



# Half Year Report 2011

JPMorgan Indian  
Investment Trust plc

Half Year Report & Accounts for the six months ended 31st March 2011

# 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 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 31st March 2011, the Company's issued share capital comprised 116,976,847 Ordinary shares of 25p each, of which 1,979,788 were held in Treasury, and 9,036,696 Subscription shares of 1p each.

### Continuation Vote

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

### Management Company

The Company employs JPMorgan Asset Management (UK) Limited ('JPMAM' or 'the Manager') to manage its assets.

# Half Year Performance

Total returns (includes dividends reinvested)

**-4.3%**

Portfolio return less fees and expenses<sup>1,2</sup>

**-4.7%**

Benchmark return<sup>3</sup>

**-4.1%**

Diluted return on net assets<sup>1,4</sup>

**-4.9%**

Return to Ordinary shareholders<sup>5</sup>

<sup>1</sup>Source: J.P. Morgan.

<sup>2</sup>Return on net assets, that is net of management fees and administration expenses, but excluding the effects of Subscription shares which have converted during the period and the dilutive impact of Subscription shares in issue at the period end.

<sup>3</sup>Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling terms.

<sup>4</sup>Return on net assets calculated using the diluted net asset value, which assumes that all outstanding Subscription shares were converted into Ordinary shares at the period end.

<sup>5</sup>Source: Morningstar.

## Financial Data

	31st March 2011	30th September 2010	% change
Shareholders' funds (£'000)	<b>577,325</b>	599,836	-3.8
Number of ordinary shares in issue excluding shares held in Treasury	<b>114,997,059</b>	113,812,663	+1.0
Number of Subscription shares in issue	<b>9,036,696</b>	10,221,092	-11.6
Undiluted net asset value per Ordinary share	<b>502.0p</b>	527.0p	-4.7
Diluted net asset value per Ordinary share	<b>483.5p</b>	504.0p	-4.1
Ordinary share price	<b>442.7p</b>	465.5p	-4.9
Subscription share price	<b>186.5p</b>	210.0p	-11.2
Ordinary share price discount to diluted net asset value	<b>8.4%</b>	7.6%	
BSE Sensex 30 Index (capital only expressed in sterling terms)	<b>272.0</b>	283.4	-4.0

A glossary of terms and definitions is provided on page 16.

# Chairman's Statement



## Performance

The six months to 31st March 2011 have seen a modest decline in the Indian stockmarket. Over this period, your Company saw a decrease in diluted net assets of 4.1%, slightly outperforming the return of the Company's benchmark, the MSCI India Index (in sterling terms), which fell by 4.7%. On an undiluted basis, the Company returned -4.7%. The Company's share price total return was -4.9%, reflecting the widening of the discount from 7.6% to 8.4%. The background against which the Company performed is discussed in more detail in the Investment Managers' Report on pages 3 and 4.

## Gearing

The Company has a one year floating rate US\$ 50 million loan facility with ING Bank to provide the investment managers with the flexibility to gear the portfolio should circumstances permit. As at the date of this report, the facility is undrawn.

## 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. The Company currently holds 1,979,788 Ordinary shares in treasury and, under current guidelines, these may only be reissued at a premium to the prevailing net asset value at the time of reissue.

## Share Capital

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

The Company's Ordinary share price has remained comfortably above the current exercise price of 247p per Subscription share during the period under review. As at the date of this report, 12,231,673 of the original 21,001,937 Subscription shares (58.2%) have been converted, raising proceeds of £27.9 million.

Further details of the Subscription shares, including the subscription periods and their respective prices and the bonus cost for the calculation of taxation, can be found on page 15 and on the Company's website at [www.jpmindian.co.uk](http://www.jpmindian.co.uk).

## Outlook

Our Managers remain positive about the prospects for Indian equities over the medium to long term, but over the short term returns are expected to remain volatile.

## Hugh Bolland

Chairman

24th May 2011

# Investment Managers' Report



Edward Pulling



Rukhshad Shroff



Rajendra Nair

The six months ended 31st March 2011 was a volatile period for the Indian stock market, but eventually resulted in only a modest decline for our benchmark, the MSCI India. In light of the many factors weighing on sentiment, the decline was understandable. Happily, your Company's NAV managed to outperform the benchmark.

The final quarter of 2010 was a difficult period for India politically. Corruption scandals relating to telecommunications, the Commonwealth Games, property in Mumbai and the allocation of land and mining licenses, brought legislative activity to a near standstill. Certainly, the Winter Session of the Indian Parliament was the least productive such gathering in two decades. At times it seemed that the Congress led government might fall. Prime Minister Singh engineered a mini cabinet reshuffle and instituted some anti-corruption initiatives, but the strength of his government has diminished. The budget in February 2011 was a non-event, in contrast to the 2010 Budget which triggered a market rally.

Another major factor weighing on sentiment has been stubbornly high inflation. Despite repeated increases in interest rates and reserve requirements and some administrative measures, inflation in India remains well above the Reserve Bank's comfort zone of 3-7%. Even more worrisome, inflation is no longer simply a function of food prices. With oil well above US\$ 100 per barrel, wages growing in excess of 10% and raw material prices elevated, inflation is now appearing in the manufacturing sector also. We expect more monetary tightening measures from the Reserve Bank and we expect inflation to impact corporate margins.

The rate of economic growth is also decelerating. GDP growth was hovering just below 9% in mid 2010, but now it is at 8% and likely to trend lower. Growth in industrial production has been noticeably sluggish in the 3-5% per annum range. Demand for steel and cement is growing at a disappointing pace. That the demand for loans is still increasing at 20% or more year-on-year indicates that the service/consumption sectors of the Indian economy are still very robust. On the other hand, the demand for capital from the infrastructure and heavy industry sectors has been anaemic. We believe one explanation relates to the near paralysis in government decision making in the wake of the corruption scandals mentioned above.

Foreign investment in equities reached a peak in late 2010 coinciding with the initial public offering of Coal India, the largest coal company in the world by reserves and India's largest IPO. In 2010, foreigners purchased nearly net \$30 billion of Indian equities. Local institutional investors consistently sold Indian equities in 2010. The roles reversed in the first quarter of 2011.

Corporate India delivered six months of apparently strong earnings, although the 20% growth rate was helped by a variety of factors, some unpredictable and some anomalous. For example, the international operations of Tata Motors and Tata Steel enjoyed phoenix-like recoveries from the depths of the global financial crisis. That said, a few of our portfolio stalwarts, such as HDFC Bank and ITC, continue to regularly register 20-30% growth. Our outlook for overall earnings is cautious. We expect aggregate earnings forecasts to be reduced as the effects of inflation become evident.

# Investment Managers' Report continued

It is worth noting that all the difficulties discussed above were already widely anticipated and somewhat discounted. The long term Price/Earnings Ratio multiple of the Indian stock market is in the 14.5-15 times range. Assuming some cuts to the March 2012 earnings per share forecast, the market is trading just above this range. Investors can still build a portfolio of attractively priced stocks with structurally strong growth prospects.

The Company's NAV slightly outperformed the benchmark during the period under review. This was primarily a result of avoiding lower quality companies in the property, infrastructure and telecom sectors which struggled due to investigations, project delays and/or rising interest rates. We still have some work to do to extract ourselves from the performance problems we encountered in 2009, but at least progress has been made.

Looking ahead, we expect the market to resume its upward trajectory later in 2011. Once a few more quarters of solid earnings growth are digested, the market will start to look attractive in valuation terms. We fully accept that there are plenty of external concerns - oil prices, European sovereign debt worries, America's deficit. Long term perspective and informed stock picking have delivered strong returns in India and we expect that to continue.

**Ted Pulling**  
**Rukshad Shroff**  
**Raj Nair**  
Investment Managers

24th May 2011

# Twenty Largest Group Investments

at 31st March 2011

Company	Sector	Valuation £'000	Portfolio % <sup>1</sup>	Benchmark %	Active Position %
Infosys Technologies	Information Technology	71,325	12.4	11.2	1.2
Reliance Industries	Energy	56,635	9.8	10.3	-0.5
HDFC Bank	Financials	37,142	6.4	4.9	1.5
Housing Development Finance	Financials	33,164	5.7	5.7	0.0
ICICI Bank	Financials	32,685	5.7	6.7	-1.0
Tata Consultancy Services	Information Technology	23,791	4.1	4.2	-0.1
ITC	Consumer Staples	20,691	3.6	3.0	0.6
Tata Motors	Industrials	17,852	3.1	2.4	0.7
Larsen & Toubro	Industrials	15,578	2.7	2.6	0.1
Bharat Heavy Electricals	Industrials	15,389	2.7	1.8	0.9
Hindalco Industries	Materials	13,866	2.4	1.7	0.7
Infrastructure Development Finance	Financials	11,413	2.0	1.1	0.9
Jindal Steel & Power	Materials	11,158	1.9	2.0	-0.1
Indusind Bank	Financials	9,543	1.7	0.3	1.4
Bajaj Auto	Consumer Discretionary	9,464	1.6	1.0	0.6
Associated Cement	Materials	9,026	1.6	0.4	1.2
Kotak Mahindra Bank	Financials	8,962	1.5	0.9	0.6
Bharti Airtel	Telecommunication Services	8,669	1.5	0.0	1.5
Wipro	Information Technology	8,597	1.5	1.8	-0.3
Tata Power	Utilities	8,549	1.5	1.0	0.5
<b>Total<sup>2</sup></b>		<b>423,499</b>	<b>73.4</b>	<b>63.0</b>	

<sup>1</sup>Based on total assets less current liabilities of £577.3m (2010 £599.8m).

<sup>2</sup>At 30th September 2010, the value of the twenty largest group investments amounted to £459,574,000 representing 76.6% of total assets less current liabilities.

# Group Portfolio Analysis

	31st March 2011			30th September 2010		
	Portfolio % <sup>1</sup>	Benchmark %	Active Position %	Portfolio % <sup>1</sup>	Benchmark %	Active Position %
Financials	27.7	26.7	1.0	33.4	28.5	4.9
Information Technology	18.0	18.0	0.0	14.8	16.6	(1.8)
Energy	11.9	14.7	(2.8)	9.8	13.4	(3.6)
Industrials	11.3	9.6	1.7	14.2	10.2	4.0
Materials	10.8	10.7	0.1	12.1	10.6	1.5
Consumer Discretionary	5.8	4.4	1.4	6.0	4.8	1.2
Health Care	4.5	4.1	0.4	3.2	3.7	(0.5)
Consumer Staples	3.6	5.5	(1.9)	2.6	6.1	(3.5)
Utilities	2.2	5.9	(3.7)	2.5	5.4	(2.9)
Telecommunication Services	1.5	0.4	1.1	0.6	0.7	(0.1)
Net current assets	2.7	–	2.7	0.8	–	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>		100.0	100.0	

<sup>1</sup>Based on total assets less current liabilities of £577.3m (2010: £599.8m).

# Group Income Statement

for the six months ended 31st March 2011

	(Unaudited) Six months ended 31st March 2011			(Unaudited) Six months ended 31st March 2010			(Audited) Year ended 30th September 2010		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Investment income</b>	<b>1,627</b>	<b>–</b>	<b>1,627</b>	1,128	–	1,128	6,249	–	6,249
<b>Other income</b>	<b>21</b>	<b>–</b>	<b>21</b>	8	–	8	24	–	24
(Losses)/gains on investments held at fair value through profit or loss	–	(22,673)	(22,673)	–	90,238	90,238	–	152,711	152,711
Foreign exchange gains/(losses)	–	94	94	–	(108)	(108)	–	(351)	(351)
<b>Total income/(loss)</b>	<b>1,648</b>	<b>(22,579)</b>	<b>(20,931)</b>	1,136	90,130	91,266	6,273	152,360	158,633
Management fee	(3,474)	–	(3,474)	(2,671)	–	(2,671)	(5,866)	–	(5,866)
Other administrative expenses	(705)	–	(705)	(754)	–	(754)	(1,615)	–	(1,615)
<b>(Loss)/profit before finance costs and taxation</b>	<b>(2,531)</b>	<b>(22,579)</b>	<b>(25,110)</b>	(2,289)	90,130	87,841	(1,208)	152,360	151,152
Finance costs	(326)	–	(326)	(105)	–	(105)	(312)	–	(312)
<b>(Loss)/profit before taxation</b>	<b>(2,857)</b>	<b>(22,579)</b>	<b>(25,436)</b>	(2,394)	90,130	87,736	(1,520)	152,360	150,840
Taxation	–	–	–	(35)	–	(35)	(172)	–	(172)
<b>Net (loss)/profit</b>	<b>(2,857)</b>	<b>(22,579)</b>	<b>(25,436)</b>	(2,429)	90,130	87,701	(1,692)	152,360	150,668
<b>(Loss)/earnings per Ordinary share</b> (note 4)									
- undiluted	<b>(2.49)p</b>	<b>(19.70)p</b>	<b>(22.19)p</b>	(2.21)p	81.83p	79.62p	(1.51)p	136.19p	134.68p
- diluted	<b>(2.41)p</b>	<b>(19.02)p</b>	<b>(21.43)p</b>	(2.13)p	79.14p	77.01p	(1.46)p	131.66p	130.20p

The Group does not have any income or expense that is not included in net (loss)/profit for the period. Accordingly the 'Net (loss)/profit for the period' is also the 'Total comprehensive income for the period', as defined in IAS 1 (revised) and no separate Statement of Comprehensive Income has been presented.

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

# Group Statement of Changes in Equity

Six months ended 31st March 2011 (Unaudited)	Called up share capital £'000	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>At 30th September 2010</b>	29,051	72,861	41,929	5,886	456,651	6,362	(12,904)	<b>599,836</b>
Exercise of Subscription shares into Ordinary shares	(12)	12	–	–	–	–	–	–
Issue of Ordinary shares on conversion of Subscription shares	296	2,629	–	–	–	–	–	<b>2,925</b>
Net (loss)/profit for the period	–	–	–	–	(22,579)	–	(2,857)	<b>(25,436)</b>
<b>At 31st March 2011</b>	29,335	75,502	41,929	5,886	434,072	6,362	(15,761)	<b>577,325</b>

Six months ended 31st March 2010 (Unaudited)	Called up share capital £'000	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>At 30th September 2009</b>	27,195	57,007	41,929	5,886	304,291	6,362	(11,212)	<b>431,458</b>
Exercise of Subscription shares into Ordinary shares	(71)	71	–	–	–	–	–	–
Issue of Ordinary shares on conversion of Subscription shares	1,779	14,417	–	–	–	–	–	<b>16,196</b>
Net profit/(loss) for the period	–	–	–	–	90,130	–	(2,429)	<b>87,701</b>
<b>At 31st March 2010</b>	28,903	71,495	41,929	5,886	394,421	6,362	(13,641)	<b>535,355</b>

Year ended 30th September 2010 (Audited)	Called up share capital £'000	Share premium £'000	Other reserve £'000	Exercised warrant reserve £'000	Capital reserves £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>At 30th September 2009</b>	27,195	57,007	41,929	5,886	304,291	6,362	(11,212)	<b>431,458</b>
Exercise of Subscription shares into Ordinary shares	(77)	77	–	–	–	–	–	–
Issue of Ordinary shares on conversion of Subscription shares	1,933	15,777	–	–	–	–	–	<b>17,710</b>
Net profit/(loss) for the year	–	–	–	–	152,360	–	(1,692)	<b>150,668</b>
<b>At 30th September 2010</b>	29,051	72,861	41,929	5,886	456,651	6,362	(12,904)	<b>599,836</b>

# Group Balance Sheet

at 31st March 2011

	(Unaudited) 31st March 2011 £'000	(Unaudited) 31st March 2010 £'000	(Audited) 30th September 2010 £'000
<b>Non current assets</b>			
Investments held at fair value through profit or loss	561,746	532,410	594,834
<b>Current assets</b>			
Other receivables	286	185	4,960
Cash and cash equivalents	15,663	3,131	4,195
	15,949	3,316	9,155
<b>Current liabilities</b>			
Other payables	(370)	(371)	(4,153)
<b>Net current assets</b>	15,579	2,945	5,002
<b>Net assets</b>	577,325	535,355	599,836
<b>Equity attributable to equity holders</b>			
Called up share capital	29,335	28,903	29,051
Share premium	75,502	71,495	72,861
Other reserve	41,929	41,929	41,929
Exercised warrant reserve	5,886	5,886	5,886
Capital reserves	434,072	394,421	456,651
Capital redemption reserve	6,362	6,362	6,362
Revenue reserve	(15,761)	(13,641)	(12,904)
<b>Total equity</b>	577,325	535,355	599,836
<b>Net asset value per Ordinary share</b> (note 5)			
- undiluted	502.0p	472.9p	527.0p
- diluted	483.5p	453.2p	504.0p

# Group Cash Flow Statement

for the six months ended 31st March 2011

	(Unaudited) Six months ended 31st March 2011 £'000	(Unaudited) Six months ended 31st March 2010 £'000	(Audited) Year ended 30th September 2010 £'000
<b>Operating activities</b>			
(Loss)/profit before taxation	(25,436)	87,736	150,840
Add back interest paid	326	105	312
Add back losses/(gains) on investments held at fair value through profit or loss	22,673	(90,238)	(152,711)
Unrealised foreign exchange losses	–	9	9
Net purchases of investments held at fair value through profit or loss	10,415	(11,798)	(11,747)
(Increase)/decrease in other receivables	(149)	(27)	20
Decrease/(increase) in amounts due from brokers	4,823	1,504	(3,319)
(Decrease)/increase in other payables	(175)	78	123
(Decrease)/increase in amounts due to brokers	(3,471)	(1,900)	1,699
<b>Net cash inflow/(outflow) from operating activities before interest payable and taxation</b>	<b>9,006</b>	<b>(14,531)</b>	<b>(14,774)</b>
Interest paid	(326)	(106)	(312)
Tax paid	(137)	(35)	(36)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>8,543</b>	<b>(14,672)</b>	<b>(15,122)</b>
<b>Financing activities</b>			
Net proceeds from the issue of shares	2,925	16,196	17,710
<b>Net cash inflow from financing activities</b>	<b>2,925</b>	<b>16,196</b>	<b>17,710</b>
<b>Increase in cash and cash equivalents</b>	<b>11,468</b>	<b>1,524</b>	<b>2,588</b>
Cash and cash equivalents at the start of the period	4,195	1,607	1,607
<b>Cash and cash equivalents at the end of the period</b>	<b>15,663</b>	<b>3,131</b>	<b>4,195</b>

# Notes to the Group Accounts

for the six months ended 31st March 2011

## 1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010 (formerly Section 842 of the Income and Corporation Taxes Act 1988).

## 2. Financial statements

The financial information for the six months ended 31st March 2011 and 2010 has not been audited or reviewed by the Company's auditors.

The financial information contained in these half year accounts does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The information for the year ended 30th September 2010 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 498(2) or 498(3) of the Companies Act 2006.

## 3. Accounting policies

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

Where presentational guidance set out in the Statement of Recommended Practice (the 'SORP') for investment trusts issued by the Association of Investment Companies in January 2009 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 half year accounts are consistent with those applied in the accounts for the year ended 30th September 2010.

# Notes to the Group Accounts continued

## 4. (Loss)/earnings per Ordinary share

	(Unaudited) Six months ended 31st March 2011 £'000	(Unaudited) Six months ended 31st March 2010 £'000	(Audited) Year ended 30th September 2010 £'000
(Loss)/earnings per share is based on the following:			
Revenue loss	(2,857)	(2,429)	(1,692)
Capital (loss)/profit	(22,579)	90,130	152,360
Total (loss)/profit	(25,436)	87,701	150,668
Weighted average number of Ordinary shares in issue during the period used for the purpose of undiluted calculation	114,623,396	110,147,348	111,875,619
Weighted average number of Ordinary shares in issue during the period used for the purpose of diluted calculation	118,687,611	113,887,734	115,720,226
<b>Undiluted</b>			
Revenue loss per share	(2.49)p	(2.21)p	(1.51)p
Capital (loss)/profit per share	(19.70)p	81.83p	136.19p
Total (loss)/profit per share	(22.19)p	79.62p	134.68p
<b>Diluted</b>			
Revenue loss per share	(2.41)p	(2.13)p	(1.46)p
Capital (loss)/profit per share	(19.02)p	79.14p	131.66p
Total (loss)/profit per share	(21.43)p	77.01p	130.20p

## 5. Net asset value per Ordinary share

	(Unaudited) Six months ended 31st March 2011	(Unaudited) Six months ended 31st March 2010	(Audited) Year ended 30th September 2010
<b>Undiluted</b>			
Ordinary shareholders' funds £'000	577,325	535,355	599,836
Number of Ordinary shares in issue	114,997,059	113,199,823	113,812,663
Net asset value per Ordinary share (pence)	502.0	472.9	527.0
<b>Diluted</b>			
Ordinary shareholders' funds assuming exercise of Subscription shares £'000	599,645	562,114	625,082
Number of potential Ordinary shares in issue	124,033,755	124,033,755	124,033,755
Net asset value per Ordinary share (pence)	483.5	453.2	504.0

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

# List of Investments

at 31st March 2011

Company	Sector	Valuation £'000	%
Infosys Technologies	Information Technology	71,325	12.7
Reliance Industries	Energy	56,635	10.1
HDFC Bank	Financials	37,142	6.6
Housing Development Finance	Financials	33,164	5.9
ICICI Bank	Financials	32,685	5.8
Tata Consultancy Services	Information Technology	23,791	4.2
ITC	Consumer Staples	20,691	3.7
Tata Motors	Industrials	17,852	3.2
Larsen & Toubro	Industrials	15,578	2.8
Bharat Heavy Electricals	Industrials	15,389	2.7
Hindalco Industries	Materials	13,866	2.5
Infrastructure Development Finance	Financials	11,413	2.0
Jindal Steel & Power	Materials	11,158	2.0
Indusind Bank	Financials	9,543	1.7
Bajaj Auto	Consumer Discretionary	9,464	1.7
Associated Cement	Materials	9,026	1.6
Kotak Mahindra Bank	Financials	8,962	1.6
Bharti Airtel	Telecommunication Services	8,669	1.5
Wipro	Information Technology	8,597	1.5
Tata Power	Utilities	8,549	1.5
Axis Bank	Financials	8,482	1.5
Sun Pharmaceuticals Industries	Health Care	8,384	1.5
Mahindra & Mahindra	Consumer Discretionary	7,606	1.4
Ambuja Cements	Materials	7,378	1.3
Maruti Suzuki India	Consumer Discretionary	7,115	1.3
Grasim Industries	Materials	7,052	1.3
Dr Reddys Laboratories	Health Care	6,754	1.2
JSW Steel	Materials	6,687	1.2
Cairn India	Energy	6,226	1.1
Mundra Port and Special Economic Zone	Industrials	6,152	1.1
Bharat Petroleum	Energy	5,977	1.1
Hero Honda	Consumer Discretionary	5,579	1.0
DIVI's Laboratories	Health Care	5,182	0.9
Glaxo	Health Care	5,164	0.9
Union Bank of India	Financials	4,873	0.9
Rural Electrification	Financials	4,601	0.8
Power Finance	Financials	4,564	0.8
Cummins India	Industrials	4,418	0.8
National Thermal Power	Utilities	4,311	0.8
Exide Industries	Consumer Discretionary	3,904	0.7
Godrej Industries	Materials	3,703	0.7
Sterlite Industries	Materials	3,645	0.6
Oberoi Realty	Financials	2,523	0.4
IL&FS Transportation Network	Industrials	2,424	0.4
Sintex Industries	Industrials	2,169	0.4
Mahindra & Mahindra Financial Services	Financials	2,028	0.4
Voltas	Industrials	639	0.1
Himadri Chemicals & Industries	Industrials	584	0.1
Dr Reddys Laboratories 9.25% 2014	Health Care	122	0.0
DC Design	Consumer Discretionary	1	0.0
<b>Total Portfolio</b>		<b>561,746</b>	<b>100.0</b>

# Interim Management Report

The Company is required to make the following disclosures in its Half Year Report.

## Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into the following broad categories: investment and strategy; accounting, legal and regulatory; corporate governance and shareholder relations; operational; and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 30th September 2010.

## Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company during the period.

## Going Concern

The Directors believe, having considered the Company's investment objective, risk management policies, capital management policies and procedures, nature of the portfolio

and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

## Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half-Yearly Financial Reports'; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

For and on behalf of the Board

**Hugh Bolland**  
Chairman

24th May 2011

# Details of Subscription Shares

On 4th November 2008 the Company issued Subscription shares as a bonus issue to the Ordinary shareholders on the basis of one Subscription share for every five ordinary shares held. Each Subscription share confers the right (but not the obligation) to subscribe for one Ordinary share on any business day during the period from 3rd January 2010 until 2nd January 2014, after which the rights on the Subscription shares will lapse.

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

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

Ordinary shares:	246.0 pence
Subscription shares:	67.5 pence

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

The conversion prices of the Subscription shares are as follows:

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

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

# Glossary of Terms and Definitions

## **Portfolio return**

Return on net assets, that is net of management fees and administration expenses, but excluding the effect of Subscription shares which have converted during the period and the dilutive impact of Subscription shares in issue at the period end.

## **Benchmark return**

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

## **Diluted net asset value per Ordinary share**

Net asset value per Ordinary share assuming all Subscription shares outstanding were converted into Ordinary shares at the period end.

## **Diluted return on net assets**

Return on the diluted net asset value per Ordinary share on a bid value to bid value basis.

## **Return to Ordinary shareholders**

Total return to the Ordinary shareholder, on a mid-market price to mid-market price basis.

## **Ordinary share price discount/premium to diluted net asset value ('NAV')**

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

## **Active position**

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

# Information about the Company

## Financial Calendar

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

### History

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

### Directors

Hugh Bolland (Chairman)  
Richard Burns  
Vijay Joshi  
Hugh Sandeman  
Peter Sullivan

### Company Numbers

Company registration number: 2915926

### Ordinary Shares

London Stock Exchange Sedol Number: 0345035  
ISIN: GB00345 0359  
Bloomberg: JII LN

### Subscription Shares

London Stock Exchange Sedol Number: B3CSX51  
ISIN: GB00B3C SX518  
Bloomberg: JIIS LN

### 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 and are quoted daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman, The Independent and on the JPMorgan website at [www.jpmindian.co.uk](http://www.jpmindian.co.uk) where the Ordinary share price is updated every fifteen minutes during trading hours.

The Company's Subscription shares are listed on the London Stock Exchange and quoted daily in the Financial Times and on the JPMorgan website at [www.jpmindian.co.uk](http://www.jpmindian.co.uk), where the Subscription price is updated every fifteen minutes during trading hours.

### Website

[www.jpmindian.co.uk](http://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. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP. These products are all available on the online wealth manager service, J.P. Morgan WealthManager+ available at [www.jpmorganwealthmanagerplus.co.uk](http://www.jpmorganwealthmanagerplus.co.uk)

### Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

### Company's Registered Office

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

For company secretarial and administrative matters, please contact Andrew Norman.

### Registrars

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

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

Registered shareholders can obtain further details on their holdings on the internet by visiting [www.shareview.co.uk](http://www.shareview.co.uk).

### Independent Auditor

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR

### Brokers

JPMorgan Cazenove  
20 Moorgate  
London EC2R 6DA

### Savings Product Administrators

For queries on the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP, see contact details on the back cover of this report.



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Investment Companies

A member of the AIC

J.P. Morgan Helpline  
Freephone 0800 20 40 20 or +44 (0)20 7742 9995

Your telephone call may be recorded for your security

[www.jpmindian.co.uk](http://www.jpmindian.co.uk)