JPMorgan Indian Investment Trust plc

Annual Report & Financial Statements for the year ended 30th September 2020

J.P.Morgan
Asset Management

Your Company

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.
- A maximum investment, at the time of purchase, of 20% in any group.
- To invest no more than 15% of gross assets in other investment companies (including investment trusts).
- Gearing may be used 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 terms.

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

At 30th September 2020, the Company's share capital comprised 99,473,851 Ordinary shares of 25p each, including 21,366,386 shares held in Treasury.

IFRS 10

International Financial Reporting Standard ('IFRS') 10 was amended for reporting periods beginning on or after 1st January 2016. The amended IFRS 10 requires the Company, as an 'investment entity', to account for its subsidiary as an 'investment held at fair value through profit or loss' rather than consolidating.

As a consequence of the amendment to IFRS 10, the financial statements in this Annual Report and Financial Statements are presented on a 'company-only' basis with comparatives also presented on a 'company-only' basis. Supplementary information is given in Note 24, starting on page 74.

Continuation Vote

The Company's Articles require that, at the Annual General Meeting to be held in 2024 and at every fifth year thereafter, the Directors propose a resolution that the Company continues as an investment trust.

Management Company and Company Secretary

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager and Company Secretary. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM').

Financial Conduct Authority ('FCA') regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by JPMorgan Indian Investment Trust plc can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

The Company's website, which can be found at www.jpmindian.co.uk, includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

Why invest in the JPMorgan Indian Investment Trust plc

Our heritage and our team

JPMorgan Indian Investment Trust plc is the largest London-listed Indian equity fund focusing purely on Indian companies. The Company provides exposure to a market to which it is difficult to gain direct access, through a growth-orientated portfolio of Indian equities. Seasoned Indian equities experts, Rajendra Nair and Ayaz Ebrahim, bring with them deep investment experience, complemented by the insights of J.P. Morgan Asset Management's extensive network of emerging markets specialists. Their on-the-ground experience and in-depth knowledge of local markets enable them to make longer-term appraisals of companies and not be side tracked by short-term volatility.

Our Investment Approach

The Company's managers invest in good quality businesses with superior growth prospects, holding them for the long-term to benefit from the growth potential of the Indian economy. Investment in India presents an exciting opportunity for long-term growth, given its increasingly affluent population and companies supported by a young and educated workforce. The investment managers look to capitalise on this potential, concentrating on companies that are well-managed and benefit from the long-term growth opportunity of India.

53
Years of combined industry experience between the Investment Managers

95
Investment professionals across emerging markets and Asia

526
Meetings with companies in India in 2019

47.4%
Active share[1]

[1] Active share is a measurement of the difference in the Company's portfolio compared to the benchmark index.

CONTENTS

Strategic Report

TOTAL RETURNS

	2020	2019	3 Years Cumulative	5 Years Cumulative
Return to shareholders[1,A]	-23.2%	+18.1%	-19.2%	+13.8%
Return on net assets[2,A]	-16.2%	+11.4%	-14.2%	+19.6%
Benchmark return[3]	-4.2%	+10.8%	+10.5%	+51.2%
Net asset return compared to benchmark return	-12.0%	+0.6%	-24.7%	-31.6%

[1] Source: Morningstar.

[2] Source: Morningstar/J.P.Morgan, using net asset value per share.

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

[A] Alternative performance measure.

A glossary of terms and alternative performance measures is provided on pages 89 and 90.

SUMMARY OF RESULTS

	2020	2019	% change
Net asset value, share price, discount and market data at 30th September			
Shareholders' funds (£'000)	536,697	857,629	-37.4
Net asset value per share[A]	687.1 p	820.1p	-16.2
Share price	571.5p	744.0p	-23.2
Share price discount to net asset value per share[A]	16.8%	9.3%	
Shares in issue – excluding shares held in Treasury	78,107,465	104,574,940	-25.3
Profit/(loss) for the year ended 30th September			
Revenue (loss) attributable to shareholders (£'000)[1]	(111)	(108)	
Revenue (loss) per share[1]	(0.13)p	(0.10)p	
(Loss)/profit attributable to shareholders (£'000)	(109,113)	87,484	
Total (loss)/earnings per share	(124.61)p	83.66p	
Net cash at 30th September[2,A]	(1.1%)	(5.4%)	
Ongoing charges[3,A]	1.02%	1.06%	

[1] Figures are calculated at the group level, which is consistent with prior year calculations. See page 75.

[2] Gearing is calculated at the group level, which is consistent with prior year calculations. Details of the basis of calculation are given on page 89.

[3] Ongoing charges are calculated at the group level, which is consistent with prior year calculations. Details of the basis of calculation are given on page 90.

[A] Alternative performance measure ('APM').

A glossary of terms and alternative performance measures is provided on pages 89 and 90.

Rosemary Morgan
Chairman

Results

The year to 30th September 2020 was a volatile one for global equity markets and a negative one for investors in India, as indicated by our benchmark index, the MSCI India Index (in sterling terms), which returned -4.2%. Unfortunately, your Company performed poorly, both in absolute and relative terms, with a total return on net assets of -16.2% over the year. The share price fell sharply, from 744.0p to 571.5p, and the discount widened out from 9.3% at the beginning of the year to 16.8% at the year end, resulting in a total return to shareholders of -23.2%.

This is disappointing and over the past few months the Board has had regular meetings with the Investment Managers to understand the reasons for the Company's underperformance and the steps that are being taken to address it. Whilst the fundamental principles of the investment process have not changed, the portfolio has been repositioned and the number of stocks within the portfolio has increased in order to reduce stock specific risk. We expect that these changes, which are ongoing, will bring about a significant improvement in performance.

The Board judges performance over the longer term and the underperformance in recent years means that the Company has now underperformed the benchmark index over three, five and ten years. We continue to support the Investment Managers in their process and their stock picking rationale but, as you would expect, the Board is monitoring performance closely. In addition, the appointment of Ayaz Ebrahim as joint Investment Manager provides greater oversight, in particular of portfolio construction and risk.

In their report which follows, the Investment Managers set out the key factors affecting the portfolio's performance as well as the Indian economy and equity market over the financial year and give their view of the prospects for the future.

Tender Offer

At a General Meeting of the Company held on 5th February 2020, shareholders gave authority for the Company to make market purchases of its shares in connection with a tender offer of up to 25% of the issued share capital. A total of 26,143,735 shares were repurchased and cancelled.

Gearing

In August, the Company's floating rate £100 million loan facility with Scotiabank matured and was replaced with a smaller, £30m, two year facility with ING Bank. The facility provides the Investment Managers with the flexibility to gear the portfolio when they believe it is appropriate. At the end of the financial year the loan was fully drawn but not fully invested and the portfolio was 1.1% net cash, i.e. 98.9% invested. At the time of writing, the Company's portfolio is approximately 0.1% net cash.

Taxation

As we have explained previously, the India-Mauritius tax treaty was amended with effect from May 2017, since when the advantages of investing in India via Mauritius have, to a large degree, been removed. However, it remains advantageous for the Company to continue to hold its investments made prior to February 2018 through the Mauritius subsidiary company until such time as the Investment Managers decide to reduce or sell those holdings. Therefore the process to move the Company's assets to the UK parent company through natural trading continues and this may take a few more years to complete. At the time of writing approximately £290 million of the Group's investments, equating to almost 50%, are held directly by the parent company.

IFRS 10

Consistent with the past three financial years, the financial statements of the Company contained in this Annual Report have been prepared in accordance with the amended IFRS 10. As a result, the financial statements do not consolidate our Mauritian subsidiary, which held 48.5% of our investment portfolio at the year end. As a consequence of the non-consolidation of the Mauritian subsidiary's financial statements, it is the Board's view that these financial statements do not disclose the full cost of operating the enterprise or the total level of our liabilities. Therefore, we continue to seek to provide shareholders with a fuller picture of the combined operations of the Company and its subsidiary during the year, and their combined financial position as at 30th September 2020, by including in note 24 supplemental information and reconciliations to the statutory financial statements, i.e. figures which are comparable to those which were reported in years prior to 2017. As this information is within the notes to the financial statements it is audited. The Board again encourages shareholders to consider these figures if they want to judge how the Company has performed this year, alongside the statutory financial statements.

Discount and Share Repurchases

The discount at which the Company's shares trade widened out over the course of the year, from 9.3% to 16.8%. This was consistent with a general widening of discounts across the investment trust industry in the face of the COVID-19 pandemic, but single country funds were particularly impacted.

In addition to the shares repurchased pursuant to the tender offer (see above), the Company repurchased 323,740 shares into Treasury during the year. Subsequent to the financial year end, a total of 452,605 shares have been repurchased and, as at the date of this report, a total of 21,818,991 shares are held in Treasury for possible reissue or cancellation. The Board believes that the ability to repurchase shares in the market at a discount to net asset values remains an important tool in the management of discount volatility and is, therefore, seeking approval from shareholders to renew the authority to repurchase the Company's shares at the forthcoming AGM.

Management Fee

The investment management fee has been reduced from 1% per annum on gross assets up to £300 million and 0.75% on gross assets over £300 million, to 0.75% on the first £300 million of gross assets and 0.60% on gross assets in excess of £300 million. This change was agreed in October but has been backdated to take effect from 1st February 2020. The Board was pleased with the result of the constructive discussion with the Manager, JPMAM, as this reduction in management fees aligns the Company with a general trend prevailing across the market. It will reduce the Company's ongoing charges ratio and, we hope, should make the Company more attractive for investors.

Investment Manager

As announced in June, after 26 years with JPMorgan and nearly 30 years working in finance, Rukhshad Shroff, the Company's joint portfolio manager, decided to retire from asset management and he left JPMAM in September. We wish him well for the future.

The Company's portfolio is managed on a joint investment manager basis and Rajendra Nair continues to manage the Company's investments. With effect from 1st August 2020, Raj was joined as co-manager by another highly experienced investment professional, Ayaz Ebrahim. Ayaz is the co-head of the Asia Pacific Regional team within the JPMAM Emerging Markets and Asia Pacific ('EMAP') equities team. He has 30 years of experience in the industry and also chairs the Asia Pacific Asset Allocation Committee. Raj and Ayaz continue to work closely with the team of 42 research analysts based around the world who have, on average, 14 years of experience.

The Board has reviewed the investment management, company secretarial, sales and marketing services provided to the Company by JPMorgan Funds ('JPMF'). This annual review included the investment performance record, management processes, investment style, resources and risk control mechanisms. While the Board is satisfied that JPMorgan has the appropriate capabilities in all areas, it will continue to keep investment performance under close review. Notwithstanding the recent underperformance, the Board believes that the continuing appointment of JPMF for the provision of these services, on the new terms agreed, is in the best interests of shareholders as a whole.

The Board

Richard Burns retired from the Board at the AGM last February, following the appointment of Vanessa Donegan and Jeremy Whitley. Nimi Patel will step down from the Board at the conclusion of the AGM in February 2021. On behalf of the Board, I would like to thank Nimi for her contribution to the Board over the past nine years and we wish her well for the future.

Hugh Sandeman has indicated his intention to step down in 2022. Therefore, we will commence the process to replace Hugh in late 2021.

In accordance with corporate governance best practice, all Directors, other than Nimi, will stand for reappointment at the forthcoming AGM.

Adoption of new Articles of Association

The Board is proposing that the Company adopt new Articles of Association to enable it to hold shareholder meetings whereby shareholders are not required to attend in person at a physical location. This will facilitate shareholder attendance in circumstances where they are prevented, through laws or regulations, from attending a physical location. The Board has no current intention of holding "virtual" meetings and would only use this power when it believes that it is in shareholders' best interests, i.e. so that shareholders can attend the meeting when they would not be able to otherwise. Details of other changes in the proposed new articles of association are summarised on page 88.

Annual General Meeting

The AGM will be held at JPMorgan's office at 60 Victoria Embankment, London EC4Y 0JP on Tuesday, 2nd February 2021 at 12.00 noon.

As a consequence of the continued prevalence of COVID-19 and Government advice to limit public gatherings, the Board has had to revise the format of this year's AGM. Only the formal business of the AGM will be considered and there will be no presentation from the Investment Manager. Therefore shareholders will not be allowed to attend the AGM in person and anyone seeking to attend the meeting will be refused entry.

In advance of the meeting, we will upload to the Company's website a presentation from Rajendra Nair, reviewing the past year and giving his view on the outlook for India for the current year. Shareholders are encouraged to raise any questions on the presentation, or on the business to be conducted at the AGM, with the Company Secretary in advance of the AGM via the 'Ask a Question' link on the Company's website. Any questions received will be replied to by the Company Secretary, the Chairman or the Chairman of the Audit Committee as appropriate.

In light of the changed format, the Board strongly encourages all shareholders to exercise their votes in respect of the meeting in advance, by completing and returning their proxy forms. This will ensure that the votes are registered.

In the event that the situation changes the Company will update shareholders through an announcement to the London Stock Exchange and on the Company's website.

Outlook

We continue to live in challenging times as the second wave of COVID-19 creates difficulties for all of us and threatens economies, industries and companies across the world. Development of vaccines brings hope of a return to normality and a sustained global economic recovery but that is clearly going to take some time yet and the outlook for the short term remains unpredictable. The Board is encouraged by the stabilisation of performance relative to the benchmark since the year end and evidence that the investment team continue to identify solid long term investment opportunities, despite market volatility. We remain confident that India's demographic profile, infrastructural needs and well educated population support the longer term investment case.

Rosemary Morgan
Chairman

22nd December 2020

Rajendra Nair
Investment Manager

Ayaz Ebrahim
Investment Manager

The year in review

Against the backdrop of perhaps the most extreme environment the world has encountered in a generation, the Company's return on net assets for the year to 30th September 2020 was -16.2%, underperforming its benchmark, the MSCI India Index, which returned -4.2% (on a total return, net basis, in sterling terms). This is a disappointing performance and in the report which follows we seek to explain the factors behind this and the changes that we are making to reposition the portfolio.

Tender Offer

In order to facilitate the Company's 25% tender offer to shareholders that was undertaken in February, we reduced our investments proportionately across the portfolio and as a result the tender itself had no impact on the shape of the portfolio.

Market review: The Perfect Storm

At the beginning of the financial year, there was an element of euphoria following the Modi government's decisive election victory, even though economic growth had decelerated steadily through his first term and touched an eight year low of 3.1% annual real rate of GDP growth in the first quarter of 2020. This was due to a combination of factors, including liquidity challenges in pockets of the financial sector, which affected credit availability to sectors such as real estate, compounded by an anaemic investment cycle. The problems in the financial sector came to a head with the implosion of Yes Bank in February, which forced the regulator (the Reserve Bank of India, the 'RBI') to intervene and orchestrate a rescue by a consortium of banks led by the State Bank of India.

Financial markets around the world convulsed in February and March in reaction to the rapid spread of Covid 19. On March 25th, Prime Minister Modi announced an unprecedented national lockdown, which was enforced for more than two months. While this undeniably reduced the immediate risk posed by the virus, the unintended consequences, particularly on the vulnerable segments of the population, were devastating. To ease the pain of the lockdown, the government announced a series of measures, including cash handouts and provision of food grains. However, the quantum of fiscal stimulus was modest due to fiscal constraints and the need to maintain the country's sovereign credit rating, which is already the lowest in the investment grade category. The monetary stimulus measures announced by the RBI were much more effective, particularly the moratorium on almost all debt servicing, which was in place for six months until the end of August and provided crucial liquidity support to borrowers during a period of total freeze in economic activity. The RBI also provided liquidity support to wholesale lenders through the banking system, which led to a stabilisation of their financing costs and further reduced systemic risks. Nevertheless, the economic impact of the lockdown was severe, with GDP declining by almost 24% year- on-year in the second quarter of 2020. The government gradually eased the lockdown restrictions from June. While this led to a rapid recovery in economic activity, the virus spread dramatically throughout the country, particularly as migrant labourers finally managed to return to their homes in rural India. Consequently, India rapidly became second only to the United States in terms of the number of infections.

More positively, the Modi government used its strong mandate and the crisis to initiate long overdue structural reforms. This included a comprehensive incentives plan to encourage global manufacturing to shift to India, particularly to reduce the dependence on China. Another key element of this strategy is the radical simplification of labour laws to encourage job creation in the manufacturing sector.

Spotlight on stocks and sectors

The core of our investment philosophy is focused on identifying superior growth opportunities with a long-term horizon and a disciplined valuation framework.

The year under review was extremely challenging with the Company underperforming the benchmark by 12.0% as both stock selection and sector allocation detracted from performance.

The tilt towards cyclically oriented sectors hurt performance. The long-standing overweight position in our favoured sector of private banks was the largest detractor; our emphasis on quality names did not help as the sector was indiscriminately sold down due to the turmoil in the macro environment. Specifically, the overweight exposure to IndusInd Bank was the largest detractor in the sector as the stock fell sharply due to concerns about its loan book, in the backdrop of the implosion of Yes Bank. Other core holdings in private banks, such as HDFC Bank and Kotak Mahindra Bank also underperformed even though their businesses did well through the period and continued to gain market share from state-owned banks. We believe this positive trend is likely to continue and remain confident about their prospects in the long term. Over the period under review, our underweight positions in corporate lenders such as ICICI Bank and State Bank of India, and other financials such as Bajaj Finance and Bandhan Bank, helped to mitigate the negative impact of our overweight exposure to the financial sector.

The exposure to cyclically oriented sectors such as industrials (Larsen & Toubro), building materials (Ultratech Cement and ACC) and consumer discretionary (Tata Motors and EIH) were among the other key detractors as the cyclical outlook deteriorated, particularly after the outbreak of the virus. The underweight in the healthcare sector also negatively impacted performance as the sector rallied across the board following the outbreak of the pandemic.

At a stock level, our large underweight position in Reliance Industries was the biggest detractor from relative performance during the period under review, accounting for over 25% of the total underperformance for the year. Despite the extreme environment, Reliance Industries rose over 50% in response to the positive announcement of a series of divestments in its telecom and retail businesses. This boosted sentiment and, more importantly, helped the company reduce debt. During the pandemic-led sell off in February/March, the stock fell more than 40% from its previous peak in December 2019. At that point valuations became sufficiently attractive, and we initiated a position, almost halving the underweight exposure.

Stock selection in the consumer staples sector was another critical detractor, as the key overweight positions in ITC and United Spirits underperformed the market.

By way of contrast, the large holdings in major IT services companies (Infosys Technologies and Tata Consultancy Services) contributed positively to relative performance. We had added Infosys at the beginning of the review period, when the share price fell sharply in October 2019 following certain whistle blower allegations against the CEO and CFO. At that point, we felt that a strong board led by the highly respected Chairman, Mr. Nandan Nilekani, would handle this issue in a responsible and effective manner. Subsequently, we increased the exposure when an independent investigation found no merit in those allegations. The timing turned out to be fortuitous since the sector performed exceedingly well due to its resilience in coping with the pandemic, as the workforce switched seamlessly to working from home, with negligible disruption.

The overweight position in a number of mid and small cap stocks in the healthcare sector (Apollo Hospitals and Dr. Lal Pathlabs) and certain others, such as Multi Commodity Exchange ('MCX') and Jubilant Foodworks, were among the other key positive contributors. As noted above, the healthcare sector did well across the board, while MCX benefitted from the spike in volatility in commodities such as oil and gold. Jubilant Foodworks, which is the master franchisee of Domino's Pizza in India, benefited as consumers switched to delivery during the pandemic.

Investment approach and portfolio

In a period of extreme uncertainty, our bottom-up approach has been based on focusing on businesses with the ability to successfully navigate the uncertain environment. This inevitably means having a balance sheet with minimal debt and management teams with strong breadth and depth of talent.

Consequently, we made several changes to the portfolio during the year. The additions broadly fall in the following two categories:

1. Cyclicals: As economic activity recovered following tentative signs of a peak in the infections, we selectively added to a few stocks that will benefit from the eventual recovery in the economy such as Bajaj Auto, Eicher Motors, ACC and corporate banks such as ICICI Bank.

2. Idiosyncratic opportunities that have attractive growth prospects and are not overly dependent on a cyclical recovery. These are largely, though not limited to, mid and small cap companies such as L&T Technology Services, Biocon, HDFC Life Insurance, Kajaria Ceramics, CRISIL and TeamLease Services. We financed these additions by reducing several holdings such as HDFC Bank, Tata Consultancy Services, ITC and Apollo Hospitals. We also exited a few holdings including IndusInd Bank, EIH, Lemon Tree Hotels and SBI Cards.

Gearing

Given the levels of domestic and global uncertainty, we have adopted a cautious stance on gearing. The Company's current gearing level is 0.1% net cash (-5.4%, or 94.6% invested, as at 30th September 2019).

Environment, Social and Governance ('ESG') Issues

In recent years, the integration of ESG considerations have become formalised in our investment process. There is an increasing focus on ESG and sustainable investing and for the first time this year, this annual report includes a separate report (on pages 13 to 15) which provides comprehensive information on these issues and how they have been developed and integrated into the Manager's investment process.

PERFORMANCE ATTRIBUTION

FOR THE YEAR ENDED 30TH SEPTEMBER 2020

	%	%
Contributions to total returns		
Benchmark return		**(4.2)**
Sector allocation	(7.0)	
Stock selection	(5.1)	
Currency effect	1.0	
Gearing/(net cash)	–	
Investment Manager contribution		(11.1)
Portfolio return		**(15.3)**
Management fee/other expenses	(1.0)	
Share buybacks/issuance	0.1	
Return on net assets[A]		**(16.2)**
Return to shareholders[A]		**(23.2)**

Source: Factset, 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.

[A] Alternative performance measure ('APM').

A glossary of terms and alternative performance measures is provided on pages 89 and 90..

Outlook

Although markets have rebounded significantly since September, the outlook in the near term remains clouded by the pandemic. The silver lining is that there are distinct signs of a peak, with the daily rate of confirmed cases falling sharply from almost 100,000 per day in mid-September to below 30,000 at the time of writing. Furthermore, the fatality rate has also fallen steadily to 1.5%, which is materially lower than global averages. There is a risk of a second wave, as witnessed in other parts of the world, following the onset of winter in North India. Nevertheless, the implicit assumption is that the government will respond to a possible second wave with localised lockdowns, and consequently the economic disruption is unlikely to be as severe as we experienced earlier this year. Consensus forecasts imply a "V-shaped" recovery in economic activity, with the economy expected to contract by 5-10% in FY 2021 and rebound by 8-10% in the following year. This is also reflected in the earnings forecasts across most companies.

Progress on the development of a vaccine will also gradually ease the pandemic related risks. In this regard, India is relatively well placed as one of the largest vaccine manufacturers in the world. Subject to regulatory approvals, vaccines are expected to be available from early next year, although vaccination on a reasonably large scale will be complex and undoubtedly take a long time.

Notwithstanding these challenges, the Indian economy remains at a nascent stage of development with a long runway of growth. In this context, it is worth noting that while the structural reforms recently unveiled by the Modi government are unlikely to make a material difference to the economic outlook in the near term, they have the potential to boost the sustainable growth rate of the economy over the next decade. This presents a fertile environment for well-managed companies across a wide spectrum to grow profitably for a long time. This combination of an attractive top-down outlook and a large and diverse investable universe makes India a compelling opportunity for investors with a long-term horizon.

Rajendra Nair, CFA
Ayaz Ebrahim
Investment Managers

22nd December 2020

J.P.Morgan Asset Management's approach to ESG

Introduction

ESG is an acronym which stands for Environmental, Social and Governance. It has become a convenient label for describing the broad field of sustainability in the corporate sector and is widely used when assessing the environmental impact of businesses, when considering how companies acquit themselves in respect of their broad social responsibilities and when reviewing the practices and standards used in governing corporate organisations.

Awareness of these issues has increased significantly in recent years among investment practitioners and their clients, and indeed in society at large, and our practices at J.P.Morgan Asset Management have been at the forefront of these developments. In these pages we explain how our approach has developed and how it is applied for the benefit of shareholders across the J.P.Morgan range of investment trusts.

The basics: what is ESG?

E is for Environmental. This component considers a company's impact on the world we live in, relating to the quality and functioning of the natural environment and natural systems.

S is for Social. Social factors address the way that companies act within society; this includes the way that employee interests are managed, and the broader impact a company has on society.

G is for Governance This component relates to how companies are managed. It considers the measures that protect shareholder interests as well as the way any company meets regulatory and other external obligations.
The table below provides illustrative examples of ESG issues in each of the **E**, **S** and **G** categories:

Environmental	Social	Governance
Carbon pollution and emissions	Human rights	Board structure: effectiveness, diversity, independence
Environmental regulations (and adherence)	Diversity	Executive pay and criteria
Climate change policies	Health and safety	Shareholder rights
Sustainable sourcing of materials	Product safety	Financial reporting and accounting standards
Recycling	Employee management	How a business is run
Renewable energy use	Employee well-being	
Water and waste management	Commitment to communities	

What is our approach at J.P.Morgan Asset Management?

We have worked hard over a number of years to demonstrate effective ESG integration in investment processes, not just in the equity funds we manage, but across all asset classes including Fixed Income, Real Assets, Alternatives and Multi-Asset Solutions, with approaches which have been vetted for effectiveness by a central Sustainability Investing Leadership team. At the time of writing, we can show 100% ESG integration across our actively managed products.

For our equity product range, this integration does not simply involve paying external vendors for ESG information; it rests heavily on our own proprietary research and on the team of 150 analysts who cover stocks around the world, from the USA to Japan. Our research teams complete a standard checklist of 40 ESG questions on every company they follow as part of the Strategic classification process, 12 on environmental issues, 12 on social factors and 16 relating to governance. Strategic Classification is the first step in the research process, which leads to a company being classified as Premium, Quality or Trading based on the analyst's assessment of the business across multiple factors such as economics, duration, governance and risks. From your Company's perspective, our process has been naturally aligned with ESG to some extent due to the orientation towards Premium and Quality businesses. This is reflected in the fact that 74% of the portfolio (as at 30th November 2020) is invested in Premium and Quality names, compared to 52% for the benchmark. Investors also work with a central Stewardship team which sets priorities for corporate engagement both in terms of issues and in terms of significant individual investments held in portfolios. Over recent years as a result of collective pressure from investors we have seen that companies have become increasingly transparent in terms of ESG reporting and we expect this trend to continue.

Our Emerging Markets and Asia Pacific Equity team, which is responsible for the management of your Company's portfolio, has been in the vanguard of these efforts over the last decade. Our most basic requirement of analysts covering any company includes a specific focus on governance and has done for over two decades. We first implemented a checklist addressing sustainability in a broad sense in 2013 and we continue to use this today. More recently, we have developed a materiality framework to ensure that consideration of the most critical sustainability factors in any industry is placed at the centre of all investment research that we carry out on companies.

Why do we integrate ESG into our investment processes?

First, consideration of sustainability is intrinsic to a long term approach to investment. When we invest our clients' assets for them, we have to make judgements about future risks and rewards of any investment. Those risks and rewards have always included the factors shown in the table above, and indeed all ESG factors, because all of them have the potential to affect the future value of a security. A business that produces huge amounts of carbon emissions or plastic waste, for example, is likely to find itself the subject of scrutiny from regulators and consumers and failure to anticipate this and to change will likely bring a loss of value for shareholders in the long run. The same is true of businesses that neglect their social responsibilities, or fail in matters of governance. In all these instances, investors will eventually assign a higher discount rate to future cash flows, with consequences for the prices of that company's securities.

As public and official attention has grown in the field of ESG, however, the consequences for investment returns have become more and more important in the overall investment judgement. Thirty years ago, as long as a company met existing regulations, its environmental impact would probably have been taken for granted by many. Now, the significance of these issues seems critical in any assessment of an industry, and the capital markets have discriminated starkly between companies which are offering compelling narratives of transition to a low-carbon approach, and those which have yet to do so. So ESG has simply become a bigger and more important part of any investment judgement and our research processes have needed to evolve accordingly.

Second, our clients require that we consider sustainability factors. Both clients and regulators are paying far more attention to this field, and we as investors must meet their requirements for incorporating ESG in our investment processes, and be able to show how we do this. Demonstrating how ESG is addressed is now a basic requirements for any serious asset manager. As our clients' interest and requirements in the field of ESG have grown, so we have enhanced our capability.

Finally, the asset management industry itself has responsibilities and obligations, not only to our clients, but as a social actor in a broader sense. We have a duty not just to produce good investment outcomes for our clients, but to be a responsible corporate citizen. This cannot be credibly done if the core practice of our industry, investment management, is not included in the effort. We must consider the broader consequences of the investment choices that we make for our clients. Given the evolution of public policy, client scrutiny, public attitudes and trends in the corporate world, it is clear that consideration of ESG has become a key component of the way the industry approaches its fiduciary responsibilities.

Engagement and Voting

As mentioned elsewhere in this annual report, we seek to act as a responsible and engaged shareholder of businesses on behalf of our clients. We engage with all companies owned in your Company's portfolio on a regular basis, often several times in the course of a year. We do this not just to further our understanding of businesses, but to convey to management any concerns, suggestions or opinions that we have. Ongoing, meaningful dialogue with the management of companies owned by your Company is fundamental to our investment process. Examples of engagement during the year under review include in relation to the sub-optimal allocation of capital by a portfolio company, which has been a drag on value over the years; and the impact on minority shareholders as a result of increasing global collaboration by the parent company. As part of the continuing review by our analysts they ensure that any concerns with ESG factors are discussed during meetings with portfolio companies.

Alongside this direct engagement, we endeavour to vote at all of the meetings called by companies in which your portfolio invests. A summary of key voting statistics and activity undertaken in respect of stocks in the Company's portfolio for the 12 months to 30th September 2020 is detailed below. On behalf of the Company, J.P.Morgan voted at all of the annual general meetings and extraordinary meetings held during the year by its portfolio companies.

JPMorgan Indian Investment Trust plc: Voting at shareholder meetings over the year to 30th September 2020

	For	Against	Abstain	Against/ Abstain Total	Total Items	% Against/ Abstain
Routine Business	57	0	1	1	58	1.7
Director Related	71	0	8	8	79	10.1
Capitalisation	6	0	0	0	6	0
Reorganisation and Mergers	6	0	2	2	8	2
Non-salary Compensation	17	0	13	13	30	43
Miscellaneous	16	0	0	0	16	0
TOTAL	**173**	**0**	**24**	**24**	**197**	**12.2**

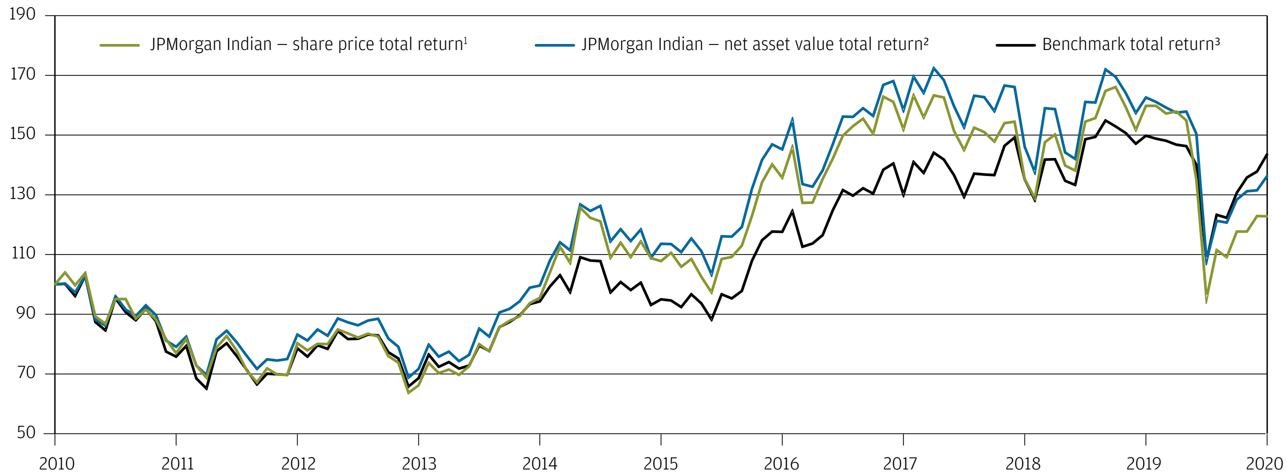
The future

In investing your Company's assets over the last two decades and more, we have always looked for companies with the ability to create value in a sustainable way. That scrutiny remains firmly embedded in our process and we know that our clients, including the Directors of your Company, view attention to ESG factors as critical in their assessment of us as investment manager. We expect ESG to remain a dominant theme within the financial services industry and the course being taken by regulators suggests that its importance will only increase in years to come. Our research process and the investment judgements we make will continue to reflect that and to evolve as necessary.

J.P.Morgan Asset Management

TEN YEAR PERFORMANCE

FIGURES HAVE BEEN REBASED TO 100 AT 30TH SEPTEMBER 2010



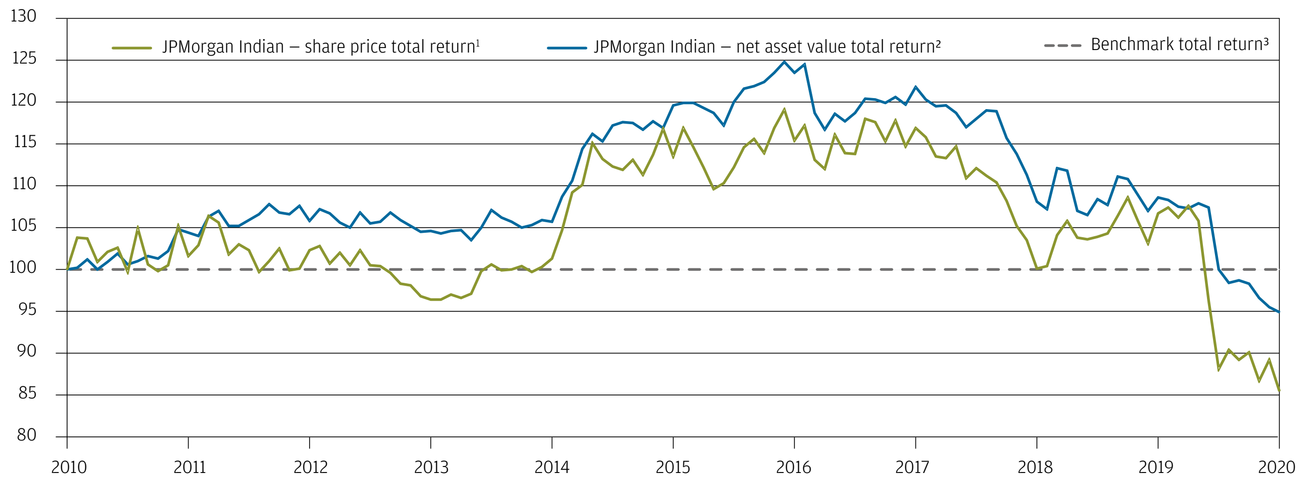
[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan, using net asset value per share.

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

TEN YEAR PERFORMANCE RELATIVE TO BENCHMARK

FIGURES HAVE BEEN REBASED TO 100 AT 30TH SEPTEMBER 2010



[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan, using net asset value per share.

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

TEN YEAR FINANCIAL RECORD

At 30th September	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Shareholders' funds (£'m)	600.0	473.7	488.2	382.6	530.8	605.0	770.7	840.0	770.1	857.6	535.0
Net asset value per share (p)[A]	504.0	398.7	419.1	361.6	502.2	572.3	731.8	797.8	736.5	820.1	687.1
Share price (p)	465.5	358.3	374.0	308.0	444.8	502.0	631.5	707.0	630.0	744.0	571.5
Share price discount to net asset value per (%)[A]	7.6	10.1	10.8	14.8	11.4	12.3	13.7	11.4	14.5	9.3	16.8
(Net cash)/gearing (%)[1,A]	(0.2)	(2.8)	(2.7)	(2.8)	5.5	1.5	7.0	7.4	0.3	(5.4)	(1.1)
£/INR exchange rate[2]	70.0	76.3	85.6	101.1	99.9	99.6	86.4	87.6	94.5	87.3	95.4

Year ended 30th September											
Gross revenue return (£'000)[3,A]	6,273	7,201	6,333	5,886	6,676	6,137	6,759	9,353	8,340	9,269	7,629
Revenue (loss)/earnings per share (p)[3,A]	(1.51)	(1.36)	(0.66)	(1.21)	0.53	(2.21)	(1.75)	(1.37)	(2.06)	(0.10)	(0.13)
Ongoing charges (%)[1,A]	1.50	1.50	1.49	1.52	1.27	1.24	1.22	1.19	1.09	1.06	1.02

Rebased to 100 at 30th September 2010											
Total return to shareholders[4,A]	100.0	77.0	80.3	66.2	95.5	107.8	135.7	151.9	135.3	159.8	122.8
Total return on net assets[5,A]	100.0	79.1	83.2	71.7	99.6	113.6	145.2	158.3	146.1	162.6	136.3
Benchmark total return[6]	100.0	75.8	78.6	68.6	94.3	95.0	117.6	130.0	135.2	149.8	143.6

[1] All figures presented at the group level. Details of the basis of calculation are given on page 89.

[2] Source: Bloomberg.

[3] All figures presented at the group level. See page 75.

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

[5] Source: Morningstar/J.P. Morgan, using net asset value per share.

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

[A] Alternative performance measure ('APM').

A glossary of terms and alternative performance measures is provided on pages 89 and 90.

TEN LARGEST INVESTMENTS

AS AT 30TH SEPTEMBER

Company	Sector	2020 Valuation £'000	%[1]	2019 Valuation £'000	%[1]
Tata Consultancy Services	Information Technology	55,141	10.4	72,129	8.9
Infosys[2]	Information Technology	54,028	10.2	–	–
Housing Development Finance	Financials	45,449	8.6	79,860	9.8
Reliance Industries[2]	Energy	41,916	7.9	–	–
HDFC Bank	Financials	26,364	5.0	85,813	10.6
Maruti Suzuki India	Consumer Discretionary	22,822	4.3	48,358	6.0
Kotak Mahindra Bank	Financials	19,344	3.6	42,739	5.3
UltraTech Cement	Materials	19,024	3.6	40,863	5.0
ITC	Consumer Staples	18,746	3.5	48,967	6.0
Axis Bank	Financials	18,704	3.5	53,293	6.6
Total		**321,538**	**60.6**		

[1] Based on total investments at the group level of £530.7m (2019: £811.4m).

[2] Not held in the portfolio at 30th September 2019.

At 30th September 2019, the value of the ten largest investments amounted to £553.4 million representing 68.2% of total investments.

The above top ten has been prepared on a 'look-through' basis to include investments held by the subsidiary.

SECTOR ANALYSIS

AS AT 30TH SEPTEMBER

	2020 Portfolio %[1]	2020 Benchmark %	2019 Portfolio %[1]	2019 Benchmark %
Financials	26.1	21.7	43.3	24.3
Information Technology	20.6	18.8	8.9	17.5
Consumer Discretionary	11.8	8.4	13.1	8.5
Consumer Staples	9.6	11.2	7.3	11.2
Energy	9.5	18.8	1.3	15.8
Industrials	7.2	2.7	12.3	4.5
Materials	5.7	7.6	10.0	8.2
Health Care	4.6	6.1	3.0	4.2
Communication Services	2.5	2.6	–	3.0
Utilities	1.7	1.9	–	2.8
Real Estate	0.7	0.2	0.8	–
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments at the group level of £530.7m (2019: £811.4m).

The above sector analysis has been prepared on a 'look-through' basis to include investments held by the subsidiary.

LIST OF INVESTMENTS AT 30TH SEPTEMBER 2020

	Company £'000	Subsidiary £'000	Total £'000
FINANCIALS			
Housing Development Finance		45,449	45,449
HDFC Bank		26,364	26,364
Kotak Mahindra Bank		19,344	19,344
Axis Bank		18,704	18,704
Multi Commodity Exchange of India		7,924	7,924
CRISIL	5,541		5,541
ICICI Bank	5,196		5,196
HDFC Life Insurance	5,185		5,185
Motilal Oswal Financial Services		5,041	5,041
	15,922	**122,826**	**138,748**
INFORMATION TECHNOLOGY			
Tata Consultancy Services	7,258	47,883	55,141
Infosys	54,028		54,028
	61,286	**47,883**	**109,169**
CONSUMER DISCRETIONARY			
Maruti Suzuki India	3,950	18,872	22,822
Titan	9,945	981	10,926
Bajaj Auto	10,024		10,024
Jubilant Foodworks		8,372	8,372
Tata Motors	4,739		4,739
Endurance Technologies	3,125		3,125
Eicher Motors	2,752		2,752
	34,535	**28,225**	**62,760**
CONSUMER STAPLES			
ITC	8,577	10,169	18,746
Hindustan Unilever	16,887		16,887
United Spirits	9,524	5,593	15,117
	34,988	**15,762**	**50,750**
ENERGY			
Reliance Industries	41,916		41,916
Bharat Petroleum	8,255		8,255
	50,171		**50,171**

	Company £'000	Subsidiary £'000	Total £'000
INDUSTRIALS			
Larsen & Toubro	8,498	9,049	17,547
Kajaria Ceramics	3,575		3,575
Gujarat Pipavav Port		3,483	3,483
Godrej Industries		3,223	3,223
TeamLease Services	2,827		2,827
L&T Technology Services	2,787		2,787
Cummins India		2,500	2,500
ABB India	1,530	843	2,373
	19,217	**19,098**	**38,315**
MATERIALS			
UltraTech Cement		19,024	19,024
Shree Cement		4,985	4,985
Castrol India	3,546		3,546
ACC	2,771		2,771
	6,317	**24,009**	**30,326**
HEALTH CARE			
Apollo Hospitals Enterprise	15,822		15,822
Dr Lal PathLabs		5,508	5,508
Biocon	2,799		2,799
	18,621	**5,508**	**24,129**
COMMUNICATION SERVICES			
Bharti Airtel	13,361		13,361
	13,361		**13,361**
UTILITIES			
Communication Services	9,134		9,134
	9,134		**9,134**
REAL ESTATE			
Ascendas India Trust	3,864		3,864
	3,864		**3,864**
TOTAL	**267,416**	**263,311**	**530,727**

Business Review

The Strategic Report's aim is to provide shareholders with information to assess how the Directors have performed their duty to promote the success of the Company during the year under review. To assist shareholders with this assessment, the Strategic Report sets out the structure and objective of the Company, its investment policies and risk management, investment restrictions and guidelines, performance and key performance indicators, share capital, the Company's environmental, social and ethical policy, principal risks and how the Company seeks to manage those risks and finally its long term viability.

Following an amendment to International Financial Reporting Standard 10 ('IFRS 10'), effective since the 2017 financial year, the Company has not been permitted to consolidate its subsidiary (see note 2(c) on page 55 for details). The financial statements and accompanying notes presented are 'Company-only' financial statements with the subsidiary shown as an investment held at fair value through profit or loss in the Statement of Financial Position.

To allow shareholders to compare the Company's performance and financial position with historically published figures which were prepared on a consolidated basis, the Company has produced supplemental information and reconciliations between the statutory 'Company-only' financial statements and figures that would have been published prior to the change to IFRS 10. These are disclosed in note 24 to the financial statements on pages 74 to 79. Performance measures referred to in this Business Review are calculated on this consolidated basis.

The Company's purpose, values, strategy and culture

The purpose of the Company is to provide a cost effective, sustainable investment vehicle for institutions and individuals who wish to invest in Indian companies, which outperforms its benchmark index over the longer term, taking account of wider issues including environmental, social and governance. To achieve this, the Board of Directors is responsible for employing and overseeing an investment management company that has appropriate resources and controls in place to meet the Company's investment objective. The Board's approach is designed to ensure that it comprises Directors from diverse backgrounds who have a breadth of relevant experience and contribute in an open boardroom culture that both supports and challenges the investment management company and its other third party suppliers.

Structure and Objective of the Company

JPMorgan Indian Investment Trust plc is an investment trust company that has a premium listing on the London Stock Exchange. Its objective is to achieve capital growth from investments in India. In seeking to achieve this objective the Company employs JPMF to actively manage the Company's assets. The Board has determined an investment policy and related guidelines and limits, as described below. It aims to outperform the MSCI India Index (expressed in sterling terms).

The Company is subject to UK and European legislation and regulations including UK company law, Financial Reporting Standards, the UKLA Listing, Prospectus, Disclosure Guidance and Transparency Rules, Market Abuse Regulation, taxation law and the Company's own Articles of Association. The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010) for the year ended 30th September 2013 and future years. The Directors have no reason to believe that approval will not continue to be obtained. 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.

Investment Policies and Risk Management

In order to achieve its investment objective and to seek to manage risk, 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 Company does not invest more than 15% of its gross assets in other UK listed closed-ended investment funds (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 closed-ended investment funds.

Investment Restrictions and Guidelines

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

- The Company can invest in companies that 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.

- A maximum investment, at the time of purchase, of 20% in any group.
- At the 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.
- Gearing may be used 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 2020, the Company produced a total return to shareholders of -23.2% (2019: +18.1%), and a total return on net assets of -16.2% (2019: +11.4%). This compares with the total return on the Company's benchmark index of -4.2% (2019: +10.8%). At 30th September 2020, the value of the investment portfolio at the group level was £530.7 million (2019: £811.4 million). The Investment Managers' Report on pages 9 to 12 includes a review of developments during the year as well as information on investment activity within the Company's portfolio and the factors likely to affect the future performance of the Company.

Total Income and Profit (Group Level)

Total loss for the year amounted to £100.5 million (2019: £94.1 million income) and the net loss after deducting administration expenses, interest and taxation, amounted to £109.1 million (2019: £87.5 million profit). Net revenue loss for the year amounted to £0.1 million (2019: £0.1 million loss). Please refer to note 24 for details.

Key Performance Indicators ('KPIs')

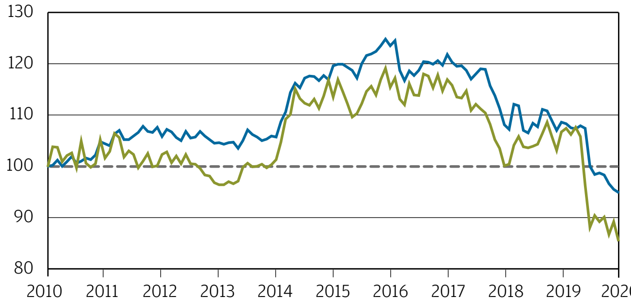
The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance against the benchmark index**

  The principal objective is to achieve capital growth and out-performance relative to the benchmark. 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 2010

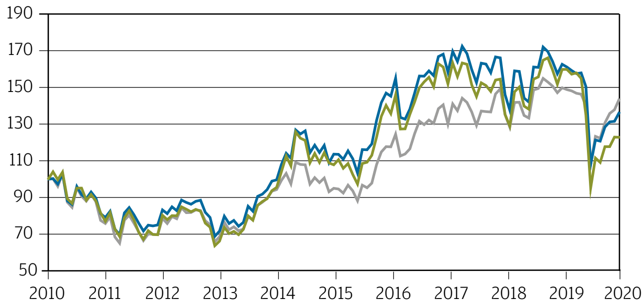


Source: Morningstar/J.P.Morgan/MSCI.

JPMorgan Indian – total return to shareholders.
JPMorgan Indian – total return on net assets.
Benchmark total return.

Ten Year Performance

FIGURES HAVE BEEN REBASED TO 100 AT 30TH SEPTEMBER 2010



Source: Morningstar/J.P.Morgan/MSCI.

JPMorgan Indian – total return to shareholders.
JPMorgan Indian – total return on net assets.
The benchmark total return.

- **Performance against the Company's peers**

  The Board also monitors the performance relative to a broad range of competitor funds.

- **Performance attribution**

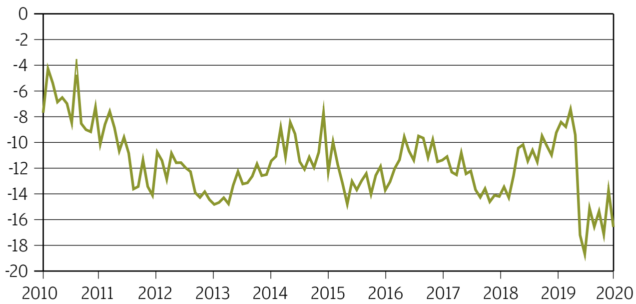
  The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation, stock selection and gearing. Details of the attribution analysis for the year ended 30th September 2020 are given in the Investment Managers' Report on page 11.

- **Share price discount to cum income net asset value ('NAV') per share**

  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 seeks to reduce the volatility and absolute level of the share price discount to NAV per share at which the Company's shares trade. In the year to 30th September 2020, the shares traded between a discount of 7.4% and 18.7% (based on month end data).

The Board has the ability to repurchase shares into Treasury and to issue them at a later date at a premium to NAV.

Discount



Source: Morningstar/J.P.Morgan.

JPMorgan Indian – share price discount to net asset value per share (based on month end data).

- **Ongoing charges**

  The ongoing charges are calculated at the group level and represent the management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average daily net assets during the year. The ongoing charges ratio for the year ended 30th September 2020 was 1.02% (2019: 1.06%). The Board reviews each year an analysis which shows a comparison of the Company's ongoing charges and its main expenses with those of its competitors.

Share Capital

The Directors have, on behalf of the Company, authority to issue new shares and shares out of Treasury, to repurchase shares to be held in Treasury and to repurchase shares for cancellation.

During the year to 30th September 2020, in addition to the 26,143,735 shares repurchased and cancelled pursuant to the tender offer, the Company repurchased a total of 323,740 shares into Treasury (2019: nil). A total of 452,605 shares have been repurchased since the year end.

The Board will seek shareholder approval at the forthcoming Annual General Meeting to renew the Directors' authority to issue new shares and repurchase shares into Treasury or for cancellation. More details are given on pages 30 and 31 and the full text of the resolutions is set out on pages 85 and 86.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board. At 30th September 2020, there were three male Directors and three female Directors on the Board.

Employees, Social, Community and Human Rights Issues

The Company has a management contract with JPMF. It has no employees and all of its Directors are non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Board requested the Manager to set out its approach to environmental, social and governance ('ESG') issues and its ESG report is set out on pages 13 to 15.

JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. Our detailed approach to how we implement the principles is available on request.

The Manager has implemented a policy which seeks to restrict investments in securities issued by companies that have been identified by an independent third party provider as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour and/or anti-personnel mines. Shareholders can obtain further details on the policy by contacting the Manager.

Greenhouse Gas Emissions

The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. *JPMAM is also a signatory to Carbon Disclosure Project. JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.*

The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. JPMorgan's statement on the MSA can be found on the following website: https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/JPMC-Group-Statement-on-Modern-Slavery-FY2019_Final-w-signature.pdf

Corporate Criminal Offence

The Company maintains zero tolerance towards tax evasion. Shares in the Company are purchased through intermediaries or brokers, therefore no funds flow directly into the Company.

Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The risks identified, including emerging risks, and the ways in which they are managed or mitigated are summarised as follows. The impact of the COVID-19 pandemic is inherent in all of these risks and is discussed by the Board on a regular basis.

With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. In assessing risks and how they can be mitigated, the Board has given particular attention to those risks that might threaten viability. These key risks fall broadly under the following categories:

- **Investment and Strategy**

  An inappropriate investment strategy, or poor execution of that strategy, for example stock selection, asset allocation or the level of gearing, may lead to under-performance against the Company's benchmark index and competitor funds.

  The Board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and reported by the Manager. JPMF also 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.

  Recent investment performance has been disappointing and the Board is monitoring performance closely.

  The Investment Managers employ gearing within a strategic range set by the Board.

- **Environmental**

  The Board has identified climate change as an emerging risk. Climate change could have a varying but significant impact on different regions, sectors and companies within India. The Investment Managers have set out the way in which environmental, social and governance issues are incorporated into their investment process on pages 13 to 15 and this is discussed with 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 monitors performance regularly as set out in the 'Investment Strategy' section above.

- **Legal and Regulatory**

  In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). Details of the Company's approval are given under 'Business of the Company' above. Were the Company to breach Section 1158, 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 1158 qualification criteria are continually monitored by the Manager and the results reported to the Board each month.

  The Company must also comply with the provisions of the Companies Act and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure Guidance and Transparency Rules ('DTRs'). A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended from listing which in turn would breach Section 1158.

  The Board relies on the services of its Company Secretary and its professional advisers to ensure compliance with the Companies Act and the UKLA Listing Rules and DTRs.

- **Taxation**

  Since the Company's launch, it has held the majority of its investments through its Mauritius based subsidiary company, thereby benefitting from the India/Mauritius Double Tax Treaty (the 'Treaty').

  In May 2016 the Treaty was amended and the advantage of investing in India via Mauritius, whereby gains made on investments held for less than 12 months were not previously subject to capital gains tax, was removed. As a result, gains on the sale of investments held for less than 12 months are now taxed at the rate of 15%. In 2018, the Indian government announced the introduction of a 10% capital gains tax on realised gains from investments held for more than 12 months. However, investments made before February 2018 are protected from this charge and as a result it is advantageous for the Company to continue to hold its historic investments through the Mauritian subsidiary company.

Therefore the assets will continue to move to the UK parent company over the coming years through natural trading.

- **Corporate Governance and Shareholder Relations**

  If the Company's share price lags the NAV by a significant level, this will result in lower returns to shareholders. The Board seeks to manage the volatility and absolute level of the discount by judicious use of its share repurchase authority, taking account of market conditions and the discount of companies in its peer group.

  Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement on pages 31 to 35.

- **Operational, including Cyber Crime**

  Loss of key staff of the Manager, such as the Investment Managers, could affect the performance of the Company. In this respect the Board receives information on contingency and succession planning from JPMF. Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the Depositary's or 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 the Manager and its associates and the key elements designed to provide effective internal control are included in the Risk Management and Internal Control section of the Corporate Governance Statement on pages 34 and 35.

  The threat of cyber attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security. The Board has received a summary of the cyber security policies of its key third party service providers and JPMF has confirmed that the Company benefits directly or indirectly from all elements of JPMorgan's Cyber Security programme. The information technology controls around the physical security of JPMorgan's data centres, security of its networks and security of its trading applications are tested by independent review and reported on every six months against the Audit and Assurance Faculty 01/06 ('AAF') standard.

  The risk of fraud or other control failures or weaknesses within the Manager or other service providers could result in losses to the Company. The Audit and Risk Committee receives independently audited reports on the Manager's and other service providers' internal controls, as well as a report from the Manager's Compliance function. The Company's management agreement obliges the Manager to report on the detection of fraud relating to the Company's investments and the Company is afforded protection through its various contracts with suppliers, including the Depositary's indemnification for loss or misappropriation of the parent Company's assets held in custody. The Company's Mauritian subsidiary company is not subject to the Alternative Investment Fund Managers Directive and therefore it has not appointed a depositary, but has its own custody agreement with similar indemnity provisions.

- **Financial**

  The financial risks faced by the Company include market price risk, currency risk, interest rate risk, liability risk, credit risk and borrowing default risk. Further details are disclosed in note 21 on pages 67 to 73. The Company has exposure to foreign currency as part of the risk reward profile inherent in a company that invests overseas. The income and capital value of the Company's investments are affected by exchange rate movements.

- **Political and Economic**

  The Company faces risks from possible policy changes including the imposition of restrictions on the free movement of capital. There continues to be political unrest in Hong Kong, where the Company's Investment Managers are based. The Board has been assured by the Manager that appropriate business continuity plans are in place, which are tested on a regular basis, to deal with such eventualities. The Board has identified border tensions in the region, leading to extreme market volatility and de-rating, as an emerging risk.

Long Term Viability

Taking account of the Company's current position, the principal risks that it faces, including the COVID-19 pandemic, and their potential impact on its future development and prospects, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next five years. They have made that assessment by considering those principal risks, the Company's investment objective and strategy, the investment capabilities of the Manager and the current outlook for the Indian economy and equity market. They have also taken into account the move of the assets from the Mauritian subsidiary to the UK parent company through natural trading over a number years, the fact that the Company has a continuation vote at the 2024 AGM and, with input from the Company's major shareholders and its brokers, the likelihood of shareholders voting in favour of continuation.

In determining the appropriate period of assessment the Directors had regard to their view that, given the Company's objective of achieving long term capital growth, shareholders should consider the Company as a long term investment proposition. This is consistent with advice provided by investment advisers, that investors should consider investing in equities for a minimum of five years. Thus the Directors consider five years to be an appropriate time horizon to assess the Company's viability.

The Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of assessment.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited
Company Secretary

22nd December 2020

Directors' Report

Rosemary Morgan (Chair)*†‡§^

A Director since December 2013.

Last reappointed to the Board: 2020.

Remuneration: £36,000.

Formerly a manager of Japanese equity portfolios at AIB Govett, she worked in institutional marketing and client liaison at Fidelity International and was Head of Asia and Emerging Markets (Multi Manager Funds) at Royal Bank of Scotland. Chair of Nippon Active Value Fund plc and director of Schroder Asia Pacific Fund plc.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 2,978 Ordinary shares.

Jasper Judd*†‡§^ (Chairman of the Audit and Risk Committee)

A Director since January 2015.

Last reappointed to the Board: 2020.

Remuneration: £31,000.

A qualified chartered accountant. He latterly spent ten years at Brambles Limited, an Australian headquartered multinational company listed on the Australian Stock Exchange (and formerly on the London Stock Exchange), where he held senior finance and strategy roles, including global head of strategy, and was a member of the global Executive Committee. He is a Non-executive director of Dunedin Income Growth Investment Trust plc.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 3,000 Ordinary shares.

Hugh Sandeman*†‡§^ (Senior Independent Director, Chairman of the Remuneration Committee)

A Director since October 2010.

Last reappointed to the Board: 2020.

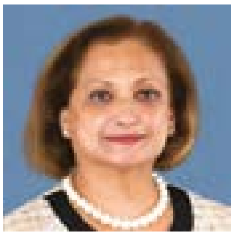
Remuneration: £26,000.

Over 25 years experience in investment banking, based in New York, Tokyo, London and Frankfurt principally with Dresdner Kleinwort. He is Senior Adviser to Langham Capital Limited and a Visiting Senior Fellow at LSE IDEAS.

Connections with the Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 19,000 ordinary shares.



Nimi Patel*†‡§^

A Director since December 2011.

Last reappointed to the Board: 2020.

Remuneration: £26,000.

Director, Squire Patton Boggs LLP. Until June 2015, a member of Herbert Smith LLP's corporate division and Head of Herbert Smith India Group. She assisted a number of Indian corporates, including the Tata Group, Reliance Industries and ICICI Limited, public sector undertakings and financial institutions on transactions in and outside India. With over 30 years' experience, Nimi now advises global investors on investment in and outside India, on strategy, governance and business issues.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 46,737 ordinary shares.

Vanessa Donegan*†‡§ˆ

A Director since February 2020.

Last reappointed to the Board: 2020.

Remuneration: £26,000.

Non-executive director of Herald Investment Management, Invesco Asia Trust PLC and Fidelity China Special Situations PLC. Joined Allied Dunbar Assurance in 1986 and became a Founder Executive Director of Threadneedle Investments when Allied Dunbar Assurance merged with Eagle Star in 1994. She remained with the group, which later became Columbia Threadneedle Investments, until her retirement in 2018, holding various senior positions, including Head of Asia Pacific Equities, EMEA.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 8,155 ordinary shares.

Jeremy Whitley*†‡§ˆ

A Director since February 2020.

Last reappointed to the Board: 2020

Remuneration: £26,000.

Non-executive director and chairman of the audit committee of The Scottish Oriental Smaller Companies Trust plc and Non-executive director of Polar Capital Global Healthcare Trust plc. Head of UK and European equities at Aberdeen Asset Management from 2009 until 2017. Previous roles there included Senior Investment Manager on the global equities team as well as the Asian equities team, based in Singapore, where he was lead manager of the Edinburgh Dragon Trust.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 5,000 ordinary shares.

* Member of the Audit and Risk Committee
† Member of the Nomination Committee
‡ Considered by the Board to be independent
§ Member of the Remuneration Committee
ˆ Member of the Management Engagement Committee

The Directors present their report and the audited financial statements for the year ended 30th September 2020.

Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'), a company authorised and regulated by the FCA. The active Management of the Company's assets is delegated by JPMF to an affiliate JPMorgan Asset Management (UK) Limited ('JPMAM'). The Manager is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking, dealing and custodian services to the Company.

The Manager is employed under a contract which can be terminated on six months' notice for performance reasons and 12 months for all other reasons, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

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 Management Engagement Committee 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 JPMF.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is approved as an AIFM by the Financial Conduct Authority ('FCA'). For the purposes of the AIFMD the Company is an alternative investment fund ('AIF'). JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed The Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY is responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmindian.co.uk There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure.

Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on pages 82 and 83.

Management Fee

Until 31st January 2020, the management fee was charged at the rate of 1% on the first £300 million of the Company's assets and at 0.75% thereafter. With effect from 1st February 2020, the management fee was reduced to 0.75% on the first £300 million of gross assets and 0.60% on gross assets in excess of £300 million. Fees are paid monthly in arrears. Investments in funds managed or advised by the Manager or any of its associated companies are excluded from the calculation and therefore attract no additional management fee.

Directors

The Directors of the Company who held office at the end of the year are detailed on pages 27 and 28. Richard Burns retired from the Board on 5th February 2020. Vanessa Donegan and Jeremy Whitley were appointed Directors with effect from 1st February 2020.

Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on pages 27 and 28.

In accordance with corporate governance best practice, all Directors will retire at the forthcoming Annual General Meeting and, with the exception of Nimi Patel who is retiring, being eligible, offer themselves for reappointment. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its Committees, confirms that each Director standing for reappointment who held office at the year end continues to be effective and to demonstrate commitment to the role. The Board recommends to shareholders that they be reappointed.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, each Director has the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnities were in place during the year and as at the date of this report.

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.

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as Auditors to the Company and a resolution proposing their reappointment and authorising the Directors to determine their remuneration for the ensuing year will be put to shareholders at the Annual General Meeting.

Section 992 Companies Act 2006

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

Capital Structure and Voting Rights

Capital Structure

The Company's capital structure is summarised on the inside 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 16 to the Notice of Annual General Meeting on page 87.

Notifiable Interests in the Company's Voting Rights

At the year end, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	%
City of London Investment Management Company Limited	15,692,531	20.0

Since the year end, City of London Investment Management Company Limited has notified the Company that its voting rights have increased to 16,325,475, representing 21.0%.

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.

Listing Rule 9.8.4R

Listing Rule 9.8.4R requires the Company to include certain information on, inter alia, share issuance and significant contracts. Such disclosures must be in an identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no such disclosures to be made in this report.

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.

Due to the ongoing situation surrounding COVID-19 and Government advice, the Board has decided to revise the format of this year's AGM. Only the formal business of the AGM will be considered and there will be no presentation from the Investment Manager. The Government has, for the time being, placed restrictions on public gatherings and therefore shareholders will not be allowed to attend the AGM in person. Anyone seeking to attend the meeting will be refused entry.

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

(i) Authority to issue relevant securities and disapply pre-emption rights (resolutions 10 and 11)

The Directors will seek renewal of the authority at the AGM to issue up to 9,947,385 new shares or shares held in Treasury other than by a pro rata issue to existing shareholders up to an aggregate nominal amount of £2,486,846, such amount being equivalent to approximately 10% of the issued share capital. The full text of the resolutions is set out in the Notice of Meeting on page 85. Any share 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 assets, 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 12)

The authority to repurchase up to 14.99% of the Company's issued share capital, renewed by shareholders at the 2020 Annual General Meeting, will expire on 4th August 2021 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 1st August 2022 or until the whole of the 14.99% has been acquired, whichever is the earlier. The full text of the resolution is set out in the Notice of Meeting on pages 85 and 86. 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 13)

Resolution 13, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the 'New Articles') in order to update the Company's current Articles of Association (the 'Existing Articles'). The proposed amendments being introduced in the New Articles principally include provisions enabling the Company to hold virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings).

A summary of the principal amendments being introduced in the New Articles which the Board considers will be of most interest to shareholders is set out in the appendix to the AGM Notice (on page 88 of this document). Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the appendix.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no intention of holding a virtual-only meeting if it can be reasonably avoided. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for virtual-only meeting to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

A copy of the New Articles, together with a copy showing all of the proposed changes to the Existing Articles, will be available for inspection at the offices of JPMorgan Asset Management, 60 Victoria Embankment, London EC4Y 0JP between the hours of 9.00 am and 5.00 pm (Saturdays, Sundays and public holidays excepted), from the date of the AGM Notice until the close of the AGM, on the Company's website (www.jpmindian.co.uk) and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Recommendation

The Board considers that resolutions 10 to 13 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 84,870 shares representing approximately 0.1% of the existing issued share capital of the Company.

Corporate Governance Statement

Compliance

The Board is committed to high standards of corporate governance. It has considered the principles and provisions of the AIC Code of Corporate Governance published in 2019 (the 'AIC Code'), which addresses the principles and provisions set out in the UK Corporate Governance Code (the 'UK Code') published in 2018, as they apply to investment trust companies. It considers that reporting against the AIC Code, therefore, provides more appropriate information to the Company's shareholders. The Board confirms that the Company has complied with the principles and provisions of the AIC Code, in so far as they apply to the Company's business, throughout the year under review. As all of the Company's day-to-day management and administrative functions are outsourced to third parties, it has no executive directors, employees or internal operations and therefore has not reported in respect of the following:

- the role of the executive directors and senior management;
- executive directors' and senior management's remuneration; and
- the workforce

Directors' Duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires that a Director must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members (i.e. shareholders) as a whole and in doing so, have regard (amongst other matters) to the likely consequences of any decision in the long term; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

The Board ensures that it promotes the success of the Company by engaging specialist third party suppliers with appropriate performance records, resources and controls in place to deliver the services that the Company requires. Their performance is monitored by the Board and its committees, who have oversight of the Company's operations. The principal supplier is the Manager, in particular the investment management team which is responsible for managing the Company's assets in order to achieve its stated investment objective. The Board maintains a close working relationship with the Manager, who also provides administrative support and promotes the Company through its investment trust sales and marketing teams. Whilst strong long term investment performance is essential, the Board recognises that to provide an investment vehicle that is sustainable over the long term, both it and the Manager must have regard to ethical and environmental issues that impact society at large. Hence environmental, social and governance ('ESG') considerations are integrated into the Manager's investment process and will continue to evolve. The Manager's approach to ESG is set out on pages 13 to 15.

The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year under review. The Directors have considered this duty when making the strategic decisions that impact shareholders, including the negotiation of a lower investment management fee, the appointment of two new Directors, the negotiation of a new, reduced, loan facility and the proposed changes to the Company's articles of association.

They have also sought to engage with the Company's shareholders as it regards an understanding of their views as essential in being able to fulfil that duty.

Role of the Board

A management agreement between the Company and JPMF 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 has procedures in place to deal with potential conflicts of interest and, consistent with The Bribery Act 2010, has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the year under review.

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, JPMF, 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 Rosemary Morgan, consists entirely of non-executive Directors, all of whom are considered to be independent of the Company's Manager, including the Chairman. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business. Brief biographical details of each Director are set out on pages 27 to 28. 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 and it has an appropriate succession plan in place.

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. Hugh Sandeman, the Senior Independent Director, is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

Reappointment of Directors

The skills and experience that each Director brings to the Board, and hence why their contributions are important to the long term success of the Company, are summarised below.

Resolution 4 is for the reappointment of Vanessa Donegan. She joined the Board in February 2020 and has over three decades of experience in investment management, including many years' experience in Asia Pacific equities.

Resolution 5 is for the reappointment of Jasper Judd. He joined the Board in January 2015 and has served for almost six years as a Director. Jasper is a qualified accountant and has many years' experience in senior finance and strategy roles.

Resolution 6 is for the reappointment of Rosemary Morgan. She joined the Board in December 2013 and has served for seven years as Director, succeeding Richard Burns as Chair of the Board in February 2020. Rosemary has many years' experience in the management of equity portfolios and institutional marketing.

Resolution 7 is for the reappointment of Hugh Sandeman. He joined the Board in October 2010 and has served for ten years as a Director. Hugh has over 25 years' experience in investment banking and holds a number of advisory roles.

Resolution 8 is for the reappointment of Jeremy Whitley. He joined the Board in February 2020 and has almost thirty years' experience in investment management, including a period based in Singapore where he managed Asian equities.

The Board confirms that each of the Directors standing for reappointment at the forthcoming AGM continue to contribute effectively and recommends that shareholders vote in favour of their reappointment.

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 reappointed by shareholders. Thereafter, a Director's reappointment is subject to the performance evaluation carried out each year and the approval of shareholders at each Annual General Meeting, in accordance with corporate governance best practice. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the requirements of the UK Corporate Governance Code and the AIC Code, including the need to refresh the Board and its Committees.

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.

Induction and Training

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, who are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts. A review of the Directors' training needs are carried out as part of the annual evaluation process.

Meetings and Committees

The Board delegates certain responsibilities and functions to committees. Details of membership of committees are shown with the Directors' profiles on pages 27 and 28. Directors who are not members of committees may attend by invitation.

The table below details the number of Board, Audit and Risk Committee, Nomination Committee and Remuneration Committee meetings attended by each Director. During the year there were four Board meetings, three Audit and Risk Committee meetings and one meeting of each of the Nomination Committee and the Remuneration Committee:

Meetings Attended

Director	Board Meetings Attended	Audit and Risk Committee Meetings Attended	Nomination Committee Meetings Attended	Remuneration Committee Meetings Attended
Richard Burns[1]	2	1	–	1
Vanessa Donegan[2]	3	2	1	1
Jasper Judd	4	3	1	1
Rosemary Morgan	4	3	1	1
Nimi Patel	4	3	1	1
Hugh Sandeman	4	3	1	1
Jeremy Whitley[2]	3	2	1	1

[1] Retired 5th February 2020.
[2] Appointed 1st February 2020.
In addition to the scheduled Board and Committee meetings, there have been a number of meetings with the Investment Managers throughout the year, outside of the usual meeting cycle.

Board Committees

Nomination Committee

The Nomination Committee, chaired by Rosemary Morgan, consists of all of the Directors and 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 conducts an annual performance evaluation to ensure that all members of the Board have devoted sufficient time and contributed adequately to the work of the Board.

Remuneration Committee

The Remuneration Committee, Chaired by Hugh Sandeman, meets annually to review Directors' fees and makes recommendations to the Board as and when appropriate, in relation to remuneration policy and implementation.

Audit and Risk Committee

The report of the Audit and Risk Committee is set out on pages 36 and 37.

Management Engagement Committee

The Management Engagement Committee was established in 2019 and was convened for the first time in December 2020. It is chaired by Rosemary Morgan and comprises all of the Directors. It conducts a formal evaluation of the Manager on an annual basis. The evaluation, which was previously carried out by the Board, includes consideration of the investment strategy and process of the Investment Manager, performance over the long term, and the quality of support that the Company receives from JPMF. As a result of the evaluation process, the Committee confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole. The Committee also reviews the contractual terms and performance of its other key suppliers.

Terms of Reference

All of the Board committees 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.

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 twice a year by way of the half year and annual report and financial statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

As explained in the Chairman's Statement, given the restrictions in place due to the COVID-19 pandemic, shareholders will not be permitted to attend this year's AGM. Under normal circumstances, all shareholders have the opportunity and 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. The Company's brokers, the Investment Managers and the Manager 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 Company Secretary whose details are shown on page 92.

The Company's annual report and financial statements 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 92.

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

Risk Management and Internal Control

The AIC Code of Corporate Governance requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and 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 risk management and 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 JPMF and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by JPMF and its associates, including the operating controls established by them, to ensure they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal Risks on pages 23 to 24). This process, which was in place during the year under review, accords with the Financial Reporting Council's guidance. Given the foregoing, and in common with most investment trust companies, the Company does not have an internal audit function of its own. The Manager's internal audit department conducts regular and rigorous reviews of the various functions within its asset management business. Any significant findings that are relevant to the Company and/or the Manager's investment trust business are reported to the Board.

The key elements designed to provide effective risk management and 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.

- **Information Technology Systems**

  The Manager and the Company's other suppliers have security systems in place to protect the Company's information. Information technology controls are tested and reported on regularly by independent third parties.

- **Management Agreement**

  Appointment of a manager and custodian regulated by the FCA, whose responsibilities are clearly defined in a written agreement.

- **Management Systems**

  The Manager's system of risk management and internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by the Manager's Compliance department which regularly monitors compliance with FCA rules.

- **Investment Strategy**

  The Board authorises and monitors the Company's investment strategy and exposure limits.

  The Board, either directly or through the Audit and Risk Committee, keeps under review the effectiveness of the Company's system of risk management and 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 the Manager's Compliance department;
  - reviews reports on the internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed;
  - reviews every six months an independent report on the internal controls and the operations of the Manager; and
  - reviews half yearly reports from the Company's Depositary.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 30th September 2020 and to the date of approval of this Annual Report and Financial Statements.

During the course of its review of the system of risk management and 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 the Manager. The Manager's policy statements on corporate governance, voting policy and social and environmental issues, which have been reviewed and noted by the Board, are set out in the ESG Report on pages 13 to 15.

The Manager's full Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: http://www.jpmorganinvestmenttrusts.co.uk/governance, which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

Audit and Risk Committee Report

Role and Composition

The Audit and Risk Committee, chaired by Jasper Judd and comprising all of the Directors, meets at least twice each year. The members of the Audit and Risk Committee consider that at least one member has recent and relevant financial experience and that the Committee as a whole has competency relevant to the sector in which the Company operates.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual financial statements and the Company's compliance with the UK Corporate Governance Code. It examines the effectiveness of the Company's risk management and internal control systems, receives information from the Manager's Compliance department and reviews the scope and results of the external audit, its effectiveness and cost effectiveness, the balance of audit and non-audit services and the independence and objectivity of the external Auditors. In the Directors' opinion the Auditors are considered independent. In order to safeguard the Auditors' objectivity and independence, any significant non-audit services are carried out through a partner other than the audit engagement partner. The Audit and Risk Committee also receives confirmations from the Auditors, as part of their reporting, with regard to their objectivity and independence. The Audit and Risk Committee also has a primary responsibility for making recommendations to the Board on the reappointment and removal of external auditors.

Risk Management and Internal Control

The Audit and Risk Committee also examines the effectiveness of the Company's risk management and internal control systems and the Directors' statement on this is set out on pages 34 and 35.

Auditor Appointment and Tenure

Representatives of the Company's Auditors attend the Audit and Risk Committee meeting at which the draft annual report and financial statements are considered and also engage with Directors as and when required. Having reviewed the performance of the external Auditors, including assessing the quality of their work, timing and communications and work with the Manager, the Committee considered it appropriate to recommend their reappointment. The Board supported this recommendation which will be put to shareholders at the forthcoming Annual General Meeting.

The Board reviews and approves the Auditors' fees and any non-audit services provided by the independent auditors and assesses the impact of any non-audit work on the ability of the auditor to remain independent. No non-audit work was provided to the Company in the year. Details of the Auditors' fees are disclosed in note 6 on page 59. PricewaterhouseCoopers LLP were appointed on 29th January 2015. The audit engagement partner rotates at least every five years in accordance with ethical guidelines and 2020 is the first year for the current partner.

Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 30th September 2020, the Audit and Risk Committee considered the following significant issues, in particular those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 2(e) to the financial statements on page 56. Controls are in place to reconcile regularly records to custodian books.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 2(f) to the financial statements on page 56.
Compliance with Sections 1158 and 1159 Corporation Tax Act 2010 ('Section 1158 and 1159')	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st October 2013 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis.
Amendment to International Financial Reporting Standard 10 ('IFRS 10')	To provide shareholders with a fuller picture of the combined operations of the Company and its subsidiary during the year, the Company has produced the reconciliations between the statutory 'Company-only' financial statements and figures that would have been published prior to the change to IFRS 10. These reconciliations are disclosed in note 24 to the financial statements on pages 74 to 79.
The risk that the global economic disruption caused by COVID-19 will affect the Company's ability to continue in operation due to the impact on the share price of portfolio companies or the ability of key service providers (including the Manager, the Depositary, the Custodian, the Fund Accountant, the Brokers and the Registrar) to maintain business continuity and continue to provide appropriate service levels	The Audit and Risk Committee has reviewed the impact of recent market volatility related to the COVID-19 pandemic on the Company's portfolio and has received regular updates on portfolio performance from the portfolio manager. The Committee has also reviewed stress test scenarios provided by the Manager. The Company's assets exceeded its liabilities significantly under all test scenarios, taking into account stresses on liquidity, revenue and expense forecasts. The Audit and Risk Committee therefore considers that the Company's business model remains viable and that the Company has sufficient resources to continue in operation and to meet all liabilities as they fall due.

The Board was made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

Going Concern

The Directors believe that, having considered the Company's investment objective (see page 20), risk management policies (see pages 67 to 73), capital management policies and procedures (see pages 73 and 74), principal risks (see pages 23 and 24) and the nature of the portfolio and expenditure projections, taking into account the impact of COVID-19 on the revenue expected from underlying investments in these projections, the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. The Company's investments are in quoted securities which are readily realisable and exceed its liabilities significantly. Gearing levels and compliance with loan notes covenants are reviewed by the Board on a regular basis. The Company's key third party suppliers, including its Manager, are not experiencing any operational difficulties to adversely affect their services to the Company. For these reasons, the Directors consider that there is reasonable evidence to continue to adopt the going concern basis of accounting in preparing the Company's financial statements. They have not identified any material uncertainties to the Company's ability to continue to do so over a period of at least 12 months from the date of approval of these financial statements.

Fair, Balanced and Understandable

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30th September 2020, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 42.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

22nd December 2020

Directors’ Remuneration

The Board presents the Directors' Remuneration Report for the year ended 30th September 2020, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

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 the Independent Auditors' Report on pages 44 to 49.

Directors' Remuneration Policy

The law requires that the Directors' Remuneration Policy is subject to a triennial binding vote. However the Board has decided to seek approval annually and therefore an ordinary resolution to approve this policy will be put to shareholders at the forthcoming Annual General Meeting. The policy subject to the vote is set out in full below and is currently in force.

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 and Risk Committee are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfilling those roles.

The Remuneration 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 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. The involvement of remuneration consultants has not been deemed necessary as part of these reviews. The Company has no Chief Executive Officer and no employees and therefore there was no consultation of employees, and there is no employee comparative data to provide, in relation to the setting of the remuneration policy for Directors.

There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. The Directors do not have service contracts with the Company, they are not granted exit payments 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.

In the year under review Directors' Fees were paid at the following rates: Chairman £36,000; Audit and Risk Committee Chairman £31,000; and other Directors £26,000. No fee increase is proposed for the current year. Fees were last increased with effect from 1st October 2018.

The Company's Articles of Association provide that any increase in the maximum aggregate annual limit on Directors' fees, currently £200,000, requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Remuneration Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and takes account of those views.

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 33.

Directors' Remuneration Policy Implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 30th September 2019 and no changes are proposed for the year ending 30th September 2021.

At the Annual General Meeting held on 5th February 2020, of votes cast, 99.8% of votes cast were in favour of (or granted discretion to the Chairman who voted in favour of) the remuneration report and 0.2% voted against. Abstentions were received from less than 0.1% of the votes cast.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report from the 2021 Annual General Meeting will be given in the annual report for the year ending 30th September 2021.

Details of the implementation of the Company's remuneration policy are given below.

Single total figure of remuneration

A single figure for the total remuneration of each Director is set out in the table below, together with the prior year comparative.

Single total figure table[1]

Directors' Name	2020 Fees £	2020 Taxable expenses[2] £	2020 Total £	2019 Fees £	2019 Taxable expenses[2] £	2019 Total £
Richard Burns[3]	12,560	–	12,560	36,000	–	36,000
Jasper Judd	31,000	–	31,000	31,000	–	31,000
Rosemary Morgan[4]	32,902	–	32,902	26,000	–	26,000
Nimi Patel	26,000	–	26,000	26,000	–	26,000
Hugh Sandeman	26,000	–	26,000	26,000	–	26,000
Jeremy Whitley[5]	17,333	–	17,333	–	–	–
Vanessa Donegan[5]	17,333	–	17,333	–	–	–
Total	163,128	–	163,128	145,000	–	145,000

[1] Audited information. Other subject headings for the single figure table as prescribed by regulation are not included because there is nothing to disclose in relation thereto.

[2] Taxable travel and subsistence expenses incurred in attending Board and Committee meetings.

[3] Retired from the Board on 5th February 2020.

[4] Appointed Chairman on 5th February 2020.

[5] Appointed to the Board on 1st February 2020.

There has been no increase in Directors' fees during the year under review and therefore the requirement to include a table showing the annual percentage change in Directors' remuneration is not applicable.

A table showing the total remuneration for the Chairman over the five years ended 30th September 2020 is below:

Remuneration for the Chairman over the five years ended 30th September 2020

Year ended 30th September	Fees	Performance related benefits received as a percentage of maximum payable
2020	£36,000	n/a
2019	£36,000	n/a
2018	£34,000	n/a
2017	£34,000	n/a
2016	£32,500	n/a

Directors' Shareholdings[1]

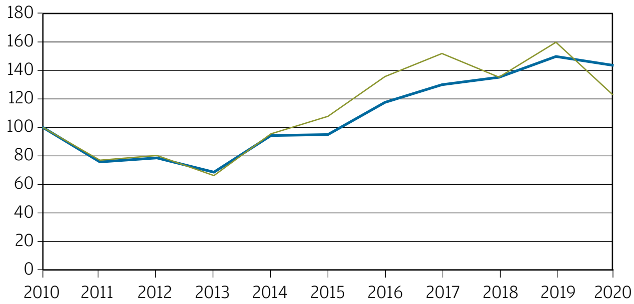
There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The beneficial share holdings of the Directors are detailed below. The Directors have no other share interests or share options in the Company and no share schemes are available.

Director's Name	30th September 2020	1st October 2019 or at date of appointment
Vanessa Donegan	8,155	8,155
Jasper Judd	3,000	3,000
Rosemary Morgan	2,978	2,978
Nimi Patel	46,737	46,737
Hugh Sandeman	19,000	19,000
Jeremy Whitley	5,000	Nil
Total	84,870	79,870

[1] Audited information.

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 ten years, is shown below. The Board believes that this index is the most appropriate for performance comparison purposes because of those available, it is the best comparator.

Ten Year Share Price and Benchmark Total Return Performance to 30th September 2020



Source: Morningstar/J.P.Morgan/MSCI.

Share price total return.

Benchmark total return.

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year is below:

Expenditure by the Company on remuneration and distributions to shareholders

	Year ended 30th September 2020	Year ended 30th September 2019
Remuneration paid to all Directors	£163,128	£145,000
Distribution to shareholders		
– by way of dividend	n/a	n/a
– by way of share repurchases	£211,819,000	–

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

22nd December 2020

Statement of Directors' Responsibilities

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 financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. Under company law the Directors must not approve the accounts unless they are satisfied that, taken as a whole, the annual report and accounts provide the information necessary for shareholders to assess the Company's performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In order to provide these confirmations, and in preparing these financial statements, the Directors must be satisfied that, taken as a whole, the annual report and accounts are fair, balanced and understandable; and the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

The Directors are responsible for keeping proper 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 accounts are published on the www.jpmindian.co.uk website, which is maintained by the Company's Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the Annual Report since they were initially presented on the website. The Annual Report is prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Under applicable law and regulations the Directors are also responsible for preparing a Strategic Report, a Directors' Report and Directors' Remuneration Report that comply with that law and those regulations.

Each of the Directors, whose names and functions are listed on pages 27 and 28, confirms that, to the best of his or her knowledge the financial statements, which have been prepared in accordance with IFRS and applicable law, give a true and fair view of the assets, liabilities, financial position and return or loss of the Company.

The Board confirms that it is satisfied that the annual report and financial statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the position and performance, business model and strategy of the Company.

For and on behalf of the Board
Rosemary Morgan
Chairman

22nd December 2020

Independent Auditors’ Report

To the Members of JPMorgan Indian Investment Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, JPMorgan Indian Investment Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th September 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30th September 2020; the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

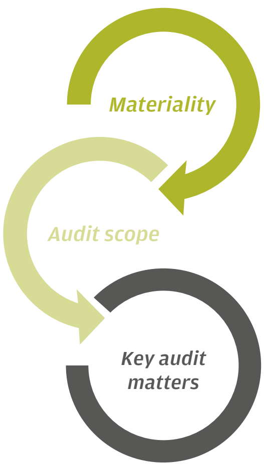
We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We have provided no non-audit services to the Company in the period from 1st October 2019 to 30th September 2020.

Our audit approach

Overview



- Overall materiality: £5.36 million (2019: £8.56 million), based on 1% of net assets.

- The Company is a standalone investment trust company and engages JPMorgan Funds Limited (the "Manager") to manage its assets.
- We conducted our audit of the financial statements using information from JP Morgan Chase Bank N.A., (the "Administrator") to whom the Manager has delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at both the Manager and the Administrator, and adopted a fully substantive testing approach using reports obtained from the administrator.

- Valuation and existence of investments.
- Accuracy, occurrence and completeness of dividend income.
- Consideration of impacts of COVID-19.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010, (see page 23 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Listing Rules. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with the Manager and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing relevant committee meeting minutes, including those of the Board and Audit Committee;
- Evaluation of the controls implemented by the Company and the Administrator designed to prevent and detect irregularities;
- assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- Review of financial statement disclosures to underlying supporting documentation; and
- identifying and testing manual journal entries posted by the Administrator during the preparation of the financial statements; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments Refer to page 56 (Accounting Policies) and page 65 (Notes to the Financial Statements) Investments at year-end consisted of investments held at fair value through profit or loss which comprised listed equity investments valued at £267 million and investment in subsidiary held at fair value through profit or loss which comprised the holding in JPMorgan Indian Investment Company (Mauritius) Limited valued at £275 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the financial statements.	We tested the valuation of the investments held at fair value through profit or loss by agreeing the prices used in the valuation to independent third-party sources for all investments. We tested the valuation of the investment in subsidiary held at fair value through profit or loss by agreeing it to the net asset value of the audited balance sheet of the entity. We also considered the application of the Company's accounting policy for the investment holding balance We tested the existence of the investments by agreeing investment holdings to an independent custodian confirmation. No material issues were identified.

Key audit matter	How our audit addressed the key audit matter
Accuracy, occurrence and completeness of dividend income Refer to page 56 (Accounting Policies) and page 59 (Notes to the Financial Statements). We focused on the accuracy, occurrence and completeness of dividend income as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition and its presentation in the Statement of Comprehensive Income as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.	We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. To test for occurrence, we confirmed that all dividends recorded had occurred in the market, and traced a sample of cash payments to bank statements. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all listed investments during the year. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income in line with the requirements set out in the AIC SORP by confirming reasons behind dividend distributions. No material issues were identified.
Consideration of the impact of COVID-19 Refer to the Chairman's Statement (page 6), Principal Risks (page 23), Going Concern (page 36), Viability Statement (page 24) and the Investment Managers' Report (pages 9 to 12), which disclose the impact of the COVID-19 coronavirus pandemic. From a small number of cases of an unknown virus in 2019, the COVID-19 viral infection has become a global pandemic. It has caused disruption to supply chains and travel, slowed global growth and caused volatility in global markets and in exchange rates during the first half of 2020 and to date. The Directors have prepared the financial statements of the Company on a going concern basis, and believe this assumption remains appropriate. This conclusion is based on the assessment that, notwithstanding the significant market uncertainties, they are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and that the Company and its key third party service providers have in place appropriate business continuity plans and will be able to maintain service levels through the coronavirus pandemic.	We evaluated the Directors' assessment of the impact of the COVID-19 pandemic on the Company by: • Evaluating the Company's updated risk assessment and considering whether it addresses the relevant threats presented by COVID-19. • Evaluating management's assessment of operational impacts, considering their consistency with other available information and our understanding of the business and assessing the potential impact on the financial statements. We obtained and evaluated the Directors' going concern assessment which reflects conditions up to the point of approval of the Annual Report. • We obtained evidence to support the key assumptions and forecasts' driving the Directors' assessment. This included reviewing the Directors' assessment of the Company's financial position and forecasts, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers. We assessed the disclosures presented in the Annual Report in relation to COVID-19 by: • Reading the other information, including the Principal Risks and Viability Statement set out in the Strategic Report, and assessing its consistency with the financial statements and the evidence we obtained in our audit. Our conclusions relating to other information are set out in the 'Reporting on other information' section of our report. Our conclusions relating to going concern are set out in the 'Conclusions relating to going concern' section below.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£5.36 million (2019: £8.56 million).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year-on-year basis for our audit.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £268,350 (2019: £428,100) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.
We are required to report if the Directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30th September 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. *(CA06)*

The Directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 23 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The Directors' explanation on page 24 of the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the Directors' statement that they have carried out a robust assessment of the principal risks facing the Company and statement in relation to the longer-term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the Company and its environment obtained in the course of the audit.

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the Directors, on page 37, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company obtained in the course of performing our audit.
- The section of the Annual Report on pages 36 and 37 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. *(CA06)*

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities set out on page 42, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the Directors on 29th January 2015 to audit the financial statements for the year ended 30th September 2015 and subsequent financial periods. The period of total uninterrupted engagement is 6 years, covering the years ended 30th September 2015 to 30th September 2020.

Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

22nd December 2020

Financial Statements

Following an amendment to International Financial Reporting Standard 10 ('IFRS 10'), which became effective from the 2017 financial year, the Company is no longer permitted to consolidate its subsidiary (see note 2(c) for details). The financial statements and accompanying notes 1 to 23 presented in this section are 'Company-only' financial statements with the subsidiary shown as an investment held at fair value through profit or loss in the Statement of Financial Position.

To allow shareholders to compare the Company's performance and financial position with historically published figures which were prepared on a consolidated basis, the Group's Statement of Comprehensive Income, the Group's Statement of Financial Position and reconciliations between the statutory 'Company-only' financial statements and the Group figures that would have been published prior to the change to IFRS 10 are disclosed in note 24.

FOR THE YEAR ENDED 30TH SEPTEMBER 2020

		2020			2019		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains from investments held at fair value through profit or loss	10(d)	–	(107,444)	(107,444)	–	88,483	88,483
Net foreign currency losses		–	(363)	(363)	–	(378)	(378)
Income from investments	4	3,051	–	3,051	1,437	–	1,437
Interest receivable and similar income	4	47	–	47	75	–	75
Total income/(loss)		**3,098**	**(107,807)**	**(104,709)**	**1,512**	**88,105**	**89,617**
Management fee	5	(1,408)	–	(1,408)	(640)	–	(640)
Other administrative expenses	6	(911)	–	(911)	(842)	–	(842)
Profit/(loss) before finance costs and taxation		**779**	**(107,807)**	**(107,028)**	**30**	**88,105**	**88,135**
Finance costs	7	(608)	–	(608)	(533)	–	(533)
Profit/(loss) before taxation		**171**	**(107,807)**	**(107,636)**	**(503)**	**88,105**	**87,602**
Taxation	8	(359)	(1,118)	(1,477)	–	(118)	(118)
Net (loss)/profit		**(188)**	**(108,925)**	**(109,113)**	**(503)**	**87,987**	**87,484**
(Loss)/earnings per share	**9**	**(0.21)p**	**(124.40)p**	**(124.61)p**	**(0.48)p**	**84.14p**	**83.66p**

The Company does not have any income or expense that is not included in the net (loss)/profit for the year. Accordingly the 'Net (loss)/profit' for the year, is also the 'Total comprehensive (expense)/income' for the year, as defined in IAS1 (revised).

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

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

Details of revenue and capital items, together with the associated reserves are contained in note 16.

All of the (loss)/profit and total comprehensive (expense)/income is attributable to the equity shareholders of JPMorgan Indian Investment Trust plc, the Company. There are no minority interests.

This is the Company's Statement of Comprehensive Income. The Group's Statement of Comprehensive Income is disclosed in note 24 on page 75. Together with reconciliations between the Company's and the Group's statements this information has been included following an amendment to IFRS 10 (see note 2) which became effective from the 2017 financial year.

The notes on pages 55 to 80 form an integral part of these financial statements.

FOR THE YEAR ENDED 30TH SEPTEMBER 2020

	Called up share capital £'000	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30th September 2018	**31,404**	**97,316**	**41,929**	**5,886**	**6,362**	**610,882**	**(23,634)**	**770,145**
Profit/(loss) for the year	–	–	–	–	–	87,987	(503)	87,484
At 30th September 2019	**31,404**	**97,316**	**41,929**	**5,886**	**6,362**	**698,869**	**(24,137)**	**857,629**
Shares bought back and cancelled	(6,536)	–	(41,929)	–	6,536	(168,073)	–	(210,002)
Repurchase of shares into Treasury	–	–	–	–	–	(1,817)	–	(1,817)
Loss for the year	–	–	–	–	–	(108,925)	(188)	(109,113)
At 30th September 2020	**24,868**	**97,316**	**–**	**5,886**	**12,898**	**420,054**	**(24,325)**	**536,697**

This is the Company's Statement of Changes in Equity. The Group's Statement of Changes in Equity has not been included following an amendment to IFRS 10 (see note 2) which became effective from the 2017 financial year.

The notes on pages 55 to 80 form an integral part of these financial statements.

AT 30TH SEPTEMBER 2020

	Notes	2020 £'000	2019 £'000
Non current assets	10		
Investments held at fair value through profit or loss		267,416	151,029
Investment in subsidiary held at fair value through profit or loss		274,780	681,559
		542,196	**832,588**
Current assets			
Other receivables	11	483	6,257
Cash and cash equivalents	12	27,810	19,127
		28,293	25,384
Current liabilities			
Other payables	13	(2,138)	(225)
Net current assets		**26,155**	**25,159**
Total assets less current liabilities		**568,351**	**857,747**
Non current liabilities	14		
Provision for capital gains tax		(1,654)	(118)
Bank loan		(30,000)	–
		(31,654)	**(118)**
Net assets		**536,697**	**857,629**
Amounts attributable to shareholders			
Called up share capital	15	24,868	31,404
Share premium	16	97,316	97,316
Other reserve	16	–	41,929
Exercised warrant reserve	16	5,886	5,886
Capital redemption reserve	16	12,898	6,362
Capital reserves	16	420,054	698,869
Revenue reserve	16	(24,325)	(24,137)
Total shareholders' funds		**536,697**	**857,629**
Net asset value per share	**17**	**687.1p**	**820.1p**

This is the Company's Statement of Financial Position. The Group's Statement of Financial Position is disclosed in note 24 on page 76. Together with reconciliations between the Company's and the Group's statements this information has been included following an amendment to IFRS 10 (see note 2) which became effective from the 2017 financial year.

The financial statements on pages 51 to 80 were approved by the Directors and authorised for issue on 22nd December 2020 and signed on their behalf by:

Rosemary Morgan
Director

The notes on pages 55 to 80 form an integral part of these financial statements.

Registered in England. No: 2915926.

FOR THE YEAR ENDED 30TH SEPTEMBER 2020

	2020 £'000	2019 £'000
Operating activities		
(Loss)/profit before taxation	(107,636)	87,602
Deduct dividends received	(3,051)	(1,437)
Deduct interest received	(47)	(75)
Add interest paid	608	533
Add losses/(deduct gains) on investments held at fair value through profit or loss	107,444	(88,483)
(Increase)/decrease in prepayments, VAT and other receivables	(219)	39
(Decrease)/increase in other payables	(4)	45
Net cash outflow from operating activities before interest and taxation	**(2,905)**	**(1,776)**
Interest paid	(635)	(511)
Tax paid	58	–
Dividends received	2,871	1,377
Interest received	47	76
Net cash outflow from operating activities	**(564)**	**(834)**
Investing activities		
Purchases of investments held at fair value through profit or loss	(251,421)	(148,882)
Sales of investments held at fair value through profit or loss	440,931	166,438
Net cash inflow from investing activities	**189,510**	**17,556**
Financing activities		
Repurchase of shares for cancellation	(210,002)	–
Repurchase of shares into Treasury	(261)	–
Drawdown of loan	30,000	–
Net cash outflow from financing activities	**(180,263)**	**–**
Increase in cash and cash equivalents	**8,683**	**16,722**
Cash and cash equivalents at the start of the year	19,127	2,405
Cash and cash equivalents at the end of the year	**27,810**	**19,127**

The notes on pages 55 to 80 form an integral part of these financial statements.

FOR THE YEAR ENDED 30TH SEPTEMBER 2020

1. Principal Activity

The principal activity of the Company is that of an investment holding company within the meaning of Section 1158 of the Corporation Tax Act 2010.

2. Basis of Preparation

(a) Basis of accounting

The Company's financial statements have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), the 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 financial statements have been prepared on the going concern basis. The disclosures on going concern in the Directors' Report on page 37 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 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies ('AIC') in October 2019 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.

(b) Accounting Standards

The following standards, amendments and interpretations to existing standards are effective for annual periods beginning on or after 1st January 2020.

- IAS 1 and IAS 8 Amendments: Definition of Material
- IFRS 9, IAS 39 and IFRS 7 Amendments: Interest Rate Benchmark Reform

New standards, amendments and interpretations issued but not yet endorsed by the EU

- IFRS 17 Insurance Contracts

The Company did not early adopt any new or amended standards/interpretations for the year ended 30th September 2020.

(c) Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception

The Company has a 100% ownership interest in JPMorgan Indian Investment Company (Mauritius) Limited ('the subsidiary') which is incorporated, in Mauritius. Historically, the subsidiary was consolidated with the Company and presented in Group Financial Statements.

Following amendments to IFRS 10 'Consolidated Financial Statements', a Company that operates as an 'investment entity' is no longer permitted to consolidate its subsidiary company. The Company meets the definition of an investment entity and therefore has not consolidated its subsidiary. With effect from the 2017 financial year, the subsidiary company is shown as an investment held at fair value through profit or loss in the Statement of Financial Position.

To allow shareholders to compare the Company's performance as reported in this Annual Report and Financial Statements with historically published figures, which were prepared on a consolidated basis, the Company has prepared the Group's Statement of Comprehensive Income, the Group's Statement of Financial Position and notes reconciling between those Group figures and the statutory company-only figures. These are disclosed in note 24 on pages 74 to 79.

Please refer to the Glossary of terms and alternative performance measures on page 90 for the definition of an 'investment entity'.

(d) Presentation of the Statement of Comprehensive Income

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 Statement of Comprehensive Income between items of a revenue nature and a capital nature has been presented alongside the Statement of Comprehensive Income. 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 1158 of the Corporation Tax Act 2010.

(e) 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 quoted bid market prices for investments traded in active markets. 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.

Changes in the fair value of investments 'held at fair value through profit or loss' and gains or losses on disposal are charged to capital in the Statement of Comprehensive Income 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 within capital reserves.

The Company's investment in its subsidiary JPMorgan Indian Investment Company (Mauritius) Limited is held at fair value through profit or loss, which is deemed to be the net asset value of the subsidiary. See Note 20 for further information.

The subsidiary company holds a portfolio of listed investments which are measured at their quoted bid prices. The financial statements of the subsidiary are prepared for the same reporting year end as the Company, using consistent accounting policies.

(f) Income

Dividends receivable from equity shares are included in the revenue column of the Statement of Comprehensive Income 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.

Overseas dividends are included gross of any withholding tax.

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital.

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

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

(g) Expenses

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

One-off expenses that are capital in nature are charged to capital.

2. Basis of Preparation *(continued)*

(h) 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. Liquidity funds are considered cash equivalents as they are held for cash management purposes as an alternative to cash.

Other receivable and payables are recognised at fair value through profit or loss. They do not carry any interest, are short term in nature and are accordingly stated at nominal value, with receivables reduced by appropriate allowances for estimated irrecoverable amounts.

Interest bearing bank loans are recorded as 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 method.

(i) 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 Statement of Comprehensive Income 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 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital. gains in the UK. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that, on the balance of probabilities, it is not likely 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 Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Gains and losses on sale of investments purchased and sold in India after 1st April 2017 are liable to capital gains tax in India.

At each year end date, a provision for capital gains tax is calculated based upon the Company's realised and unrealised gains and losses. There are two rates of tax: short-term and long-term. The short-term rate of tax is applicable to investments held for less than 12 months and the long-term rate of tax is applicable to investments held for more than 12 months.

The provision is recognised in the Statement of Financial Position and the year-on-year movement in the provision is recognised in the Statement of Comprehensive Income.

(j) Foreign currency

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

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.

(k) Value Added Tax (VAT)

Irrecoverable VAT is included in the expense on which it has been suffered. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(l) Share repurchases

The cost of repurchasing shares including the related stamp duty is charged to capital reserves and dealt with in the statement of changes in equity. Transactions are accounted for on a trade date basis. If shares are repurchased for cancellation, the nominal value of the repurchased shares is deducted from share capital.

3. Significant accounting judgements and estimates

The preparation of the financial statements requires the Company to make estimations where uncertainty exists. It also requires the Company to exercise judgement in the process of applying the accounting policies. The following areas are considered to involve a higher degree of judgement or complexity:

Fair value of holding in subsidiary

The Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted on an active market. Valuation techniques commonly used by market practitioners are applied such that the investment holding in the subsidiary is held at net asset value which the Directors judge as appropriate. This is based on the following:

- The value of the subsidiary is almost entirely determined by the value of its underlying investments.
- These investments are all held at fair value through profit or loss as they are all equity investments listed on the Indian stock exchange.
- Their fair values are quoted bid market prices.

The other assets and liabilities within the subsidiary are all held at fair value. Please see note 20 for details.

Qualification as an 'investment entity' under Amendments to IFRS 10, 'Consolidated financial statements'

The Directors have used their judgement and concluded that the Company and its Mauritian subsidiary both qualify as an 'investment entity' under the amendment to IFRS 10 'Consolidated financial statements', effective from the 2017 financial year, based on the following:

- The Company is listed on the Stock Exchange and both entities have one or more investors for the purpose of providing investment management services;
- The business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- The investments held by the Company as well as most of the investments held in the subsidiary are publicly listed companies and all are valued on a fair value basis.

Consequently, these financial statements are presented on a company-only basis with the subsidiary shown as an investment at fair value through profit or loss. Prior to 2017, the financial statements were presented on a consolidated basis. To maintain comparability, the consolidated view is presented as supplemental information in note 24.

The Directors do not believe that any other accounting judgements or any estimates have been applied to this set of financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4. Investment and other income

	2020 £'000	2019 £'000
Investment income		
Dividends from investments listed overseas	3,051	1,437
Other income		
Interest from liquidity funds	47	74
Deposit interest	–	1
	47	75
Total income	**3,098**	**1,512**

5. Management fee

	2020 £'000	2019 £'000
Management fee	1,408	640

Details of the basis of calculation of the management fee are given in the Directors' Report on page 29.

6. Other administrative expenses

	2020 £'000	2019 £'000
Administration expenses	622	468
Directors' fees[1]	163	145
Depositary fees[2]	88	112
Savings scheme costs[3]	–	84
Auditors' remuneration for audit services[4]	38	33
	911	**842**

[1] Full disclosure is given in the Directors' Remuneration Report on page 40.

[2] Includes £13,000 (2019: £18,000) irrecoverable VAT.

[3] These fees were payable to the Manager for the administration of savings scheme products. Includes £nil (2019: £14,000) irrecoverable VAT.

[4] Includes £6,000 (2019: £5,000) irrecoverable VAT.

7. Finance costs

	2020 £'000	2019 £'000
Interest on bank loan and overdrafts	608	533

8. Taxation

(a) Analysis of tax charge for the year

	2020			2019
	Revenue £'000	Capital £'000	Total £'000	Total £'000
Capital gains tax	–	1,118	1,118	118
Overseas withholding tax	359	–	359	–
Total tax charge for the year	**359**	**1,118**	**1,477**	**118**

(b) Factors affecting total tax charge for the year

The total tax for the year is higher (2019: lower) than the Company's applicable rate of corporation tax for the year of 19% (2019: 19%). The difference is explained below.

	2020 £'000	2019 £'000
(Loss)/profit before taxation	(107,636)	87,602
Corporation tax at 19% (2019: 19%)	(20,451)	16,644
Effects of:		
Non taxable capital losses/(gains)	20,483	(16,740)
Movement in excess management expenses	548	369
Non taxable overseas dividends	(580)	(273)
Overseas withholding tax	359	–
Capital gains tax	1,118	118
Total tax charge for the year	**1,477**	**118**

(c) Provision for deferred taxation

Deferred tax provisions have been made in relation to the Indian and Mauritius capital gains tax on unrealised gains or losses of investments. The Company has not provided for UK deferred tax on any realised and unrealised gains or losses of investments as it is exempt from UK tax on these items due to its status as Investment Company.

(d) Factors that may affect future tax charges

The Company has an unrecognised deferred tax asset of £4,636,000 (2019: £3,692,000) based on a prospective corporation tax rate of 19% (2019: 17%).

The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

For further information on developments relating to taxation please refer to the Chairman's Statement on page 6.

9. (Loss)/earnings per share

	2020 £'000	2019 £'000
(Loss)/earnings per share is based on the following:		
Revenue loss	(188)	(503)
Capital (loss)/profit	(108,925)	87,987
Total (loss)/profit	**(109,113)**	**87,484**
Weighted average number of shares in issue	87,558,783	104,574,940
Revenue loss per share	(0.21)p	(0.48)p
Capital (loss)/earnings per share	(124.40)p	84.14p
Total (loss)/earnings per share	**(124.61)p**	**83.66p**

10. Non current assets

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

	2020 £'000	2019 £'000
Investments listed on a recognised stock exchange	267,416	151,029
Investment in subsidiary held at fair value	274,780	681,559
Total investments held at fair value through profit or loss	**542,196**	**832,588**

	2020 £'000	2019 £'000
Opening book cost	256,372	149,806
Opening investment holding gains	576,216	618,030
Opening valuation	832,588	767,836
Movements in the year:		
Purchases at cost	251,808	148,882
Sales proceeds	(434,769)	(172,624)
(Losses)/gains on investments	(107,431)	88,494
Closing valuation	542,196	832,588
Closing book cost	295,412	256,372
Closing investment holding gains	246,784	576,216
Total investments held at fair value through profit or loss	**542,196**	**832,588**

The company received £434,769,000 (2019: £172,624,000) from investments sold in the year. The book cost of these investments when they were purchased was £212,768,000 (2019: £42,316,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

(b) Transaction costs

	2020 £'000	2019 £'000
Transaction costs on purchases	415	289
Transaction costs on sales	99	26
	514	**315**

The above costs comprise mainly brokerage commission.

(c) Investment in subsidiary company

	2020 £'000	2019 £'000
Historic cost of investment in Subsidiary[1]	49,993	62,868
Opening cumulative contributions to Subsidiary	63,329	79,637
Opening cumulative holding gains	568,237	616,969
Opening valuation	681,559	759,474
Sale of shares in the Subsidiary[2]	(350,835)	(155,530)
Net movement in investment holding gains and losses	(55,944)	77,615
Closing valuation	**274,780**	**681,559**

[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.

[2] Represents share buybacks which did not impact upon the Company's ownership interest of its subsidiary company.

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.

(d) (Losses)/gains on investments held at fair value through profit or loss

	2020 £'000	2019 £'000
Realised gains on sales of investments	222,001	130,308
Net change in unrealised gains and losses on investments	(329,432)	(41,814)
Other capital charges	(13)	(11)
Total (losses)/gains on investments held at fair value through profit or loss	**(107,444)**	**88,483**

11. Other receivables

	2020 £'000	2019 £'000
Securities sold awaiting settlement	–	6,175
Prepayments and accrued income	483	82
	483	**6,257**

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

12. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash held in liquidity funds	24,000	18,700
Cash held at bank	3,809	427
	27,809	19,127

13. Other payables

	2020 £'000	2019 £'000
Securities purchased awaiting settlement	387	–
Repurchase of shares for future settlement	1,556	–
Bank loan interest payable	31	57
Other creditors and accruals	164	168
	2,138	225

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

14. Non current liabilities

	2020 £'000	2019 £'000
Provision for capital gains tax	1,654	118
Bank loan	30,000	–
	31,654	118

The Company has a £30 million loan facility with ING, expiring in August 2022. Under the terms of the facility, the parent company may draw down at an interest rate of LIBOR, plus a margin and mandatory costs. At 30th September 2020, £30.0 million was drawn down (2019: £nil).

15. Called up share capital

	2020 £'000	2019 £'000
Allotted and fully-paid share capital		
Ordinary shares of 25p each		
Opening balance of 104,574,940 (2019: 104,574,940) Ordinary shares excluding shares held in Treasury	26,144	26,144
Repurchase 26,143,735 of shares for cancellation (2019: nil)	(6,536)	–
Repurchase of 323,740 shares into Treasury (2019: nil)	(81)	–
Sub total	19,527	26,144
Opening balance of 21,042,646 (2019: 21,042,646) Ordinary shares held in Treasury	5,260	5,260
Repurchase of 323,740 shares into Treasury (2019: nil)	81	–
Closing balance[1]	**24,868**	**31,404**

[1] Comprises 99,473,851 (2019: 125,617,586) Ordinary shares of 25p each including 21,366,386 (2019: 21,042,646) shares held in Treasury.

16. Reserves

FOR THE YEAR ENDED 30TH SEPTEMBER 2020

	Share premium £'000	Other reserve[1] £'000	Exercised warrant reserve[2] £'000	Capital redemption reserve[3] £'000	Capital reserve[4] £'000	Revenue reserve[5] £'000
Opening balance	97,316	41,929	5,886	6,362	698,869	(24,137)
Realised foreign currency losses on cash and short term deposits	–	–	–	–	(363)	–
Realised gains on sales of investments	–	–	–	–	222,001	–
Net movement in investment holding gains	–	–	–	–	(329,432)	–
Repurchase of shares for cancellation	–	(41,929)	–	6,536	(168,073)	–
Repurchase of shares into Treasury	–	–	–	–	(1,817)	–
Other capital charges	–	–	–	–	(13)	–
Capital gains tax	–	–	–	–	(1,118)	–
Net loss for the year	–	–	–	–	–	(188)
Closing balance	**97,316**	**–**	**5,886**	**12,898**	**420,054**	**(24,325)**

[1] The 'Other reserve' was formerly share premium which was cancelled for the purpose of financing share buybacks.

[2] Exercised warrant reserve is a non-distributable reserve created on the issue of warrants on its incorporation in 1994.

[3] Capital redemption reserve is a non-distributable reserve used for the purpose of financing share buybacks.

[4] Capital reserves comprise gains and losses on sales of investments and holding gains and losses on investments held at the year end.

[5] Revenue reserve represents the distributable reserve from which dividends may be paid when in a positive position and there are amounts available for distribution. There are no distributable reserves this year.

17. Net asset value per share

	2020 £'000	2019 £'000
Net assets (£'000)	536,697	857,629
Number of shares in issue excluding shares held in Treasury	78,107,465	104,574,940
Net asset value per share	**687.1p**	**820.1p**

The Company will only re-issue shares held in Treasury at a premium and therefore these shares have no dilutive potential.

18. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the balance sheet date (2019: £nil).

19. Transaction with the Manager and related parties

Details of the Group and the subsidiary's transactions with the Manager and related parties are given in note 24 on page 80.

Details of the management contract are set out in the Directors' Report on page 29.

There has been a retrospective reduction in the management fee for Company and subsidiary starting from February 2020. A post-year-end adjustment was required to rectify back-dating adjustment relating to the 2019-2020 financial year-end and accordingly an adjustment is made of prepayment in the accounts to account for the reductions. Post this adjustment, the management fee payable to the Manager for the year was £1,408,000 (2019: £640,000) of which £222,000 reflects the prepayment adjustment accounted for the year end (2019: £nil was outstanding). In addition £nil (2019: £84,000) was payable to the Manager for the administration of savings scheme products of which £nil (2019: £nil) was outstanding in Company's financial statements at the year end.

Included in other administration expenses in note 6 on page 59 are safe custody fees payable to JPMorgan Chase Bank, N.A. as custodian of the Company amounting to £185,000 (2019: £98,000) of which £35,000 (2019: £25,000) was outstanding at the year end.

19. Transaction with the Manager and related parties *continued*

The Manager 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 Company was £17,000 (2019: £21,000) of which £nil (2019: £nil) was outstanding in Company's financial statements at the year end.

Handling charges payable on dealing transactions undertaken by overseas sub custodians on behalf of the Company amounted to £13,000 (2019: £11,000) during the year, of which £2,000 (2019: £3,000) was outstanding at the year end.

The Company also holds cash in the JPMorgan Sterling Liquidity Fund. At 30th September 2020, the holding in JPMorgan Sterling Liquidity Fund was valued at £24,000,000 (2019: £18,700,000). During the year, the Company made purchases in this fund amounting to £164,600,000 (2019: £165,000,000) and sales on this fund amounting to £159,300,000 (2019: £148,300,000). Income receivable from this fund amounted to 47,000 (2019: £74,000) of which £nil (2019: £nil) was outstanding at the year end. JPMorgan earns no management fee on this fund.

At the year end, the Company held bank balances of £3,392,000 with JPMorgan Chase Bank, N.A. (2019: £427,000). A net amount of interest of £nil (2019: £1,000) was receivable by the Company during the year, of which £nil (2019: £nil) was outstanding at the year end.

Details of the Directors' shareholdings and the remuneration payable to Directors are given in the Directors' Remuneration Report on page 40.

20. Disclosures regarding financial instruments measured at fair value

The disclosures required by the IFRS 13: 'Fair Value Measurement' are given below. The Company's financial instruments within the scope of IFRS 13 that are held at fair value comprise its investment portfolio.

The investments are categorised into a hierarchy consisting of the following three levels:

Level 1 – valued using unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 – valued by reference to valuation techniques using other observable inputs not included within Level 1.

Level 3 – valued by reference to valuation techniques using unobservable inputs.

The recognition and measurement policies for financial instruments measured at fair value are consistent with those disclosed in the last annual financial statements.

Categorisation within the hierarchy has been determined on the lowest level input that is significant to the fair value measurement of the relevant asset. Details of the valuation techniques used are given in note 2(e).

The following tables set out the fair value measurements using the IFRS 13 hierarchy at the relevant year end:

	2020		2019	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	267,416	–	151,029	–
Level 3	274,780	–	681,559	–
Total	**542,196**	**–**	**832,588**	**–**

The Company's policy for determining transfers between levels is to ascertain the listing status and trading levels at each year end and for each investment determine if any changes have occurred that would necessitate a transfer.

The level 3 investment is the Company's subsidiary holding, JPMorgan Indian Investment Company (Mauritius) Limited. In accordance with the Company's accounting policy, the level 3 investment is held at fair value, which the Directors believe to be the net asset (book) value of the subsidiary. The Directors believe this to be appropriate based upon the financial position and recognition policies of the assets and liabilities of the subsidiary.

In order to assist the reader in understanding the fair value of the Company's subsidiary, set out below is a statement showing the financial position of the subsidiary at 30th September 2020:

	2020 £'000	2019 £'000
Non current assets		
Investments held at fair value through profit or loss	263,311	660,360
Current assets		
Other receivables	676	8,226
Cash and cash equivalents	10,863	13,344
	11,539	21,570
Current liabilities		
Other payables	(70)	(145)
Net current assets	**11,469**	**21,425**
Total assets less current liabilities	**274,780**	**681,785**
Non current liabilities		
Provision for capital gains tax	–	(226)
	–	**(226)**
Net assets	**274,780**	**681,559**

Investments held at fair value through profit or loss are all equity investments listed on the Indian stock exchange. Their fair values are quoted bid market prices thus they are consistent with those set out in accounting policy 2(e) on page 56. These are level 1 financial instruments.

Other receivables are securities sold awaiting settlement, dividend and interest income receivables at year end and their fair value measurement are consistent with those set out in accounting policy 2(h) on page 57.

Cash and cash equivalents consist of cash and liquidity funds and their fair value measurement are consistent with those set out in accounting policy 2(h) on page 57.

Other payables consists of bank loan interest and other fees payable at year end and their fair value measurement are consistent with those set out in accounting policy 2(h) on page 57.

The significant unobservable input comprises the net asset value of the subsidiary. The information above sets out quantitative information around the net asset value of the entity, including references to fair values of the underlying assets and liabilities themselves. The net asset value is sensitive to movements in equity markets, for its portfolio of assets, and any fair value impact of bank debt which is held at amortised cost as a reasonable approximation to fair value.

Sensitivity analysis

Interest rate sensitivity

The following table illustrates the sensitivity of profit after taxation for the year and net assets to a 1% (2019: 1%) increase or decrease in interest rate in regards to the bank loan. 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 bank loan held at the balance sheet date, with all other variables held constant.

20. Disclosures regarding financial instruments measured at fair value *continued*

Effect of a 1% increase in interest rate	2020 £'000	2019 £'000
Statement of comprehensive income – return after taxation		
Revenue return	(300)	–
Capital return	–	–
Total return after taxation for the year and net assets	**(300)**	**–**

Effect of a 1% decrease in interest rate	2020 £'000	2019 £'000
Statement of comprehensive income – return after taxation		
Revenue return	300	–
Capital return	–	–
Total return after taxation for the year and net assets	**300**	**–**

Other price risk sensitivity

The following table illustrates the sensitivity of profit after taxation for the year and net assets to an increase or decrease of 20% (2019: 10%) in the fair value of the subsidiary. 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 subsidiary NAV and adjusting for change in the management fee, but with all other variables held constant.

Effect of a 20% increase in fair value	2020 £'000	2019 £'000
Statement of comprehensive income – return after taxation		
Revenue loss	(412)	(511)
Capital return	54,956	68,156
Total return after taxation for the year and net assets	**54,544**	**67,645**

Effect of a 20% decrease in fair value	2020 £'000	2019 £'000
Statement of comprehensive income – return after taxation		
Revenue return	412	511
Capital loss	(54,956)	(68,156)
Total return after taxation for the year and net assets	**(54,544)**	**(67,645)**

21. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities for the long term so as to secure its investment objective stated on the 'Features' page. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial 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 Company's risk management policy.

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 previous year.

The Company's classes of financial instruments may comprise the following:

- investments in equity shares of Indian companies and other securities which are held in accordance with the Company's investment objective;
- investment in the subsidiary company;
- cash held in liquidity funds;
- short term receivables, payables and cash arising directly from its operations; and
- a credit facility 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 Company will 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 previous 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

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

Management of currency risk

The Manager monitors the Company'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 Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to manage working capital requirements.

Foreign currency exposure

The fair value of the 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.

	2020				
	Indian Rupees £'000	Singapore Dollar £'000	US Dollar £'000	Hong Kong Dollar £'000	Total £'000
Current assets	629	–	49	3	681
Creditors	(387)	–	–	–	(387)
Foreign currency exposure to net monetary items	242	–	49	3	294
Investments held at fair value	264,111	3,864	–	–	267,975
Total net foreign currency exposure	**264,353**	**3,864**	**49**	**3**	**268,269**

21. Financial instruments' exposure to risk and risk management policies *continued*

(a) Market risk *continued*

(i) Currency risk *continued*

	2019				
	Indian Rupees £'000	Singapore Dollar £'000	US Dollar £'000	Hong Kong Dollar £'000	Total £'000
Current assets:	6,235	–	77	3	6,315
Foreign currency exposure to net monetary items	6,235	–	77	3	6,315
Investments held at fair value	146,129	6,351	–	–	152,480
Total net foreign currency exposure	**152,364**	**6,351**	**77**	**3**	**158,795**

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

In addition to the above, through its investment in the subsidiary company JPMorgan Indian Investment Company (Mauritius) Limited, the Company also has exposure to a further of £263,421,000 (2019: £666,909,000) of Indian Rupees.

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, equity investments and exchange rates. The sensitivity analysis is based on equity investments, monetary currency financial instruments held at each balance sheet date and assumes a 10% (2019: 10%) appreciation or depreciation in sterling against currencies to which the Company is exposed, which is deemed a reasonable illustration based on the volatility of exchange rates during the year.

If sterling had weakened by 10% this would have had the following effect:

	2020 £'000	2019 £'000
Statement of comprehensive income return after taxation		
Revenue return	305	144
Capital return	29	632
Total return after taxation for the year	334	776
Investments held at fair value	26,798	15,248
Net assets	**27,132**	**16,024**

Conversely if sterling had strengthened by 10% this would have had the following effect:

	2020 £'000	2019 £'000
Statement of comprehensive income return after taxation		
Revenue loss	(305)	(144)
Capital loss	(29)	(632)
Total loss after taxation for the year	(334)	(776)
Investments held at fair value	(26,798)	(15,248)
Net assets	**(27,132)**	**(16,024)**

In the opinion of the Directors, the above sensitivity analysis with respect to monetary financial assets, financial liabilities and equity investments is broadly representative of the whole year.

(ii) Interest rate risk

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

Management of interest rate risk

The Company does not normally hold significant cash balances. Short term borrowings are used when required. The Company may finance part of its activities through borrowings at levels approved and monitored by the Board. The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the subsidiary borrows on its loan facility. However, amounts drawn down on this facility are for short term periods and therefore exposure to interest rate risk is not significant.

Interest rate exposure

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

	2020 £'000	2019 £'000
Exposure to floating interest rates		
JPM Sterling Liquidity Fund	24,000	18,700
Cash held at bank	3,810	427
Bank loan	(30,000)	–
Total exposure	**(2,190)**	**19,127**

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

The following table illustrates the sensitivity of profit after taxation for the year and net assets to a 1% (2019: 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:

	2020 £'000	2019 £'000
Statement of comprehensive income — return after taxation		
Revenue (loss)/return	(22)	191
Total (loss)/return after taxation for the year and net assets	**(22)**	**191**

Effect of a 1% decrease in interest rate:

	2020 £'000	2019 £'000
Statement of comprehensive income — return after taxation		
Revenue return/(loss)	22	(191)
Total return/(loss) after taxation for the year and net assets	**22**	**(191)**

In the opinion of the Directors, the above sensitivity analysis is broadly representative of the whole year as the level of exposure to floating interest rates may fluctuate.

21. Financial instruments' exposure to risk and risk management policies *continued*

(a) Market risk *continued*

(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:

	2020 £'000	2019 £'000
Investments held at fair value through profit or loss	542,196	832,588

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

Concentration of exposure to other price risk

An analysis of the company's investments is given on pages 18 and 19. 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.

Other price risk sensitivity

The following table illustrates the sensitivity of profit after taxation for the year and net assets to an increase or decrease of 20% (2019: 10%) in the fair value of equity investments or a change in the sterling/rupee exchange rate. 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 20% increase in fair value:

	2020 £'000	2019 £'000
Statement of comprehensive income – return after taxation		
Revenue loss	(650)	(624)
Capital return	108,440	83,259
Total return after taxation and net assets	**107,790**	**82,635**

Effect of a 20% decrease in fair value:

	2020 £'000	2019 £'000
Statement of comprehensive income – return after taxation		
Revenue return	650	624
Capital loss	(108,440)	(83,259)
Total loss after taxation and net assets	**(107,790)**	**(82,635)**

(b) Liquidity risk

This is the risk that the company 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 Company'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 and working capital requirements.

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

	2020			
	Less than three months £'000	More than three months but not more than one year £'000	More than one year £'000	Total £'000
Other payables				
Purchases of investments for future settlement	387	–	–	387
Repurchase of shares for future settlement	1,556	–	–	1,556
Other creditors and accruals	164	–	–	164
Non current liabilities				
Bank loan interest payable	159	389	30,458	31,006
Provision for capital gains tax[1]	–	–	1,654	1,654
	2,266	**389**	**32,112**	**34,767**

	2019			
	Less than three months £'000	More than three months but not more than one year £'000	More than one year £'000	Total £'000
Other payables				
Other creditors and accruals	168	–	–	168
Bank loan interest payable	131	193	–	324
Non current liabilities				
Provision for capital gains tax[1]	–	–	118	118
	299	**193**	**118**	**610**

[1] Although capital gains tax is a statutory obligation and not a contractual obligation, it is a liability of the Company that will impact upon the Company's liquidity and is therefore included in the table above.

(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 Company.

21. Financial instruments' exposure to risk and risk management policies *continued*

(c) Credit risk *continued*

Management of credit risk

Portfolio dealing

The Company invests in markets that operate Delivery Versus Payment ('DVP') 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 and cash equivalents

Counterparties are subject to regular credit analysis by the Manager and deposits can only be placed with counterparties that have been approved by JPMAM's Counterparty Risk Group. The Board regularly reviews the counterparties used by the Manager.

Cash and cash equivalents comprise balances held at JPMorgan Chase Bank, N.A. The liquidity funds which the company invests in have credit ratings of AAA.

Exposure to JPMorgan Chase

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading.

The Depositary, Bank of New York Mellon (International) Limited, is responsible for the safekeeping of all custodial assets of the Company and for verifying and maintaining a record of all other assets of the Company. However, no absolute guarantee can be given on the protection of all the assets of the Company.

Credit risk exposure

The amounts shown in the statement of financial position under investments in liquidity fund, other receivables and cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

(d) Fair values of financial assets and financial liabilities

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

22. Capital management policies and procedures

The Company's capital comprises the following:

	2020 £'000	2019 £'000
Equity		
Share capital	24,868	31,404
Reserves	511,829	826,225
Total capital	**536,697**	**857,629**

The capital management objectives are to ensure that the company 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.

	2020 £'000	2019 £'000
Investments held at fair value through profit or loss	542,196	832,588
Net assets	536,697	857,629
Gearing/(Net Cash)	**1.0%**	**(2.9%)**

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 covenants associated with bank loans, to ensure they are complied with at all times;
– 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.

23. Analysis of changes in net debt

	Year ended 30th September 2019 £'000	Transactions in the year £'000	Cashflow £'000	Foreign exchange gain/loss £'000	Year ended 30th September 2020 £'000
Drawdown of bank loan	–	–	30,000	–	30,000
Repurchase of shares for cancellation	–	210,002	(210,002)	–	–
Repurchase of shares into treasury	–	261	(261)	–	–
	–	**210,263**	**(180,263)**	–	**30,000**

24. Supplemental information

Following an amendment to International Financial Reporting Standard 10 ('IFRS 10'), a Company that operates as an 'investment entity' is no longer permitted to consolidate a subsidiary company. The Company qualifies as an investment entity and as a result, with effect from the 2017 financial year onwards, the subsidiary company is shown as an investment held at fair value through profit or loss.

To allow shareholders to compare the Company's performance and financial position as reported in this Annual Report and Financial Statements with historically published figures which were prepared on a consolidated basis, the Company has produced the following supplemental information. The figures contained in this note are considered Alternative Performance Measures ('APM').

Reconciliations between the statutory company-only financial statements presented on pages 77 to 79 and the consolidated figures that would have been published prior to the change to IFRS 10 have been included to provide additional clarity and meaningful comparison.

24. Supplemental information *continued*

GROUP STATEMENT OF COMPREHENSIVE INCOME[A]

FOR THE YEAR ENDED 30TH SEPTEMBER 2020

	Notes	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
(Losses)/gains from investments held at fair value through profit or loss	e (iii)	–	(106,980)	(106,980)	–	85,179	85,179
Net foreign currency losses	e (iv)	–	(1,130)	(1,130)	–	(371)	(371)
Income from investments	a (i)	7,463	–	7,463	9,009	–	9,009
Interest receivable and similar income	a (ii)	166	–	166	260	–	260
Total income/(loss)		**7,629**	**(108,110)**	**(100,481)**	**9,269**	**84,808**	**94,077**
Management fee	b	(4,940)	–	(4,940)	(7,059)	–	(7,059)
Other administrative expenses	c	(1,448)	–	(1,448)	(1,635)	–	(1,635)
Profit/(loss) before finance costs and taxation		**1,241**	**(108,110)**	**(106,869)**	**575**	**84,808**	**85,383**
Finance costs	d	(608)	–	(608)	(683)	–	(683)
Profit/(loss) before taxation		**633**	**(108,110)**	**(107,477)**	**(108)**	**84,808**	**84,700**
Taxation (charge)/credit	f	(744)	(892)	(1,636)	–	2,784	2,784
Net (loss)/profit		**(111)**	**(109,002)**	**(109,113)**	**(108)**	**87,592**	**87,484**
(Loss)/earnings per share		**(0.13)p**	**(124.48)p**	**(124.61)p**	**(0.10)p**	**83.76p**	**83.66p**

[A] Alternative performance measure ('APM').

GROUP AND COMPANY STATEMENT OF FINANCIAL POSITION[A]

AT 30TH SEPTEMBER 2020

	Notes	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Non current assets					
Investments held at fair value through profit or loss	e(i)	530,727	811,389	267,416	151,029
Investments in subsidiary held at fair value through profit or loss	e(ii)	–	–	274,780	681,559
		530,727	**811,389**	**542,196**	**832,588**
Current assets					
Other receivables	g	1,159	14,483	483	6,257
Cash and cash equivalents	h	38,673	32,471	27,810	19,127
		39,832	**46,954**	**28,293**	**25,384**
Current liabilities					
Other payables	i	(2,208)	(370)	(2,138)	(225)
Net current assets		**37,624**	**46,584**	**26,155**	**25,159**
Total assets less current liabilities		**568,351**	**857,973**	**568,351**	**857,747**
Non current liabilities					
Provision for capital gains tax	j	(1,654)	(344)	(1,654)	(118)
Bank loan		(30,000)	–	(30,000)	–
		(31,654)	**(344)**	**(31,654)**	**(118)**
Net assets		**536,697**	**857,629**	**536,697**	**857,629**
Amounts attributable to shareholders					
Called up share capital		24,868	31,404	24,868	31,404
Share premium		97,316	97,316	97,316	97,316
Other reserve		–	41,929	–	41,929
Exercised warrant reserve		5,886	5,886	5,886	5,886
Capital redemption reserve		12,898	6,362	12,898	6,362
Capital reserves		419,698	698,590	420,054	698,869
Revenue reserve		(23,969)	(23,858)	(24,325)	(24,137)
Total shareholders' funds		**536,697**	**857,629**	**536,697**	**857,629**
Net asset value per share		**687.1p**	**820.1p**	**687.1p**	**820.1p**

[A] Alternative performance measure ('APM').

24. Supplemental information *continued*

RECONCILIATIONS TO STATUTORY COMPANY FINANCIAL STATEMENTS

Throughout this section, 'Subsidiary' denotes JPMorgan Indian Investment Company (Mauritius) Limited

a (i). Income from investments:	Page	2020 £'000	2019 £'000
Income from investments (Company-only) per Statement of Comprehensive Income	51	3,051	1,437
Add: Income from investments (Subsidiary)		4,412	7,572
Income from investments – Group[A]		**7,463**	**9,009**

a (ii). Interest receivable and similar income:	Page	2020 £'000	2019 £'000
Interest receivable and similar income (Company-only) per Statement of Comprehensive Income	51	47	75
Add: Interest receivable and similar income (Subsidiary)		119	185
Interest receivable and similar income – Group[A]		**166**	**260**

b. Management fee:	Page	2020 £'000	2019 £'000
Management fee (Company-only) per Statement of Comprehensive Income	51	(1,408)	(640)
Add: Management fee (Subsidiary)		(3,532)	(6,419)
Management fee – Group[A]		**(4,940)**	**(7,059)**

c. Other administrative expenses:	Page	2020 £'000	2019 £'000
Other administrative expenses (Company-only) per Statement of Comprehensive Income	51	(911)	(842)
Add: Other administrative expenses (Subsidiary)		(537)	(793)
Other administrative expenses – Group[A]		**(1,448)**	**(1,635)**

d. Finance costs:	Page	2020 £'000	2019 £'000
Finance costs (Company-only) per Statement of Comprehensive Income	51	(608)	(533)
Add: Finance costs (Subsidiary)		–	(150)
Finance costs – Group[A]		**(608)**	**(683)**

[A] Alternative performance measure ('APM').

e. (i) Investments held at fair value through profit or loss:	Page	2020 £'000	2019 £'000
Investments held at fair value through profit or loss (Company-only) per Statement of Financial Position	53	267,416	151,029
Add: Investments held at fair value through profit or loss (Subsidiary)		263,311	660,360
Investments held at fair value through profit or loss – Group[A]		**530,727**	**811,389**

e. (ii) Investment in subsidiary held at fair value through profit or loss:	Page	2020 £'000	2019 £'000
Investment in subsidiary held at fair value through profit or loss (Company-only) per Statement of Financial Position	5	274,780	681,559
Less: Investment in subsidiary held at fair value through profit or loss by the Company, as this has been replaced by the individual asset and liability amounts		(274,780)	(681,559)
Investment in subsidiary held at fair value through profit or loss – Group		**–**	**–**

e. (iii) (Losses)/gains from investments held at fair value through profit or loss:	Page	2020 £'000	2019 £'000
(Losses)/gains from investments held at fair value through profit or loss (Company-only) per Statement of Comprehensive Income	5	(107,444)	88,483
Add: Unrealised losses/less: (unrealised gains) on the direct investment in the Subsidiary included within the Company only figures		55,944	(77,615)
Less: Gains on investments held at fair value through profit or loss based on historical cost on the direct investment in the Subsidiary included within the Company only figures		(238,771)	(128,817)
Less: Amounts recognised as investment holding gains in the previous year in respect of investments sold during the year on the direct investment in the Subsidiary included within the Company only figures		292,502	126,347
Less: (losses)/add: gains from investments held at fair value through profit or loss (Subsidiary)		(109,211)	76,781
(Losses)/gains from investments held at fair value through profit or loss – Group[A]		**(106,980)**	**85,179**

e. (iv) Foreign exchange losses:	Page	2020 £'000	2019 £'000
Foreign exchange losses (Company-only) per Statement of Comprehensive Income	51	(363)	(378)
Add: Foreign exchange (losses)/gains (Subsidiary)		(767)	7
Foreign exchange losses – Group[A]		**(1,130)**	**(371)**

[A] Alternative performance measure ('APM').

24. Supplemental information *continued*

f. Taxation:	Page	2020 £'000	2019 £'000
Revenue			
Overseas withholding tax (Company-only) per Statement of Comprehensive Income	51	(359)	–
Add: Overseas withholding tax (Subsidiary)		(385)	–
Total revenue		**(744)**	**–**
Capital			
Taxation (Company-only) per Statement of Comprehensive Income		(1,118)	(118)
Add: Taxation (Subsidiary)		226	2,902
Total capital		**(892)**	**2,784**
Taxation – Group[A]		**(1,636)**	**2,784**

g. Other receivables:	Page	2020 £'000	2019 £'000
Other receivables (Company-only) per Statement of Financial Position	53	483	6,257
Add: Other receivables (Subsidiary)		676	8,226
Other receivables – Group[A]		**1,159**	**14,483**

h. Cash and cash equivalents:	Page	2020 £'000	2019 £'000
Cash and cash equivalents (Company-only) per Statement of Financial Position	53	27,810	19,127
Add: Cash and cash equivalents (Subsidiary)		10,863	13,344
Cash and cash equivalents – Group[A]		**38,673**	**32,471**

i. Other payables:	Page	2020 £'000	2019 £'000
Other payables (Company-only) per Statement of Financial Position	53	(2,137)	(225)
Add: Other payables (Subsidiary)		(70)	(145)
Other payables – Group[A]		**(2,207)**	**(370)**

j. Provision for capital gains tax:	Page	2020 £'000	2019 £'000
Provision for capital gains tax (Company-only) per Statement of Financial Position	53	(1,654)	(118)
Add: Provision for capital gains tax (Subsidiary)		–	(226)
Provision for capital gains tax – Group[A]		**(1,654)**	**(344)**

[A] Alternative performance measure ('APM').

GROUP AND SUBSIDIARY'S TRANSACTIONS WITH THE MANAGER AND RELATED PARTIES

Details of the management contract are set out in the Directors' Report on page 29. There has been a retrospective reduction in the management fee for Company and subsidiary commencing 1st February 2020. A post-year-end adjustment was required to rectify back-dating adjustment relating to the 2019-2020 financial year-end and accordingly an adjustment is made of prepayment in the accounts to account for the reductions. Post this adjustment, the management fee payable to the Manager by the Group for the year was £4,940,000 (2019: £7,059,000) of which £775,000 reflects the prepayment adjustment accounted (2019: £nil was outstanding) in the financial statements at the year end. Please see note 19 for details.

Included in the administration expenses in note 24(c) on page 77 are safe custody fees payable to JPMorgan Chase as custodian of the Group amounting to £565,000 (2019: £789,000) of which £80,000 (2019: £140,000) was outstanding at the year end.

Handling charges payable on dealing transactions undertaken by overseas sub custodians on behalf of the Group amounted to £70,000 (2019: £47,000) during the year, of which £6,000 (2019: £4,000) was outstanding at the year end.

In addition, the subsidiary JPMorgan Indian Investment Company (Mauritius) Limited holds cash in the JPMorgan Sterling Liquidity Fund. At 30th September 2020, the holding was valued at £8,700,000 (2019: £12,400,000). During the year, the subsidiary made purchases in this fund amounting to £27,700,000 (2019: £171,400,000) and sales on this fund amounting to £31,400,000 (2019: £173,700,000). Income receivable from this fund amounted to £119,000 (2019: £185,000) of which £nil (2019: £nil) was outstanding at the year end. JPMorgan earns no management fee on these funds.

At the year end, the subsidiary held bank balances of £2,163,000 with JPMorgan Chase Bank, N.A. (2019: £942,000). Interest amounting to £nil received by the subsidiary (2019: £nil) during the year.

Regulatory Disclosures

ALTERNATIVE INVESTMENT FUND MANAGERS' DIRECTIVE ('AIFMD') DISCLOSURES (UNAUDITED)

Leverage

For the purposes of the Alternative Investment Fund Managers Directive ('AIFMD'), leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method in accordance with AIFMD. Under the gross method, exposure represents the sum of the Company's positions without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

The Company is required to state its maximum and actual leverage levels, calculated as prescribed by the AIFMD, as at 30th September 2020, which gives the following figures:

	Gross Method	Commitment Method
Maximum limit	200%	200%
Actual	99%	105%

JPMorgan Funds Limited (the 'Management Company') is the authorised manager of JPM Indian Investment Trust plc (the 'Company') and is part of the J.P. Morgan Chase & Co. group of companies. In this section, the terms 'J.P. Morgan' or 'Firm' refer to that group, and each of the entities in that group globally, unless otherwise specified.

This section of the annual report has been prepared in accordance with the Alternative Investment Fund Managers Directive (the 'AIFMD'), the European Commission Delegated Regulation supplementing the AIFMD, and the 'Guidelines on sound remuneration policies' issued by the European Securities and Markets Authority under the AIFMD. The information in this section is in respect of the most recent complete remuneration period (the 'Performance Year') as at the reporting date.

This section has also been prepared in accordance with the relevant provisions of the Financial Conduct Authority Handbook (FUND 3.3.5).

Remuneration Policy

A summary of the Remuneration Policy currently applying to the Management Company (the 'Remuneration Policy Statement') can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy. This Remuneration Policy Statement includes details of how remuneration and benefits are calculated, including the financial and non-financial criteria used to evaluate performance, the responsibilities and composition of the Firm's Compensation and Management Development Committee, and the measures adopted to avoid or manage conflicts of interest. A copy of this policy can be requested free of charge from the Management Company.

The Remuneration Policy applies to all employees of the Management Company, including individuals whose professional activities may have a material impact on the risk profile of the Management Company or the Alternative Investment Funds it manages ('AIFMD Identified Staff'). The AIFMD Identified Staff include members of the Board of the Management Company (the 'Board'), senior management, the heads of relevant Control Functions, and holders of other key functions. Individuals are notified of their identification and the implications of this status on at least an annual basis.

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. The Board last reviewed and adopted the Remuneration Policy that applied for the 2018 Performance Year in June 2018 with no material changes and was satisfied with its implementation.

Quantitative Disclosures

The table below provides an overview of the aggregate total remuneration paid to staff of the Management Company in respect of the 2019 Performance Year and the number of beneficiaries. These figures include the remuneration of all staff of JPMorgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an Assets Under Management ('AUM') weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 30 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 38 sub-funds) as at 31st December 2019, with a combined AUM as at that date of £13.8 billion and £17.1 billion respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company ($'000s)	15,972	9,139	25,111	119

The aggregate 2019 total remuneration paid to AIFMD Identified Staff was USD $57,449,000, of which USD $4,425,000 relates to Senior Management and USD $53,024,000 relates to other Identified Staff[1].

[1] Since 2017, the AIFMD identified staff disclosures includes employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

SECURITIES FINANCING TRANSACTIONS REGULATION ('SFTR') DISCLOSURES (UNAUDITED)

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) or total return swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 30th September 2020.

Shareholder Information

Notice is hereby given that the twenty seventh Annual General Meeting of JPMorgan Indian Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Tuesday, 2nd February 2021 at 12.00 noon for the following purposes:

1. To receive the Directors' Report, the Financial Statements and the Independent Auditors' Report for the year ended 30th September 2020.
2. To approve the Directors' remuneration policy.
3. To approve the Directors' Remuneration Report for the year ended 30th September 2020.
4. To reappoint Vanessa Donegan as a Director of the Company.
5. To reappoint Jasper Judd as a Director of the Company.
6. To reappoint Rosemary Morgan as a Director of the Company.
7. To reappoint Hugh Sandeman as a Director of the Company.
8. To reappoint Jeremy Whitley as a Director of the Company.
9. To reappoint PricewaterhouseCoopers LLP as Independent Auditors of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Authority to allot new shares — Ordinary Resolution

10. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised (in substitution of any authorities previously granted to the Directors), 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 shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £2,486,846, representing approximately 10% of the Company's issued Ordinary share capital, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2022 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights — Special Resolution

11. THAT subject to the passing of Resolution 10 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 to 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 10 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £2,486,846 representing approximately 10% of the issued Ordinary share capital as at the date of the passing of this resolution at a price of not less than the net asset value per share and shall expire upon the expiry of the general authority conferred by Resolution 10 above, save that the Company may before such expiry make offers or agreements 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 pursuant to such offers or agreements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares — Special Resolution

12. THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of its issued Ordinary shares on such terms and in such manner as the Directors may from time to time determine.

    PROVIDED ALWAYS THAT

    (i) the maximum number of Ordinary shares hereby authorised to be purchased shall be 11,640,463 or if different, that number of Ordinary shares which is equal to 14.99% of the Company's issued Ordinary share capital as at the date of the passing of this Resolution;

    (ii) the minimum price which may be paid for an Ordinary share shall be 25 pence;

    (iii) the maximum price which may be paid for an Ordinary share shall be an amount equal to: (a) 105% of the average of the middle market quotations for an Ordinary 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 Ordinary 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 1st August 2022 unless the authority is renewed at the Company's Annual General Meeting in 2022 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which contract will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

Adoption of New Articles of Association – Special Resolution

13. That the Articles of Association produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Secretary

29th December 2020

Due to the ongoing situation surrounding COVID-19 and Government advice, the Board has decided to revise the format of this year's AGM. Only the formal business of the AGM will be considered and there will be no presentation from the Investment Manager. The Government has, for the time being, placed restrictions on public gatherings and therefore shareholders will not be allowed to attend the AGM in person. Anyone seeking to attend the meeting will be refused entry.

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.

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

4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments 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 received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

5. 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 6.30 p.m. two working 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 6.30 p.m. two working days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the meeting or adjourned meeting.

6. Entry to the Meeting will be restricted to shareholders and their proxy or proxies. No guests will be admitted.

7. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative(s) may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's financial statements (including the Auditors' report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with the Independent Auditors of the Company ceasing to hold office since the previous AGM; which the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Independent Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting or if it would involve the disclosure of confidential information.

10. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

11. 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 cannot 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.

12. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmindian.co.uk.

13. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are 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. No Director has any contract of service with the Company.

14. You may not use any electronic address provided in this Notice of meeting to communicate with the Company for any purposes other than those expressly stated.

15. As an alternative to completing a hard copy Form of Proxy/Voting Instruction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.

16. As at 21st December 2020 (being the latest business day prior to the publication of this Notice), the Company's issued share capital, excluding those shares held in Treasury, consists of 77,654,860 Ordinary shares, carrying one vote each. Therefore the total voting rights in the Company are 77,654,860.

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.

SUMMARY OF THE PRINCIPAL AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 13 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments which are likely to be of interest to shareholders. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection at the offices of JPMorgan Asset Management, 60 Victoria Embankment, London EC4Y 0JP between the hours of 9.00 am and 5.00 pm (Saturdays, Sundays and public holidays excepted), from the date of the AGM Notice until the close of the AGM on the Company's website (www.jpmindian.co.uk), and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Virtual-only shareholder meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means. This should make it easier for the Company's shareholders to attend shareholder meetings if the Board elects to conduct meetings using only electronic means. Amendments have been made throughout the New Articles to facilitate the holding of virtual-only shareholder meetings.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no intention of holding a virtual-only meeting if it can be reasonably avoided. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for a virtual-only meeting to be held. The Existing Articles already permit General Meetings to be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

Minor amendments

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including (i) providing the Directors with the ability to require additional security measures to be put in place at general meetings of the Company, (ii) providing the Directors with the ability to postpone general meetings; (iii) the inclusion of a procedure in the event an insufficient number of Directors are reappointed at an annual general meeting of the Company; (iv) allowing the Company to pay dividends through bank transfers instead of by way of cheques with the further ability to retain cash payments where bank details are not provided by a shareholder; and (v) allowing the Company to retain the net proceeds of the sale of any share sold, together with any unpaid or unclaimed dividends or other moneys payable in respect of such share, of untraced shareholders. These changes reflect modern best practice and are intended to relieve certain administrative burdens on the Company.

Return to Shareholders (APM)

Total return to shareholders, on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Total return calculation	Page	2020	2019
Opening share price (p)	5	744.0	630.0
Closing share price (p)	5	571.5	744.0
Total return to shareholders		**-23.2%**	**18.1%**

Return on Net Assets (APM)

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Page	2020	2019
Opening NAV per share (p)	5	820.1	736.5
Closing NAV per share (p)	5	687.1	820.1
Total return on net assets		**-16.2%**	**11.4%**

Benchmark return

Total return on the benchmark, on a closing-market value to closing-market value basis, assuming that all dividends received were reinvested, without transaction costs, 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.

Net Asset Value per Share (APM)

This is determined by the value of the Company's net assets (total assets less total liabilities) divided by the number of ordinary shares in issue. Please see note 16 on page 64for detailed calculations.

Gearing/(Net cash)

Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

Gearing (Group)	Page	2020 £'000	2019 £'000	
Investments held at fair value through profit or loss	76	530,727	811,389	(a)
Net assets	76	536,697	857,629	(b)
(Net cash)/Gearing (c = a / b – 1)		**(1.1)%**	**(5.4)%**	**(c)**

Gearing (Company)	Page	2020 £'000	2019 £'000	
Investments held at fair value through profit or loss	53	542,916	832,588	(a)
Net assets	53	536,697	857,629	(b)
Gearing/(Net cash) (c = a / b – 1)		**1.0%**	**(2.9)%**	**(c)**

Ongoing Charges (APM)

The ongoing charges represent the management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

Ongoing charges (Group)	Page	2020 £'000	2019 £'000	
Management Fee	75	4,940	7,059	
Other administrative expenses	75	1,448	1,635	
Total management fee and other administrative expenses		6,388	8,694	(a)
Average daily cum-income net assets		625,389	819,893	(b)
Ongoing charges (c = a / b)		**1.02%**	**1.06%**	**(c)**

Ongoing charges (Company)	Page	2020 £'000	2019 £'000	
Management Fee	51	1,408	640	
Other administrative expenses	51	911	842	
Total management fee and other administrative expenses		2,319	1,482	(a)
Average daily cum-income net assets		625,389	819,893	(b)
Ongoing charges (c = a / b)		**0.37%**	**0.18%**	**(c)**

Share Price Discount/Premium to Net Asset Value ('NAV') per Share (APM)

If the share price of an investment trust 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 per share. The opposite of a discount is a premium (page 5).

Share price discount calculation	Page	2020	2019	
Share price (pence)	5	571.5	744.0	(a)
Net asset value per share (pence)	5	687.1	820.1	(b)
Share price discount to net asset value per share (c = a / b – 1)		**16.8%**	**9.3%**	**(c)**

Investment Entity
An entity that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis.

Earnings/(Loss) Per Share
The earnings/(loss) per share represents the profit/(loss) after taxation divided by the weighted average number of shares in issue during the year. Please refer to note 9 (page 61) in the financial statements for the detailed calculation.

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

Performance Attribution Definitions:

Sector 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 which are not included in the benchmark.

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

Gearing/(Net cash)
Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

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

You can invest in a J.P. Morgan investment trust through the following:

1. Via a third party provider

Third party providers include:

AJ Bell	Hargreaves Lansdown
Barclays Smart Investor	Interactive Investor
Charles Stanley Direct	Selftrade
FundsNetwork	The Share Centre

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These websites are third party sites and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each site's privacy and cookie policies as well as their platform charges structure.

The Board encourages all of its shareholders to exercise their rights and notes that many specialist platforms, including the default options offered by JPMorgan, provide shareholders with the ability to continue to receive Company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the AIC's website at www.theaic.co.uk/aic/shareholder-voting-consumer-platforms for information on which platforms support these services and how to utilise them.

2. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at unbiased.co.uk

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit fca.org.uk

FINANCIAL CALENDAR

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

History

The Company was launched in May 1994, under the name of The Fleming Indian Investment Trust PLC, 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 Exchange number: 0345035
ISIN: GB0003450359
Bloomberg Code: JII LN
LEI: 549300OHW8R1C2WBYK02

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 and on the Company's 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 Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

Manager and Company Secretary

JPMorgan Funds Limited.

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 020 7742 4000

For Company Secretarial and administrative matters, please contact Divya Amin.

Depositary

The Bank of New York Mellon (International) Limited
1 Canada Square
London EC14 5AL

The Depositary has appointed JPMorgan Chase Bank, N.A. as the Company's custodian.

Registrars

Equiniti Limited
Reference 1087
Aspect House
Spencer Road
West Sussex BN99 6DA
Telephone number: 0371 384 2327

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

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

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Brokers

Numis Securities Limited
The London Stock Exchange Building
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London EC4M 7LT

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J.P.Morgan
Asset Management