have been issued at the average market price of Ordinary shares during the year is treated as an issue of Ordinary shares for no consideration. Where this calculation has no dilutive effect, the undiluted (loss)/return per Ordinary share is presented instead.

Active positon

The active position shows the difference between the Company's holding of an individual stock, sector or country versus that stock, sector or country's benchmark. A positive number indicates an active decision by the investment manager to own more (i.e. be overweight) of the stock, sector or country versus the benchmark and a negative number a decision to hold less (i.e. be underweight) of a particular stock, sector or country versus the benchmark.

Performance Attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark.

Performance Attribution Definitions:

Asset Allocation

Measures the impact of allocating assets differently from those in the benchmark, via the portfolio's weighting in different countries, sectors or asset types.

Stock Selection

Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities outside the benchmark.

Currency Effect

Measures the effect of currency exposure differences between the Company's portfolio and its benchmark.

Gearing/Cash

Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

Management Fees/Other Expenses

The payment of fees and expenses reduces the level of total assets, and therefore has a negative effect on relative performance.

VAT Recovered

In 2007, HM Revenue and Customs announced acceptance that VAT was not chargeable on investment trust management fees. The Company has since recovered VAT plus interest thereon on management fees paid in the past.

Details of Subscription shares

On 4th November 2008, the Company issued 21,001,937 Subscription shares as a bonus issue to the Ordinary shareholders on the basis of one Subscription share for every five Ordinary shares previously held. Each Subscription share confers the right, (but not the obligation), to subscribe for one Ordinary share on any business day during the period 2nd January 2009 to 2nd January 2014, after which the rights under the Subscription shares will lapse.

For the purposes of UK taxation, the issue of subscription shares is treated as a reorganisation of the Company's share capital. Whereas such reorganisations do not trigger a chargeable disposal for the purposes of the taxation of capital gains, they do require shareholders to reallocate the base costs of their ordinary shares between ordinary shares and subscriptions shares received.

At the close of business on 5th November 2008 the middle market prices of the Company's ordinary shares and subscription shares were as follows:

Ordinary shares:	246p
Subscription shares:	67.5p

Accordingly, an individual investor who on 4th November 2008 held five ordinary shares (or a multiple thereof) would have received a bonus issue of one subscription share (or the relevant multiple thereof) and would apportion the base cost of such holding 94.8% to the five ordinary shares and 5.2% to the subscription shares.

The conversion prices of the Subscription shares are as follows:

If Subscription share rights are exercised on any day between and including 2nd January 2009 and 2nd January 2010, 227 pence.

If Subscription share rights are exercised on any day between and including 3rd January 2010 and 2nd January 2012, 247 pence.

If Subscription share rights are exercised on any day between and including 3rd January 2012 and 2nd January 2014, 291 pence.

Information about the Company

Financial Calendar

Financial year end	30th September
Final results announced	December
Half year end	31st March
Half year results announced	May
Interim Management Statements announced	January/July
Dividends	N/A
Annual General Meeting	January

History

The Company was launched in May 1994 by a public offer of shares which raised £84 million before expenses. In February 2002, the Company changed its name to JPMorgan Fleming Indian Investment Trust plc. In November 2005 it adopted its present name JPMorgan Indian Investment Trust plc.

Company Numbers

Company registration number: 2915926
London Stock Sedol number: 0345035
ISIN: GB0003450359
Bloomberg ticker: JII LN

Market Information

The Company's net asset value ('NAV') is published daily via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman, The Independent and on the JPMorgan website at www.jpmindian.co.uk where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmindian.co.uk

Share Transactions

The shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the Investment Trust Share Plan, Individual Savings Account (ISA) and Pension Account.

Taxation

On 30th October 2008, Shareholders approved the bonus issue of subscription shares, as described in the Company's Prospectus dated 30th September 2008. Trading in subscription shares commenced on 5th November 2008. For capital gains tax purposes, the base cost of the Company's ordinary shares and subscription shares as at 5th November 2008 were as follows:

Ordinary Shares: 246p
Subscription Shares: 67.5p

For further details on the bonus issue of subscription shares, please refer to page 14 of this report.

Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone: 020 7742 6000

For company secretarial and administrative matters please contact Andrew Norman.

Registrars

Equiniti
Reference 1087
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
Telephone: 0871 384 2327

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1087.

Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

Auditors

Deloitte LLP
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

Brokers

JPMorgan Cazenove
20 Moorgate
London EC2R 6DA

Savings Plan Administrators

For queries on the JPMorgan ISA, Share Plan or Pension Account, see contact details on the reverse of this report.

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JPMorgan Helpline
Freephone 0800 20 40 20 or 0207 742 9999
9.00 am to 5.3o pm Monday to Friday

Your telephone call may be recorded for your security

www.jpmindian.co.uk