



Interim Report 07

JPMorgan Indian Investment Trust plc

Interim Report for the six months ended 31st March 2007

Features

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Objective

Capital growth from investments in India.

Investment Policies

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

Benchmark

MSCI India Index expressed in sterling.

Risk

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

Capital Structure

The Company has an authorised ordinary share capital of 200,000,000 shares of 25p each, of which 104,806,662 were in issue as at 31st March 2007.

Continuation Vote

The Company's Articles of Association require that, at the Annual General Meeting to be held in 2009 and at every fifth year thereafter, the Directors will propose a resolution that the Company continues as an investment trust.

Management Company

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

AIC

The Company is a member of the Association of Investment Companies.

Interim Performance

Total Returns (capital plus income)

+6.3%

Total return to shareholders¹

+6.2%

Total return on net assets²

+7.0%

Benchmark total return^{3,4}

Financial Data

	31st March 2007	30th Sept 2006	CHANGE %
Total net assets (£'000)	312,746	294,203	+6.3
Number of ordinary shares in issue	104,806,662	104,706,662	
Net asset value per share (p)	298.4	281.0	+6.2
Share price (p)	288.0	271.0	+6.3
Discount of share price to net asset value	3.5%	3.6%	

A glossary of terms and definitions is provided on page 12

¹Source: Standard & Poor's – www.funds.sp.com

²Source: Fundamental Data Ltd

³Source: MSCI

⁴The Company's benchmark is the MSCI India Index in sterling terms.

Chairman's Statement



The six months under review has been a volatile period for global emerging markets and India has been no exception.

Performance

The MSCI India Index eventually finished the period up by 7.0% in sterling terms. Your Company marginally underperformed the Index, producing a total return on net assets of 6.2%. The share price total return was slightly higher at 6.3% reflecting a modest narrowing of the Company's discount to 3.5%.

Discount Management

The Board has guidelines in place with regard to the management of any discount/premium that may develop between the Company's share price and its net asset value per share. In line with these guidelines, 100,000 new ordinary shares were issued during the six months under review. No shares were repurchased in the period.

Outlook

Whilst corporate India continues to flourish, there are challenges that need to be addressed. Inflation has been creeping up and the rupee has appreciated sharply. Our investment managers remain confident, however, and their strategy, to prefer domestic consumption plays and the beneficiaries of infrastructure spending, remains broadly unchanged.

Philip Daubeney
Chairman

21st June 2007

Investment Managers' Report



Edward Pulling

Our portfolio strategy remains unchanged, with a preference for plays on domestic consumption and infrastructure spending, while we continue to remain cautious on global cyclicals.



Rukhshad Shroff

Market Review

The MSCI India Index rose by 7% (in sterling terms) over the half year to 31st March 2007. Telecommunications, Financials, Energy and IT services were the key outperformers while Consumer Staples and Materials underperformed. Foreigners invested just under \$4.5bn while domestic mutual funds were net sellers to the tune of over \$300m during the review period.

Amongst the highlights of the review period were the rise in Indian wholesale price inflation to over 6.5% before its retreat to around 5.7% and the Reserve Bank of India's decision to increase reserve requirements and repo rates to slow down credit growth and cool down the economy. Earnings from corporate India continued to surprise on the upside as economic momentum remained exceptionally strong. Mergers and acquisition activity was also in the spotlight with Tata Steel winning a bid to buy Corus for approximately \$13bn while Vodafone announced its intention to buy Hutchison International's stake in its Indian subsidiary for approximately \$11 bn. The government forced the cement companies to freeze prices for a year in an effort to control prices to contain inflation which hurt cement stocks and affected market sentiment. The government intervention is, we believe, a temporary phenomenon.



Rajendra Nair

Performance

The Company underperformed the benchmark during the review period primarily due to its underweight position in Reliance Industries, which performed well, and its substantial overweight exposure to the materials sector, which underperformed. Notwithstanding the pain in the short term we have continued to maintain our exposure to this sector as we believe that the underlying fundamentals remain robust. Demand remains strong, driven by rising infrastructure spending and build out in the property sector while the bulk of the supply creation is likely to happen only in 2009.

Telecommunications, Financials, Energy and IT services were the key out performers while Consumer Staples and Materials underperformed.

Outlook

Although inflation will impact demand in some sectors, it is unlikely to derail the momentum in the economy which should continue to grow at a healthy 7-8% over the next couple of years. The sharp rise in the rupee will certainly hit exporters (such as the IT services companies) in the short term but India's reliance on exports is substantially lower than the other Asian economies. From a liquidity perspective, the risk in the short term is that the Reserve Bank of India is tempted into taking administrative measures to control inflows, which would be extremely negative for sentiment.

The earnings momentum continues to remain strong, as evidenced in the strong third and fourth quarter corporate results, which beat expectations, and valuations remain reasonable at 16-17x financial year 2008 earnings, which are expected to grow at 15-18%. Our portfolio strategy remains unchanged, with a preference for plays on domestic consumption and infrastructure spending, while we continue to remain cautious on global cyclicals such as petrochemicals and steel producers.

Edward Pulling
Rukhshad Shroff
Rajendra Nair
Investment Managers

21st June 2007

Ten Largest Group Investments

at 31st March 2007

Company	Sector	Valuation	
		£'000	% ¹
Larsen & Toubro	Industrial	22,538	7.2
Bharti Airtel	Telecommunications Services	21,773	7.0
Infosys Technologies	Information Technology	21,336	6.8
Bharat Heavy Electrical	Industrial	17,269	5.5
Mahindra & Mahindra	Consumer Discretionary	15,227	4.9
Satyam Computer	Information Technology	15,152	4.8
Housing Development Finance	Financials	12,441	4.0
Associated Cement	Materials	12,304	3.9
Wipro	Information Technology	10,024	3.2
Reliance Industries	Energy	9,233	3.0
Total²		157,297	50.3

¹Based on total assets less current liabilities of £312.7m.

²As at 30th September 2006, the value of the ten largest investments amounted to £152,960,000 representing 52.0% of total assets less current liabilities.

Group Portfolio Analysis

Sector	Portfolio	Benchmark	Portfolio	Benchmark
	31st March	31st March	30th September	30th September
	2007	2007	2006	2006
	%	%	%	%
Industrials	20.8	9.3	21.3	9.3
Financials	17.6	21.1	12.7	19.2
Information Technology	15.1	21.4	16.0	20.9
Telecommunication Services	10.8	4.7	8.7	4.6
Consumer Discretionary	10.0	6.5	10.9	7.4
Materials	7.4	6.1	10.0	7.2
Healthcare	6.4	5.2	6.5	5.3
Utilities	4.7	2.4	6.6	2.5
Energy	4.4	17.3	2.2	15.8
Consumer Staples	2.9	6.0	4.9	7.8
Net current (liabilities)/assets	(0.1)	-	0.2	-
Total	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £312.7m (2006: £294.2m)

Consolidated Income Statement

for the six months ended 31st March 2007

	(Unaudited) Six months ended 31st March 2007			(Unaudited) Six months ended 31st March 2006			(Audited) Year ended 30th September 2006		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	1,149	–	1,149	636	–	636	2,790	–	2,790
Other income	142	–	142	84	–	84	132	–	132
	1,291	–	1,291	720	–	720	2,922	–	2,922
Gains from investments held at fair value through profit or loss	–	19,875	19,875	–	84,797	84,797	–	69,172	69,172
Foreign exchange losses	–	(39)	(39)	–	(174)	(174)	–	(404)	(404)
Total income	1,291	19,836	21,127	720	84,623	85,343	2,922	68,768	71,690
Expenses									
Management fee	(1,984)	–	(1,984)	(1,417)	–	(1,417)	(3,165)	–	(3,165)
Other administrative expenses	(631)	–	(631)	(402)	–	(402)	(967)	–	(967)
(Loss)/profit before finance costs and taxation	(1,324)	19,836	18,512	(1,099)	84,623	83,524	(1,210)	68,768	67,558
Finance costs	(272)	–	(272)	(39)	–	(39)	(107)	–	(107)
(Loss)/profit before taxation	(1,596)	19,836	18,240	(1,138)	84,623	83,485	(1,317)	68,768	67,451
Taxation	–	–	–	(20)	–	(20)	(19)	–	(19)
Net (loss)/profit	(1,596)	19,836	18,240	(1,158)	84,623	83,465	(1,336)	68,768	67,432
(Loss)/earnings per share (note 3)	(1.52p)	18.93p	17.41p	(1.16p)	84.92p	83.76p	(1.31p)	67.29p	65.98p

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

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

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

Consolidated Statement of Changes in Equity

for the six months ended 31st March 2007

	(Unaudited)							Total £'000
	Six months ended 31st March 2007							
	Share capital £'000	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	
Net assets at 30th September 2006	26,177	50,636	41,929	5,886	168,670	6,348	(5,443)	294,203
Shares issued	25	278	–	–	–	–	–	303
Net profit/(loss) for the period	–	–	–	–	19,836	–	(1,596)	18,240
Balance at 31st March 2007	26,202	50,914	41,929	5,886	188,506	6,348	(7,039)	312,746

	(Unaudited)							Total £'000
	Six months ended 31st March 2006							
	Share capital £'000	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	
Net assets at 30th September 2005	24,091	30,450	41,929	5,886	100,566	6,272	(4,107)	205,087
Shares issued	2,124	19,844	–	–	–	–	–	21,968
Net profit/(loss) for the period	–	–	–	–	84,623	–	(1,158)	83,465
Balance at 31st March 2006	26,215	50,294	41,929	5,886	185,189	6,272	(5,265)	310,520

	(Audited)							Total £'000
	Year ended 30th September 2006							
	Share capital £'000	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	
Net assets at 30th September 2005	24,091	30,450	41,929	5,886	100,566	6,272	(4,107)	205,087
Shares issued	2,162	20,186	–	–	–	–	–	22,348
Shares bought back and cancelled	(76)	–	–	–	(664)	76	–	(664)
Net profit/(loss) for the year	–	–	–	–	68,768	–	(1,336)	67,432
Balance at 30th September 2006	26,177	50,636	41,929	5,886	168,670	6,348	(5,443)	294,203

Consolidated Balance Sheet

as at 31st March 2007

	(Unaudited) 31st March 2007 £'000	(Unaudited) 31st March 2006 £'000	(Audited) 30th September 2006 £'000
Non current assets			
Investments held at fair value through profit or loss	312,903	305,037	293,498
Current assets			
Other receivables	657	1,011	1,198
Cash and cash equivalents	10,371	6,723	4,253
	11,028	7,734	5,451
Current liabilities			
Amounts falling due within one year	(11,185)	(2,251)	(4,746)
Net current (liabilities)/assets	(157)	5,483	705
Net assets	312,746	310,520	294,203
Equity attributable to equity holders			
Called up share capital	26,202	26,215	26,177
Share premium	50,914	50,294	50,636
Other reserve	41,929	41,929	41,929
Exercised warrant reserve	5,886	5,886	5,886
Capital reserves	188,506	185,189	168,670
Capital redemption reserve	6,348	6,272	6,348
Revenue reserve	(7,039)	(5,265)	(5,443)
Total equity	312,746	310,520	294,203
Net asset value per share (note 4)	298.4p	296.1p	281.0p

Consolidated Cash Flow Statement

for the six months ended 31st March 2007

	(Unaudited) Six months ended 31st March 2007 £'000	(Unaudited) Six months ended 31st March 2006 £'000	(Audited) Year ended 30th September 2006 £'000
Operating activities			
Profit before taxation	18,240	83,485	67,451
Add back interest paid	272	39	107
Gains on investments held at fair value through profit or loss	(19,875)	(84,797)	(69,172)
Net (gains)/losses on foreign exchange	(29)	3	(37)
Net sales/(purchases) of investments held at fair value through profit or loss	731	(17,205)	(16,736)
Decrease in other receivables	825	1	1,017
Decrease/(increase) in amounts due from brokers	2,222	674	(95)
Decrease in other payables	(2,707)	(28)	(778)
(Decrease)/increase in amounts due to brokers	(858)	2,307	(3,013)
Net cash outflow from operating activities before interest payable and taxation	(1,179)	(15,521)	(21,256)
Interest paid	(232)	(39)	(107)
Tax paid	–	–	(29)
Net cash outflow from operating activities	(1,411)	(15,560)	(21,392)
Financing activities			
Net proceeds from the issue of shares	303	21,968	22,348
Repurchase of shares for cancellation	–	–	(664)
Net drawdown/(repayment) of short term loans	7,226	(110)	3,536
Net cash inflow from financing activities	7,529	21,858	25,220
Increase in cash and cash equivalents	6,118	6,298	3,828
Cash and cash equivalents at start of period	4,253	425	425
Cash and cash equivalents at end of period	10,371	6,723	4,253

Notes to the Accounts

for the six months ended 31st March 2007

1. Principal activity

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

2. Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and interpretations issued by the International Reporting Interpretations Committee of the IASB.

Where presentational guidance set out in the Statement of Recommended Practice ("the SORP") for investment trusts issued by the Association of Investment Companies in December 2005 is consistent with the requirements of IFRS, the financial statements have been prepared on a basis compliant with the recommendations of the SORP.

The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 30th September 2006.

3. (Loss)/earnings per share

	(Unaudited) Six months ended 31st March 2007 £'000	(Unaudited) Six months ended 31st March 2006 £'000	(Audited) Year ended 30th September 2006 £'000
Net revenue loss attributable to shareholders	(1,596)	(1,158)	(1,336)
Net capital gain attributable to shareholders	19,836	84,623	68,768
Total gain attributable to shareholders	18,240	83,465	67,432
Weighted average number of shares in issue during each period	104,764,354	99,653,136	102,202,688
Revenue loss per share	(1.52p)	(1.16p)	(1.31p)
Capital earnings per share	18.93p	84.92p	67.29p
Total earnings per share	17.41p	83.76p	65.98p

4. Net asset value per share

	(Unaudited) Six months ended 31st March 2007	(Unaudited) Six months ended 31st March 2006	(Audited) Year ended 30th September 2006
Shareholders funds £'000	312,746	310,520	294,203
Number of shares in issue at each period end	104,806,662	104,861,662	104,706,662
Net asset value per share	298.4p	296.1p	281.0p

5. Publication of non-statutory accounts

The financial information contained in this interim statement does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The financial information for the six months ended 31st March 2007 and 2006 has not been audited.

6. Comparative information

The information for the year ended 30th September 2006 has been extracted from the latest published audited financial statements. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 237(2) or 237(3) of the Companies Act 1985.

Information about the Company

Financial Calendar

Financial year end	30th September
Interim results announced	June
Final results announced	December
Dividends (if any)	January
Annual General Meeting	January

History

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

Directors

Philip Daubeney (*Chairman*)
David Baker
Hugh Bolland
Richard Burns
Pierre Dinan
Vijay Joshi

Company Numbers

Company Registration Number: 2915926
London Stock Exchange Sedol Number: 0345035
Bloomberg JII LN
Reuters JII L

Market Information

The Company's net asset value ('NAV') is published daily, via the London Stock Exchange.

The Company's ordinary shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman, The Independent and on the JPMorgan website at www.jpmindian.co.uk where it 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 through a professional adviser acting on an investor's behalf. They may also be purchased and held through the JPMorgan Investment Trust Share Plan, Individual Savings Account (ISA) and Personal Equity Plan (PEP).

Manager and Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

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

Please contact Andrew Norman for Company Secretarial and administration matters

Registrars

Lloyds TSB Registrars,
Reference 1087
The Causeway
Worthing
West Sussex
BN99 6DA
Telephone: 0870 600 3984

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1087. Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk

Auditors

Deloitte & Touche LLP
Stonecutter Court
1 Stonecutter Street
London
EC4A 4TR

Brokers

JPMorgan Cazenove
20 Moorgate
London EC2R 6DA

Savings Product Administrators

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



Glossary of Terms

Total Return to shareholders

Total return to the investor, on a mid-market price to mid-market price basis, assuming that all dividends received (net of tax) were reinvested in the shares of the Company at the time the shares were quoted ex-dividend. Transaction costs of reinvestment are not taken into account.

Total Return on net assets

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 (net of tax) were reinvested in the shares of the Company at time the shares were quoted ex-dividend.

Benchmark Total Return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received (net of tax) were reinvested in the shares of the underlying companies at 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 stated index.

Discount/Premium

If the share price of an investment company is lower than the net asset value (NAV) per share, the trust is said to be trading at a discount. The discount is shown as a percentage of the NAV. The opposite of a discount is a premium. It is more common for an investment company to trade at a discount than a premium.

JPMorgan Helpline

Freephone 0800 40 30 30 or 0207 742 9999

9.00 am to 5.30 pm Monday to Friday

JPMorgan Pension Helpline

Freephone 0800 41 31 76 or 0172 241 4888

9.00 am to 5.00 pm Monday to Friday

Please use this service if you have any queries relating to the Pension Account.

Your telephone call may be recorded for your security

www.jpmindian.co.uk