

Annual Report 2014

JPMorgan Indian
Investment Trust plc

Annual Report & Accounts for the year ended 30th September 2014

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 investment companies (including investment trusts).
- To use gearing when appropriate to increase potential returns to shareholders; the Company's gearing policy is to use 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

At 30th September 2014, the Company's share capital comprised 125,617,586 Ordinary shares of 25p each, including 19,909,788 shares held in Treasury.

Continuation Vote

The Company's Articles require that, at the Annual General Meeting to be held in 2019 and at every fifth year thereafter, the Directors propose a resolution that the Company continues as an investment trust.

Management Company

During the year under review until 30th June 2014, the Company employed JPMorgan Asset Management (UK) Limited to manage its assets. With effect from 1st July 2014, JPMorgan Funds Limited ('JPMF') was appointed Manager, following its approval as an Alternative Investment Fund Manager by the 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's 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.

AIC

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

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.

Financial Results

Total returns

+38.4%

Portfolio total return net of fees and expenses¹
(2013: -15.5%)

+37.5%

Benchmark²
(2013: -12.7%)

+38.9%

Return on net assets¹
(2013: -13.7%)

+44.4%

Return to Ordinary shareholders³
(2013: -17.6%)

A glossary of terms and definitions is provided on pages 63 and 64.

¹Source: J.P. Morgan.

²Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling.

³Source: Morningstar.

Cumulative Performance

for periods ended 30th September 2014

	Return to Ordinary Shareholders ¹	Return on net assets ²	Benchmark ³
3 Year	+24.2%	+26.0%	+24.5%
5 Year	+22.2%	+32.0%	+22.0%
10 Year	+263.8%	+303.4%	+313.0%

¹Source: Morningstar.

²Source: J.P. Morgan.

³Source: MSCI.

Strategic Report

Chairman's Statement



The Year Under Review

The year to 30th September 2014 was an excellent one for investors in the Indian stock market and your Company outperformed its benchmark, the MSCI India Index (in sterling terms), with a return on net assets of +38.9%, compared with the benchmark return of +37.5%. The return to shareholders was +44.4%, reflecting a narrowing of the discount, from 14.8% to 11.4%, over the year.

Our Investment Managers set out the key factors affecting the Indian market and the Company's performance during the financial year, and the prospects for the future, in their report on pages 5 and 6.

Gearing

The Company has a one year floating rate US\$85 million loan facility with ING Bank in place to provide the Investment Managers with the flexibility to gear the portfolio when they believe it is appropriate. As at the date of this report, US\$36 million is drawn and the gearing level is approximately 3%.

Board of Directors

I will retire from the Board at the conclusion of the forthcoming Annual General Meeting, having served as a Director for ten years, the past seven as Chairman. Richard Burns, who has been a Director since 2006, will succeed me.

Jasper Judd has been appointed a Director with effect from 1st January 2015. Jasper is a qualified chartered accountant who most recently spent 10 years working at Brambles Limited in senior finance and strategy roles, including global head of strategy, and was a member of the global Executive Committee until 2012. Brambles Limited is an Australian headquartered multinational listed on the Australian Stock Exchange and formerly on the London Stock Exchange. He will succeed Richard Burns as Chairman of the Audit Committee.

In accordance with corporate governance best practice, all of the Directors will retire at the Annual General Meeting and, aside from myself, will offer themselves for reappointment.

AIFMD

As I have explained previously, the implementation of the Alternative Investment Fund Managers Directive ('AIFMD') in July this year brought significant regulatory change. To ensure compliance with the AIFMD, the Company entered into a new management agreement with JPMorgan Funds Limited ('JPMF'), an affiliate of the previous manager, JPMorgan Asset Management (UK) Limited, and appointed Bank of New York Mellon as its depositary, with effect from 1st July 2014. However, the manner in which the Company's portfolio is managed remains unchanged.

Investment Manager

The Board has reviewed the investment management, company secretarial, sales and marketing services provided to the Company by JPMF. This annual review included

their performance record, management processes, investment style, resources and risk control mechanisms. The Board was satisfied with the results of the review and therefore in the opinion of the Directors, the continuing appointment of JPMF for the provision of these services, on the terms agreed, is in the best interests of shareholders as a whole. As I reported last year, the Board negotiated a reduction in the management fee payable to JPMF, from 1.2% to 1.0%, effective 1st October 2013. This is chiefly responsible for the reduction in the ongoing charges ratio, from 1.5% to 1.3%, this year.

Share Issues and Repurchases

At the Annual General Meeting in January 2014 shareholders granted the Directors authority to repurchase up to 14.99% of the Company's shares for cancellation or into Treasury. The Company repurchased 4,330,000 shares into Treasury during the year. There are now 19,909,788 shares held in Treasury. Your Board believes that such a facility is an important tool in the management of discount volatility and is, therefore, seeking approval from shareholders to renew the authority at the forthcoming Annual General Meeting.

Shareholders also granted the Directors authority to issue new Ordinary shares. At various times in the past, the Company's Ordinary shares have traded at a premium to NAV, which has enabled the issue of new shares. The Board has established guidelines relating to the issue of shares and if these conditions are met, this authority will be utilised to enhance the Company's NAV per share and therefore benefit existing shareholders.

To supplement this authority, the Board will reissue shares from Treasury when appropriate. Issuing shares out of Treasury would be cheaper than issuing new shares since it avoids the necessity of the Company paying listing fees to the London Stock Exchange and the UK Listing Authority. The Board will only buy back shares at a discount to their prevailing NAV, and issue new shares, or reissue Treasury shares, when they trade at a premium to their NAV, so as not to prejudice remaining shareholders.

During the year, a total of 5,353,833 new Ordinary shares were issued on the conversion of Subscription shares, for proceeds totalling £15.6 million. The right to convert lapsed on 2nd January 2014 and all remaining Subscription shares capable of conversion were converted.

Auditors

Deloitte have served the Company very well as Auditors since 2002 and I would like to take this opportunity to thank them for their work. During the year, the Audit Committee conducted a tender and recommended to the Board that, following the rotation of the current audit engagement partner this year, PricewaterhouseCoopers LLP be appointed as Auditors to the Company with effect from the close of the forthcoming Annual General Meeting. Deloitte will retire and are not seeking reappointment. The first audit by PricewaterhouseCoopers LLP will be in respect of the year ending 30th September 2015.

Strategic Report continued

Chairman's Statement continued

Annual General Meeting

This year's Annual General Meeting will be held at JPMorgan's office at 60 Victoria Embankment, London EC4Y 0JP on Thursday, 29th January 2015 at 12.00 noon. As in previous years, in addition to the formal part of the meeting, there will be a presentation from a representative of the Manager, who will answer questions on the Company's portfolio and performance. There will also be an opportunity to meet the Board and representatives of JPMorgan.

As we have done at previous Annual General Meetings, in order to prevent overcrowding, guests will not be admitted to the meeting. Entry will be restricted to shareholders only and no exceptions will be made.

If you have any detailed or technical questions, it would be helpful if you could raise them in advance with the Company Secretary at 60 Victoria Embankment, London EC4Y 0JP or via the 'Ask the Chairman' link on the Company's website. Shareholders who are unable to attend the AGM are encouraged to use their proxy votes.

Outlook

The election of the BJP party, led by Narendra Modi, in May 2014 was well received by the Indian market. His position has been strengthened following recent state elections and prospects for Indian equities remain positive. Our Investment Managers believe that the Company's portfolio is positioned well to benefit from this continuing momentum and your Board has confidence that their stock picking skills will enhance returns for our shareholders.

Hugh Bolland
Chairman

15th December 2014

Investment Managers' Report



Rukhshad Shroff



Rajendra Nair

The Company's financial year was a rewarding one for investors in the Indian stock market. The Company produced a total return on net assets of +38.9%, outperforming the benchmark index which returned +37.5%. Our report reviews the financial year, analyses the drivers of performance and discusses the outlook.

Review

Politics dominated the news flow for the Indian equity market over the year to 30th September 2014, with the Indian election that was held in May 2014 ending years of coalition governments, many of which struggled to rule effectively. The market rallied significantly following the election, with investors hoping that Narendra Modi, the new Prime Minister, can effect a similar economic revolution to that he engineered in the State of Gujarat which he led from 2001 to 2014. Sentiment was already improving at the start of the financial year as, during the last quarter of 2013, the Congress party had been comprehensively defeated in four out of the five state elections that were held. Those results, coupled with opinion polls, indicated growing popularity for the Bharatiya Janata Party ('BJP'), led by Modi. Thus market sentiment was boosted ahead of the national elections and Indian equities had begun to appreciate, led by strong inflows from foreign portfolio investors.

Following the rally in the fourth quarter, markets corrected in January before rebounding to all-time highs, as increasingly investors started to factor in a victory for a BJP-led coalition in the national elections. Activity levels in the economy, on the other hand, continued to be sluggish with growth continuing to be below 5%. Concerns over inflation, which was running at approximately 8%, continued to be highlighted by the central bank.

The result of the national election in May 2014 surpassed even the most optimistic expectations, as a full majority government was elected for the first time in 30 years. Modi got a decisive mandate for reform and growth and the market rose.

At the beginning of the last quarter of the Company's financial year, the momentum following the election results continued, but it seemed to ebb towards the end of the quarter over the perceived slow start by the new government. The Indian rupee corrected over 2% from the high following the elections, as the US dollar strengthened in September. On the positive side, GDP for the June quarter accelerated to 5.7%, which was the fastest pace in over two years. This was better than expected and both manufacturing and services sectors grew strongly. There were also distinct signs of inflation easing, with wholesale price index inflation decelerating to a five-year low in August to 3.7%, while the consumer price index inflation also eased.

Performance

The Company outperformed the benchmark index over the financial year. The bulk of the positive contribution came from our stock selection in the automobile and bank sectors. In the automobile sector, our overweight exposures to Maruti Suzuki India and Tata Motors were the most successful, as the share prices of those stocks

Strategic Report continued

Investment Managers' Report continued

Performance attribution for the year ended 30th September 2014

	%	%
Contributions to total returns		
Benchmark		37.5
Asset allocation	-0.4	
Stock selection	2.2	
Gearing/cash	0.4	
Investment manager contribution		2.2
Portfolio return		39.7
Management fee/ other expenses	-1.3	
Portfolio total return net of fees and expenses		38.4
Share issuance/ repurchases	0.5	
Return on net assets		38.9
Return to Ordinary shareholders		44.4

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

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

A glossary of terms and definitions is provided on pages 63 and 64.

significantly outperformed on the back of improvement in four-wheeler sales volumes. In the bank sector, we maintained significantly overweight exposure to several privately owned banks, which proved to be successful. The largest positive contributors were our overweight positions in HDFC Bank, Indusind Bank, Axis Bank, IDFC Ltd and Kotak Mahindra Bank. The share prices of these banks significantly outperformed the market on the back of strong loan growth.

On the negative side, our underweight positions in the construction & engineering sector and in the domestic defensive sectors, such as IT services, pharmaceuticals and tobacco, detracted from performance.

Outlook

We believe that a stable, reform-oriented and determined government is a very positive development. The bottom-up outlook for India continues to improve steadily. Although global uncertainties may weigh on markets in the near term, we remain resolutely bullish from a medium to long term perspective as we believe that the new government has the potential to influence the fundamental drivers of equity returns.

The Company's portfolio is positioned for a continuing bull market in India. We have exposure in cyclical companies to benefit from the improving Indian economy. We have holdings in domestic-oriented sectors, such as cement and autos, and we are maintaining a large overweight position in the financial sector. We believe that this puts the Company in a good position to capture the upside in the Indian equity market over the cycle.

Rukhshad Shroff, CFA
Rajendra Nair, CFA
Investment Managers

15th December 2014

Summary of Results

	2014	2013	
Total returns for the year ended 30th September			
Portfolio total return net of fees and expenses ¹	+38.4%	-15.5%	
Benchmark ²	+37.5%	-12.7%	
Return on net assets ¹	+38.9%	-13.7%	
Return to Ordinary shareholders ³	+44.4%	-17.6%	
			% change
Net asset value, share price, discount and market data			
at 30th September			
Shareholders' funds (£'000)	530,846	382,641	+38.7
Diluted net asset value per Ordinary share	502.2p	361.6p	+38.9
Ordinary share price	444.8p	308.0p	+44.4
Ordinary share price discount to net asset value per Ordinary share	11.4%	14.8%	
Ordinary shares in issue – excluding shares held in Treasury	105,707,798	104,683,965	+1.0
Revenue for the year ended 30th September			
Net profit/(loss) attributable to shareholders (£'000)	562	(1,297)	
Earnings/(loss) per Ordinary share	0.53p	(1.21)p	
Gearing/(net cash) at 30th September ⁴	5.5%	(2.8)%	
Ongoing Charges ⁵	1.3%	1.5%	

A glossary of terms and definitions is provided on pages 63 and 64.

¹Source: J.P. Morgan.

²Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling.

³Source: Morningstar.

⁴Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative, this is shown as a 'net cash' position.

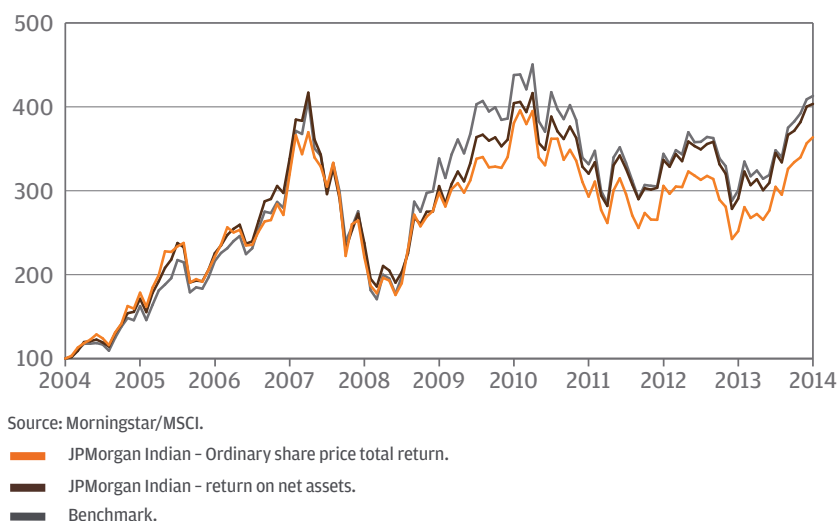
⁵Management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily net assets during the year. The Ongoing Charges are calculated in accordance with guidance issued by the Association of Investment Companies (the 'AIC') in May 2012.

Strategic Report continued

Performance

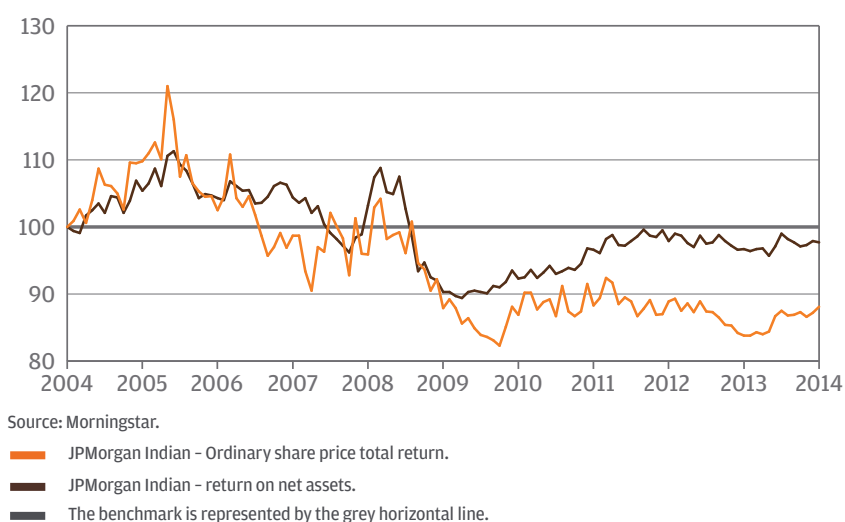
Ten Year Performance

Figures have been rebased to 100 at 30th September 2004



Performance Relative to Benchmark

Figures have been rebased to 100 at 30th September 2004



Ten Year Financial Record

At 30th September	2004 ¹	2005 ¹	2006	2007	2008	2009	2010	2011	2012	2013	2014
Shareholders' funds (£'000)	104,394	205,087	294,203	436,186	303,999	431,458	599,836	473,717	488,205	382,641	530,846
Net asset value per Ordinary share (p) ²	124.4	212.8	281.0	421.0	295.8	380.7	504.0	398.7	419.1	361.6	502.2
Ordinary share price (p)	122.3	218.3	271.0	390.5	270.0	364.0	465.5	358.3	374.0	308.0	444.8
Ordinary share price (discount)/premium to net asset value per Ordinary share	(1.7)	2.6	(3.6)	(7.3)	(8.7)	(4.4)	(7.6)	(10.1)	(10.8)	(14.8)	(11.4)
Gearing/(net cash) (%) ³	(1.2)	1.2	(0.2)	0.7	(5.3)	(0.3)	(0.2)	(2.8)	(2.7)	(2.8)	5.5
Year ended 30th September											
Gross revenue return (£'000)	1,756	2,240	2,922	3,759	3,856	3,955	6,273	7,201	6,333	5,886	6,676
(Loss)/earnings per Ordinary share (p)	(0.28)	(0.45)	(1.31)	(2.49)	(2.29)	(0.78)	(1.51)	(1.36)	(0.66)	(1.21)	0.53
Ongoing Charges (%) ⁴	2.2	1.7	1.7	1.5	1.8	1.5	1.5	1.5	1.5	1.5	1.3
Rebased to 100 at 30th September 2004											
Ordinary share price total return ⁵	100.0	178.5	221.6	319.5	220.8	297.7	380.7	293.0	305.8	251.9	363.8
Return on net assets ⁵	100.0	171.3	225.6	338.0	237.5	305.6	404.4	320.4	336.7	290.6	403.5
Benchmark ⁶	100.0	162.6	216.3	323.6	230.2	338.5	437.9	331.7	344.0	300.5	413.0

A glossary of terms and definitions is provided on pages 63 and 64.

¹Restated following the adoption of International Financial Reporting Standards.

²In relevant years, assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end. There were no Subscription shares in issue as at 30th September 2008 and prior years or as at 30th September 2014.

³Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative, this is shown as a 'net cash' position.

⁴Management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily net assets during the year. The Ongoing Charges are calculated in accordance with guidance issued by the Association of Investment Companies (the 'AIC') in May 2012.

⁵Source: Morningstar/J.P. Morgan.

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

Strategic Report continued

Ten Largest Group Equity Investments

Company	Sector	At 30th September 2014				At 30th September 2013			
		Valuation £'000	Portfolio % ¹	Benchmark %	Active Position* %	Valuation £'000	Portfolio % ¹	Benchmark %	Active Position* %
Infosys Technologies	Information Technology	39,371	7.4	10.0	(2.6)	39,697	10.4	10.3	0.1
Tata Consultancy Services	Information Technology	38,541	7.3	7.5	(0.2)	21,359	5.6	6.7	(1.1)
Housing Development Finance	Financials	37,971	7.1	2.0	5.1	33,592	8.8	6.8	2.0
HDFC	Financials	37,130	7.0	9.1	(2.1)	26,386	6.9	8.3	(1.4)
Reliance Industries	Energy	29,603	5.6	7.1	(1.5)	30,316	7.9	7.9	–
Sun Pharmaceutical Industries	Health Care	24,851	4.7	3.6	1.1	16,915	4.4	2.7	1.7
Tata Motors	Consumer Discretionary	24,401	4.6	2.2	2.4	17,328	4.5	1.9	2.6
Kotak Mahindra Bank	Financials	18,249	3.4	–	3.4	12,657	3.3	1.5	1.8
Mahindra & Mahindra ²	Consumer Discretionary	17,872	3.4	2.7	0.7	10,824	2.8	1.9	0.9
Indusind Bank ²	Financials	17,556	3.3	–	3.3	10,163	2.7	–	2.7
Total³		285,545	53.8	44.2		219,237	57.3	48.0	

*A glossary of terms and definitions is provided on pages 63 and 64.

¹Based on total assets less current liabilities of £530.8m (2013: £382.6m).

²Not included in the ten largest Group investments at 30th September 2013.

³At 30th September 2013, the value of the ten largest Group investments amounted to £239.8m representing 62.7% of total assets less current liabilities.

Group Sector Analysis

Sector	At 30th September 2014			At 30th September 2013		
	Portfolio % ¹	Benchmark %	Active Position* %	Portfolio % ¹	Benchmark %	Active Position* %
Financials	38.7	18.2	20.5	30.6	23.0	7.6
Information Technology	15.3	22.9	(7.6)	18.0	20.8	(2.8)
Consumer Discretionary	14.3	6.7	7.6	9.9	6.9	3.0
Materials	11.7	7.3	4.4	8.6	6.7	1.9
Industrials	9.2	5.4	3.8	1.9	3.8	(1.9)
Health Care	6.1	9.5	(3.4)	7.4	7.4	–
Energy	5.6	11.8	(6.2)	7.9	12.5	(4.6)
Utilities	3.3	3.9	(0.6)	1.4	3.9	(2.5)
Consumer Staples	0.8	11.4	(10.6)	8.3	12.2	(3.9)
Telecommunication Services	–	2.9	(2.9)	3.3	2.8	0.5
Liquidity funds	–	–	–	1.8	–	1.8
Net current (liabilities)/assets	(5.0)	–	(5.0)	0.9	–	0.9
Total	100.0	100.0		100.0	100.0	

*A glossary of terms and definitions is provided on pages 63 and 64.

¹Based on total assets less current liabilities of £530.8m (2013: £382.6m).

Strategic Report continued

Group List of Investments

at 30th September 2014

Company	Valuation £'000	Company	Valuation £'000
Financials		Materials	
HDFC Bank	37,971	ACC	14,617
Housing Development Finance	37,130	Ambuja Cements	13,995
Kotak Mahindra Bank	18,249	Hindalco Industries	12,870
Indusind Bank	17,556	UltraTech Cement	8,595
State Bank of India	12,417	Shree Cements	7,551
Shriram Transport	12,162	Godrej Industries	4,608
Axis Bank	12,102		
IDFC	11,584	Total Materials	62,236
Mahindra & Mahindra Financial	10,487		
ICICI Bank ¹	8,300	Industrials	
ING Vysya Bank	6,570	Larsen & Toubro	14,162
Motilal Oswal Financial	5,969	Ashok Leyland	10,491
Godrej Properties	4,046	Bharat Heavy Electricals	6,960
Bank of Baroda	3,784	Gujarat Pipavav Port	6,029
Gruh Finance	3,778	Great Eastern Shipping	4,555
Oberoi Realty	1,884	Cummins India	4,264
MCX India	1,229	ABB	2,406
Ascendas India Trust	743		
Total Financials	205,961	Total Industrials	48,867
		Health Care	
Information Technology		Sun Pharmaceutical Industries	24,851
Infosys Technologies ¹	39,371	Divi's Laboratories	7,184
Tata Consultancy Services	38,541		
Just Dial	3,128	Total Health Care	32,035
Total Information Technology	81,040		
		Energy	
Consumer Discretionary		Reliance Industries	29,603
Tata Motors ¹	24,401	Total Energy	29,603
Mahindra & Mahindra	17,872		
Maruti Suzuki India	16,599	Utilities	
Motherson Sumi Systems	5,109	National Thermal Power	9,195
EIH	2,814	Power Grid	5,132
D B Corp	2,639	JSW Energy	3,248
Bajaj Auto	2,473		
Jubilant Foodworks	2,443	Total Utilities	17,575
Bosch	1,299		
DC Design ²	—	Consumer Staples	
Total Consumer Discretionary	75,649	Balrampur Chini Mills	2,707
		United Spirits	1,801
		Total Consumer Staples	4,508
		Total Group investments held at fair value	557,474

¹Includes ADR.

²Unquoted investment.

Business Review

The aim of the Strategic Report is to provide shareholders with the ability 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 limits and restrictions, performance and key performance indicators, share capital, principal risks and how the Company seeks to manage those risks, the Company's environmental, social and ethical policy and finally its future developments.

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).

The Company is subject to UK and European legislation and regulations including UK company law, Financial Reporting Standards, the UKLA Listing, Prospectus, Disclosure and Transparency Rules, 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 objective, the Company invests in a diversified portfolio and employs a Manager with a strong focus on research and company visits that enables it to identify what it believes to be the most attractive stocks in the market.

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

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

Investment Restrictions and Guidelines

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

- The Company will not invest in the other countries of the Indian sub-continent nor in Sri Lanka.
- The Company can invest in companies that earn a material part of their revenues from India.
- At time of purchase, the maximum permitted exposure to any individual stock is 14.99% of total assets.
- No more than 10% of the Company's assets will be invested in unquoted investments.
- To use gearing when appropriate to increase potential returns to shareholders; the Company's gearing policy is to use 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 2014, the Company produced a portfolio total return net of fees and expenses of +38.4%, a total return to Ordinary shareholders of +44.4%, and a return on net assets of +38.9%. This compares with the return on the Company's benchmark index of +37.5%. At 30th September 2014, the value of the Group's investment portfolio was £557.5 million. The Investment Managers' Report on pages 5 and 6 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

Total Income and Profit

Total income for the year amounted to £153.5 million (2013: £60.8 million loss) and the net profit after deducting administration expenses, interest and taxation, amounted to £147.4 million (2013: £68.0 million loss). Net revenue for the year amounted to £0.6 million (2013: £1.3 million loss).

Strategic Report continued

Business Review continued

Key Performance Indicators ('KPIs')

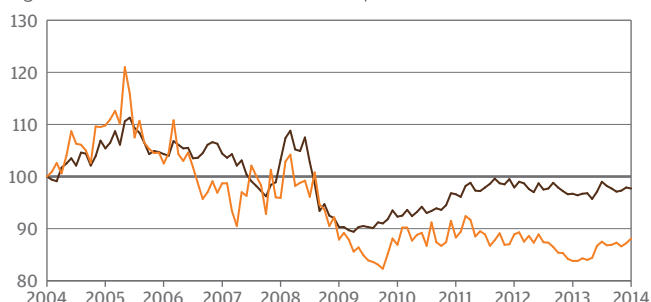
The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance against the benchmark**

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 2004

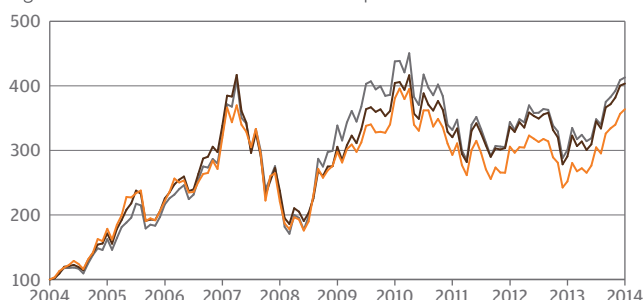


Source: Morningstar.

— JPMorgan Indian - Ordinary share price total return.
— JPMorgan Indian - return on net assets.
— The benchmark is represented by the grey horizontal line.

Ten Year Performance

Figures have been rebased to 100 at 30th September 2004



Source: Morningstar/MSCI.

— JPMorgan Indian - Ordinary share price total return.
— JPMorgan Indian - return on net assets.
— Benchmark.

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

The principal objective is to achieve capital growth and out-performance relative to the benchmark. The Board also monitors the performance relative to a broad range of competitor funds.

- **Performance attribution**

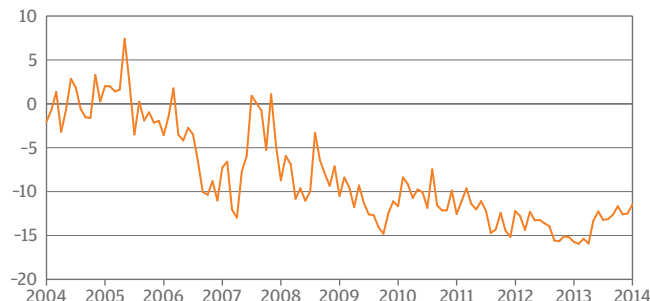
The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation, stock selection and gearing. Details of the attribution analysis for the year ended 30th September 2014 are given in the Investment Managers' Report on page 6.

- **Share price discount to 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 seek 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 2014, the shares traded between a discount of 10.4% and 16.7%.

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

Premium/(Discount)



Source: Datastream.

— JPMorgan Indian - share price discount/premium to diluted net asset value per share.

- **Ongoing Charges**

The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily net assets during the year. The ongoing charges for the year ended 30th September 2014 were 1.3% (2013: 1.5%). 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, to repurchase shares into Treasury and to repurchase shares for cancellation.

During the year to 30th September 2014 the Company repurchased a total of 4,330,000 Ordinary shares into Treasury (2013: 10,313,000). Since the year end, no further shares have been repurchased into Treasury.

During the year the Company issued 5,353,833 Ordinary shares, following the conversion of Subscription shares, for a total consideration of £15.6 million.

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 page 21 and the full text of the resolutions are set out on pages 60 and 61.

Principal Risks

With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. In the year under review, there were no significant changes in the risks identified. These key risks fall broadly under the following categories:

- **Investment and Strategy:** An inappropriate investment strategy, for example asset allocation or the level of gearing, may lead to under-performance against the Company's benchmark Index and peer companies, resulting in the Company's shares trading on a wider discount. The Board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and reported by the Manager. The Manager provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Managers, who attend all Board meetings, and review data which show statistical measures of the Company's risk profile. The Investment Managers employ the Company's gearing, within a strategic range set by the Board.
- **Market:** Market risk arises from uncertainty about the future prices of the Company's investments. It represents the potential loss that the Company might suffer through holding investments in the face of negative market movements. The Board considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines, which are monitored and reported on by the Manager. The Board monitors the implementation and results of the investment process with the Manager.
- **Accounting, 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 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.
- Any change in the taxation legislation or taxation regime applicable to the Mauritian Subsidiary could affect the value of the investments held by the Group, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. In particular, it is expected that the Mauritian Subsidiary will continue to benefit from the India/Mauritius Double Tax Treaty. Future changes to Mauritian or Indian law or to the India/Mauritius Double Tax Treaty, or the interpretations given to them by the regulatory authorities, could impose additional costs or obligations on the activities of the Mauritian Subsidiary, which in turn may have adverse effects on the performance of the Company. The terms of the India/Mauritius Double Tax Treaty were challenged in India but were upheld by the Supreme Court of India in October 2003. More recently, there have been discussions between the Indian and Mauritian authorities with regard to a re-negotiation of the Treaty. Adverse tax consequences would result if the Mauritian Subsidiary ceased to qualify for the benefits under the India/Mauritius Double Tax Treaty (for example,

Strategic Report continued

Business Review continued

if it were held that the Mauritian Subsidiary was not a resident of Mauritius). There can be no assurance that the Mauritian Subsidiary will continue to qualify for or receive the benefits of the India/Mauritius Double Tax Treaty or that the terms of the India/Mauritius Double Tax Treaty will not be changed. Such an event may require the Mauritian Subsidiary to pay or provide for tax liabilities that would reduce the net asset value of the Ordinary Shares.

- Corporate Governance and Shareholder Relations: Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance report on pages 21 to 26.
- Operational: Loss of key staff by the Manager, such as the Investment Managers, could affect the performance of the Company. Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the custodian's records could prevent accurate reporting and monitoring of the Company's financial position. Details of how the Board monitors the services provided by 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 report on pages 21 to 26.
- Financial: The financial risks faced by the Company include market price risk, interest rate risk, liability risk and credit risk. Further details are disclosed in note 18 on pages 52 to 58.
- Political and Economic: Administrative risks, such as the imposition of restrictions on the free movement of capital.

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 2014, there were three male Directors and two 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 notes the JPMorgan Asset Management ('JPMAM') policy statements in respect of Social, Community, Environmental and Human Rights issues, as outlined below.

Social, Community, Environmental and Human Rights

JPMAM believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.

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.

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.*

Future Developments

The future development of the Company is dependent on the success of the Company's investment strategy in the light of economic and equity market developments and the continued support of its shareholders. The Investment Managers discuss the outlook in their report on page 6.

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

15th December 2014

Governance

Board of Directors



Hugh Bolland*†‡ (Chairman of the Board and Nomination Committee)

A Director since September 2004.

Last reappointed to the Board: 2014.

Remuneration: £32,500.

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

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 24,000 ordinary shares.



Richard Burns*†‡ (Chairman of the Audit Committee and Senior Independent Director)

A Director since December 2006.

Last reappointed to the Board: 2014.

Remuneration: £27,500.

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

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 80,000 ordinary shares.



Rosemary Morgan*†‡

A Director since 1st December 2013.

Last reappointed to the Board: 2014.

Remuneration: £24,000.

Director of Schroder Asia Pacific Fund plc, Landau Forte Charitable Trust and a trustee of the London Library Pension Fund. 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.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 1,558 ordinary shares.

Governance continued

Board of Directors continued



Nimi Patel*†‡

A Director since December 2011.

Last reappointed to the Board: 2014.

Remuneration: £24,000.

A member of Herbert Smith LLP's corporate division and Head of Herbert Smith India Group. She has assisted a number of Indian corporates, including the Tata Group, Reliance Industries and ICICI Limited, public sector undertakings and financial institutions on transactions in India. Nimi joined Herbert Smith LLP in 1994.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 46,737 ordinary shares.



Hugh Sandeman*†‡

A Director since 1st October 2010.

Last reappointed to the Board: 2014.

Remuneration: £24,000.

Over 20 years experience in investment banking, based in New York, Tokyo, London and Frankfurt principally with Dresdner Kleinwort. He is a Managing Director at Langham Capital Limited.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 19,000 ordinary shares.

* Member of the Audit Committee.

† Considered independent of the Manager.

‡ Member of the Nomination Committee.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 30th September 2014.

A number of disclosures previously incorporated in the Directors' Report are now included in the Strategic Report. These include: Business of the Company; Investment Objective; Investment Policies and Risk Management; Investment Restrictions and Guidelines; Performance; Total Return. Revenue and Dividends; KPIs; Share Capital; Principal Risks; Future Developments; Employee, Social, Community and Human Rights Issues.

Management of the Company

The Manager and Secretary is JPMorgan Funds Limited ('JPMF'). JPMF 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 Manager is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides banking, dealing and custodian services to the Company.

The Board conducts a formal evaluation of the performance of, and contractual relationship with, the Manager on an annual basis. No separate management engagement committee has been established as all of the Directors are considered to be independent of the Manager.

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

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF has been appointed as the Company's alternative investment fund manager ('AIFM'). JPMF has been approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF').

The Company entered into a new investment management agreement with JPMF on 1st July 2014. JPMF has delegated

responsibility for the day to day management of the Company's portfolio to an affiliate, JPMorgan Asset Management (UK) Limited. JPMF is required to ensure that a depositary is appointed by the Company. It has appointed BNY Mellon Trust and Depositary (UK) Limited ('BNY') as its depositary. BNY has delegated its safekeeping function to the custodian, JPMorgan Chase Bank, N.A. BNY remains 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. As an authorised AIFM, JPMF will make the requisite disclosures on remuneration levels and policies to the FCA at the appropriate time.

Management Fee

With effect from 1st October 2013, the overall rate payable by the Group is at 1.0% of the Group's assets less current liabilities. Prior to that, the management fee was charged at the rate of 1.2%. 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 calculations and therefore attract no fee.

Going Concern

The Directors believe that having considered the Company's investment objective (see page 13), risk management policies (see pages 52 to 58), capital management policies and procedures (see pages 58 and 59), the nature of the portfolio and expenditure projections that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they

Governance continued

Directors' Report continued

consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors

The Directors of the Company who held office at the end of the year are detailed on pages 17 and 18. Jasper Judd has been appointed a Director with effect from 1st January 2015.

Hugh Bolland will retire from the Board at the conclusion of the forthcoming AGM. Richard Burns will succeed him as Chairman. Jasper Judd will succeed Richard Burns as Chairman of the Audit Committee.

Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on page 28. No changes have been reported to the Directors' shareholdings since the year end.

In accordance with corporate governance best practice, all Directors will retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment, with the exception of Hugh Bolland, who will retire at the conclusion of the meeting.

The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its Committees, confirms that each Director standing for reappointment 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

Deloitte have been auditors to the Company since 2002. Following an auditor review, in accordance with best practice, it has been decided to appoint a new auditor with effect from the next financial year. Accordingly, a resolution to appoint PricewaterhouseCoopers as auditors to the Company will be proposed at the forthcoming AGM. Deloitte have confirmed that there are no circumstances in connection with their resignation which need to be brought to the attention of the Company's shareholders.

Section 992 Companies Act 2006

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

Capital Structure

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

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in note 16 to the Notice of Annual General Meeting on page 62.

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	19,052,753	18.0

On 31st October 2014, City of London Investment Management Company disclosed that its holding was 20,093,921 shares (19.0%).

The Company is also aware that approximately 10.7% of the Company's total voting rights were held by individuals through

the savings products managed by JPMorgan and registered in the name of Chase Nominees Limited as at the year end. If those voting rights are not exercised by the beneficial holders, in accordance with the terms and conditions of the savings products, under certain circumstances, JPMorgan has the right to exercise those voting rights. That right is subject to certain limits and restrictions and falls away at the conclusion of the relevant general meeting.

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.

Annual General Meeting

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

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

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

The Directors will seek renewal of the authority at the AGM to issue 10,570,779 new shares or shares held in Treasury other than by a pro rata issue to existing shareholders up to an aggregate nominal amount of £2,642,694, such amount being equivalent to approximately 10% of the present issued share capital. The full text of the resolutions is set out in the Notice of Meeting on page 60.

It is advantageous for the Company to be able to issue new shares to investors purchasing shares through the JPMorgan savings products and also to other investors when the Directors consider that it is in the best interests of shareholders to do so. Any such issues would only be made at prices greater

than the NAV, thereby increasing the assets underlying each share and spreading the Company's administrative expenses, other than the management fee which is charged on the value of the Company's 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 2014 Annual General Meeting, will expire on 29th July 2015 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 28th July 2016 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 60 to 61. 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.

Recommendation

The Board considers that resolutions 10 to 12 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 171,295 shares representing approximately 0.16% of the existing issued share capital of the Company.

Corporate Governance Statement

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 30, indicates how the Company has applied the principles of good governance of the UK Corporate Governance Code and the AIC's Code of Corporate Governance (the 'AIC Code'), which complements the UK Corporate Governance Code and provides a framework of best practice for investment trusts.

Governance continued

Directors' Report continued

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the UK Corporate Governance Code and the AIC Code throughout the year under review.

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, following the introduction of 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 Hugh Bolland, 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 17 and 18.

The Board does not feel that it would be appropriate to adopt a policy whereby Directors serve for a limited period of time, given the specialist nature of the Company's investment universe. However, in order to achieve a balance of skills, experience, length of service and ages, it is the Board's policy to induct new Directors to provide an orderly succession over time. Jasper Judd has been appointed to the Board with effect from 1st January 2015. The Chairman will retire from the Board at the conclusion of the forthcoming AGM, to be succeeded by Richard Burns.

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

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

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be 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, 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. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts. Reviews 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 17 and 18. Directors who are not members of committees may attend by invitation.

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

Director	Board Meetings Attended	Audit Committee Meetings Attended	Nomination Committee Meetings Attended
Hugh Bolland	5	3	1
Richard Burns	5	3	1
Rosemary Morgan ¹	4	3	1
Nimi Patel	5	3	1
Hugh Sandeman	5	3	1
Peter Sullivan ²	2	1	—

¹Appointed to the Board on 1st December 2013.

²Retired from the Board on 30th January 2014.

Board Committees

Nomination Committee

The Nomination Committee, chaired by Hugh Bolland, 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. For the appointments of Rosemary Morgan and Jasper Judd, formal recruitment processes were undertaken, but it was deemed unnecessary to engage a search agency.

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. The Committee also reviews Directors' fees and makes recommendations to the Board as and when required.

Audit Committee

The Audit Committee, chaired by Richard Burns and comprising all of the Directors, meets at least twice each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee and are satisfied that at least one member has recent and relevant financial experience.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual accounts and the Company's compliance with the UK Corporate Governance Code.

During its review of the Company's financial statements for the year ended 30th September 2014, the Audit Committee considered the following significant issues, in particular those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Going concern	The Directors have considered the Company's investment objective, risk management policies, capital management policies and procedures, the nature of the portfolio and expenditure and cash flow projections. As a result, they have determined 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.
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 accounts on page 41. The audit includes the determination of the existence and ownership of the investments.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 2(f) to the accounts on page 41.
Compliance with Sections 1158 and 1159 Corporation Tax Act 2010 ('Sections 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 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis.

Governance continued

Directors' Report continued

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

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30th September 2014, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's 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 30.

The Audit Committee 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. During the year under review, the six monthly reports on the Manager's system of risk management and internal control were reviewed by a partner at Deloitte other than the Company's audit engagement partner. The Audit Committee also receives confirmations from the Auditors, as part of their reporting, with regard to their objectivity and independence. Representatives of the Company's Auditors attend the Audit Committee meeting at which the draft annual report and accounts are considered.

The Audit Committee also has a primary responsibility for making recommendations to the Board on the reappointment and removal of external auditors. 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. Details of the Auditors' fees are disclosed in note 5 on page 43. Deloitte were appointed in 2002. The audit engagement partner rotates every five years in accordance with ethical guidelines and 2014 is the fifth year for the current partner. Having conducted an auditor review during the year, the Committee recommended that, in accordance with best practice, a new auditor be appointed. The Board supported the recommendation to appoint PricewaterhouseCoopers which

will be put to shareholders at the forthcoming Annual General Meeting.

The Directors' statement on the Company's system of risk management and internal control is set out on page 25.

Terms of Reference

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

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 accounts. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

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 65.

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

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

Risk Management and Internal Control

The UK Corporate Governance Code 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 15 and 16). This process, which was in place during the year under review, accords with the Turnbull Guidance. The Company does not have an internal audit function of its own, but relies on the internal audit department of the Manager which reports any material failings or weaknesses. This arrangement is kept under review.

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.

Management Agreement – Appointment of a manager and custodian regulated by the Financial Conduct Authority ('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 – Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board, either directly or through the Audit Committee, keeps under review the effectiveness of the Company's system of 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; and
- reviews every six months an independent report on the internal controls and the operations of the Manager.

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 2014 and to the date of approval of this Annual Report and Accounts.

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 following is a summary of the Manager's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board.

Governance continued

Directors' Report continued

Corporate Governance

JPMAM believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our proxy voting and engagement activity.

Proxy Voting

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

Stewardship/Engagement

JPMAM recognises its wider stewardship responsibilities to its clients as a major asset owner. To this end, we support the introduction of the FRC Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:

- publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;
- disclose their policy on managing conflicts of interest;

- monitor their investee companies;
- establish clear guidelines on how they escalate engagement;
- be willing to act collectively with other investors where appropriate;
- have a clear policy on proxy voting and disclose their voting record; and
- report to clients.

JPMAM endorses the FRC Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.

The Manager's 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.

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

15th December 2014

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 30th September 2014, 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 31 to 33.

Directors' Remuneration Policy

The Company's Remuneration Policy is subject to a triennial binding vote and therefore an ordinary resolution to approve this report 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 Committee are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfilling those roles.

As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead, the Nomination Committee reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager 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 this review. 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.

All of the Directors are non-executive. 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 until 31st January 2014, Directors' fees were paid at the following rates: Chairman £30,000; Audit Committee Chairman £25,000; and other Directors £22,500. With effect from 1st February 2014 fees were increased to £32,500, £27,500 and £24,000 respectively.

The Articles stipulate that aggregate fees must not exceed £150,000 per annum. Any increase in the maximum aggregate amount requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Nomination Committee considers any comments received from shareholders on remuneration policy on an ongoing basis as well as receiving outside advice from suitable consultants as appropriate.

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 22.

The Company's Remuneration policy also applies to new Directors.

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 2013 and no changes are proposed for the year ending 30th September 2015.

Governance continued

Directors' Remuneration Report continued

At the Annual General Meeting held on 30th January 2014, of votes cast, 99.3% of votes cast were in favour of (or granted discretion to the Chairman who voted in favour of) the remuneration report and 0.7% 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 2015 Annual General Meeting will be given in the annual report for the year ending 30th September 2015.

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

Single total figure of remuneration

The single total figure of remuneration for the Board as a whole for the year ended 30th September 2014 was £132,526. The single total figure of remuneration for each Director is detailed below together with the prior year comparative.

There are no performance targets in place for the Directors of the Company and there are no benefits for any of the Directors which will vest in the future. There are no benefits, pension, bonus, long term incentive plans, exit payments or arrangements in place on which to report.

Single total figure table¹

	Total fees	
	2014 £	2013 £
Hugh Bolland	31,667	30,000
Richard Burns	26,667	25,000
Rosemary Morgan ²	19,750	—
Nimi Patel	23,500	22,500
Hugh Sandeman	23,500	22,500
Peter Sullivan ³	7,442	22,500
Total	132,526	122,500

¹Audited 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.

²Appointed 1st December 2013.

³Retired 30th January 2014.

A table showing the total remuneration for the Chairman over the five years ended 30th September 2014 is below:

Remuneration for the Chairman over the five years ended 30th September 2014

Year ended 30th September	Fees	Performance related benefits received as a percentage of maximum payable
2014	£31,667	n/a
2013	£30,000	n/a
2012	£30,000	n/a
2011	£30,000	n/a
2010	£27,500	n/a

Directors' Shareholdings¹

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

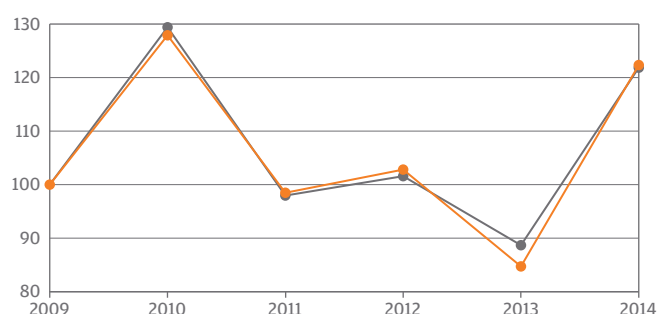
Directors' Name	30th September 2014	1st October 2013 or as at date of appointment
Hugh Bolland	24,000	24,000
Richard Burns	80,000	80,000
Rosemary Morgan ²	1,558	—
Nimi Patel	46,737	46,737
Hugh Sandeman	19,000	19,000
Total	171,295	169,737

¹Audited information.

²Appointed 1st December 2013.

A graph showing the Company's share price total return compared with its benchmark, the MSCI India Index expressed in sterling terms over the last five years, is shown below. The Board believes that this index is the most appropriate for performance comparison purposes because it reflects the Investment Managers' investment universe.

Five Year Share Price and Benchmark Total Return Performance to 30th September 2014



Source: Morningstar/MSCI.

— Ordinary share price total return.
— Benchmark.

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	
	2014	2013
Remuneration paid to all Directors	£132,526	£122,500
Distribution to shareholders		
— by way of dividend	n/a	n/a
— by way of share repurchases	£14,733,000	£38,705,000

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

15th December 2014

Governance continued

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 Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the Parent Company financial statements under IFRS as adopted by the EU. 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 UK Accounting Standards 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 17 and 18, confirms that, to the best of his or her knowledge the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) 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 accounts taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the strategy and business model of the Company.

For and on behalf of the Board

Hugh Bolland
Chairman

15th December 2014

Independent Auditor's Report

Opinion on financial statements of JPMorgan Indian Investment Trust plc

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30th September 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Group Income Statement, the Group and Company Statements of Changes in Equity, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Going concern

As required by the Listing Rules we have reviewed the Directors' statement contained within the Directors' Report on page 19 that the Group is a going concern. We confirm that:

- we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Risk	How the scope of our audit responded to the risk
Valuation of investments The investments of the Group make up 99% of total assets. There is a risk that investments within the portfolio may not be actively traded and the prices quoted may not be reflective of fair value.	We reviewed the SSAE 16 controls report to understand the controls in place at the custodian over the valuation of investments. We agreed 100% of the bid prices of quoted investments on the investment ledger at year end to closing bid prices published by an independent pricing source. We made enquiries of the Manager and Directors regarding their assessment of the portfolio pricing and liquidity. We reviewed the completeness and appropriateness of disclosures in relation to fair value measurements and liquidity risk.
Ownership of investments The investments of the Group make up 99% of total assets. There is a risk that investments within the portfolio may not represent the property of the Group.	We reviewed the SSAE 16 controls report to understand the controls in place at the custodian over the ownership of investments. We agreed 100% of the Group's investment portfolio at the year end to confirmation received directly from the independent custodian.

Last year our report included two other risks which are not included in our report this year: failure to comply with the provisions of Sections 1158/1159 of the Corporation Tax Act 2010 and consolidation of the subsidiary. These two risks are not considered to have had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Independent Auditor's Report continued

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 23.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgment, we determined an overall materiality for the Group as being approximately 1% of Net Assets, which is £5,308,000.

This is a change of approach from 2013, where materiality of £11,480,000 was based on 3% of Net Assets. We have changed the percentage applied to align more closely with other comparable companies.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £106,000 (2013: £229,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our group audit scope focused primarily on the audit work for the parent. The parent was subject to a full audit directly by us, whilst the subsidiary audit involved a component auditor. As group auditor we reviewed the summary of work completed by the component auditor and particularly focussed on work over the valuation and ownership of the investments held by the subsidiary.

Our audit work for the parent and subsidiary company was executed at levels of materiality applicable to each individual entity and which for the subsidiary was lower than group materiality.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the Company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or

- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we

might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Stuart McLaren (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
London, United Kingdom

15th December 2014

Financial Statements

Group Income Statement

for the year ended 30th September 2014

	Notes	Revenue £'000	2014 Capital £'000	Total £'000	Revenue £'000	2013 Capital £'000	Total £'000
Investment income	3	6,676	—	6,676	5,885	—	5,885
Other income	3	—	—	—	1	—	1
Gains/(losses) from investments held at fair value through profit or loss	9(d)	—	147,005	147,005	—	(66,546)	(66,546)
Foreign exchange losses		—	(206)	(206)	—	(127)	(127)
Total income/(loss)		6,676	146,799	153,475	5,886	(66,673)	(60,787)
Management fee	4	(4,454)	—	(4,454)	(5,614)	—	(5,614)
Other administrative expenses	5	(1,333)	—	(1,333)	(1,345)	—	(1,345)
Profit/(loss) before finance costs and taxation		889	146,799	147,688	(1,073)	(66,673)	(67,746)
Finance costs	6	(327)	—	(327)	(224)	—	(224)
Profit/(loss) before taxation		562	146,799	147,361	(1,297)	(66,673)	(67,970)
Taxation	7	—	—	—	—	—	—
Net profit/(loss)		562	146,799	147,361	(1,297)	(66,673)	(67,970)
Earnings/(loss) per Ordinary share – undiluted	8	0.53p	139.12p	139.65p	(1.21)p	(62.18)p	(63.39)p
Earnings/(loss) per Ordinary share – diluted	8	0.53p	139.12p	139.65p	(1.21)p	(62.18)p	(63.39)p

The Group does not have any income or expense that is not included in the net profit for the year. Accordingly the 'Net profit/(loss)' for the year, is also the 'Total comprehensive income' for the year, as defined in IAS1 (revised) and no separate Statement of Comprehensive Income has been presented.

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 Group's Income Statement, prepared in accordance with IFRS. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies and Venture Capital Trusts.

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

The notes on pages 39 to 59 form an integral part of these accounts.

Group and Company Statements of Changes in Equity

for the year ended 30th September 2014

	Group 2014							
	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
At 30th September 2013	30,124	83,019	41,929	5,886	231,854	6,362	(16,533)	382,641
Cancellation of Subscription shares	(4)	4	—	—	—	—	—	—
Conversion of Subscription shares into Ordinary shares	(54)	54	—	—	—	—	—	—
Issue of Ordinary shares on conversion of Subscription shares	1,338	14,241	—	—	—	—	—	15,579
Repurchase of shares into Treasury	—	—	—	—	(14,733)	—	—	(14,733)
Expenses in relation to share conversions	—	(2)	—	—	—	—	—	(2)
Profit for the year	—	—	—	—	146,799	—	562	147,361
At 30th September 2014	31,404	97,316	41,929	5,886	363,920	6,362	(15,971)	530,846

	Group 2013							
	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
At 30th September 2012	30,032	82,000	41,929	5,886	337,232	6,362	(15,236)	488,205
Conversion of Subscription shares into Ordinary shares	(4)	4	—	—	—	—	—	—
Issue of Ordinary shares on conversion of Subscription shares	96	1,015	—	—	—	—	—	1,111
Repurchase of shares into Treasury	—	—	—	—	(38,705)	—	—	(38,705)
Loss for the year	—	—	—	—	(66,673)	—	(1,297)	(67,970)
At 30th September 2013	30,124	83,019	41,929	5,886	231,854	6,362	(16,533)	382,641

The notes on pages 39 to 59 form an integral part of these accounts.

Financial Statements continued

Group and Company Statements of Changes in Equity continued for the year ended 30th September 2014

	Company 2014							Total £'000
	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	
At 30th September 2013	30,124	83,019	41,929	5,886	236,028	6,362	(20,707)	382,641
Cancellation of Subscription shares	(4)	4	—	—	—	—	—	—
Conversion of Subscription shares into Ordinary shares	(54)	54	—	—	—	—	—	—
Issue of Ordinary shares on conversion of Subscription shares	1,338	14,241	—	—	—	—	—	15,579
Repurchase of shares into Treasury	—	—	—	—	(14,733)	—	—	(14,733)
Expenses in relation to share conversions	—	(2)	—	—	—	—	—	(2)
Profit/(loss) for the year	—	—	—	—	148,154	—	(793)	147,361
At 30th September 2014	31,404	97,316	41,929	5,886	369,449	6,362	(21,500)	530,846

	Company 2013							Total £'000
	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	
At 30th September 2012	30,032	82,000	41,929	5,886	341,899	6,362	(19,903)	488,205
Conversion of Subscription shares into Ordinary shares	(4)	4	—	—	—	—	—	—
Issue of Ordinary shares on conversion of Subscription shares	96	1,015	—	—	—	—	—	1,111
Repurchase of shares into Treasury	—	—	—	—	(38,705)	—	—	(38,705)
Loss for the year	—	—	—	—	(67,166)	—	(804)	(67,970)
At 30th September 2013	30,124	83,019	41,929	5,886	236,028	6,362	(20,707)	382,641

The notes on pages 39 to 59 form an integral part of these accounts.

Group and Company Balance Sheets

at 30th September 2014

	Notes	Group 2014 £'000	Group 2013 £'000	Company 2014 £'000	Company 2013 £'000
Non current assets					
Investments held at fair value through profit or loss	9	557,474	372,521	530,385	372,641
Investment in liquidity fund held at fair value through profit or loss	9	—	7,000	—	7,000
Total investments		557,474	379,521	530,385	379,641
Current assets					
Other receivables	10	4,310	99	23	27
Cash and cash equivalents		779	3,752	561	3,504
		5,089	3,851	584	3,531
Current liabilities					
Other payables	11	(1,817)	(731)	(123)	(531)
Bank loans		(29,900)	—	—	—
Net current (liabilities)/assets		(26,628)	3,120	461	3,000
Total assets less current liabilities		530,846	382,641	530,846	382,641
Net assets		530,846	382,641	530,846	382,641
Equity attributable to equity holders					
Called up share capital	12	31,404	30,124	31,404	30,124
Share premium	13	97,316	83,019	97,316	83,019
Other reserve	13	41,929	41,929	41,929	41,929
Exercised warrant reserve	13	5,886	5,886	5,886	5,886
Capital reserves	13	363,920	231,854	369,449	236,028
Capital redemption reserve	13	6,362	6,362	6,362	6,362
Revenue reserve	13	(15,971)	(16,533)	(21,500)	(20,707)
Total equity shareholders' funds		530,846	382,641	530,846	382,641
Net asset value per Ordinary share – undiluted	14	502.2p	365.5p	502.2p	365.5p
Net asset value per Ordinary share – diluted	14	502.2p	361.6p	502.2p	361.6p

The accounts on pages 34 to 59 were approved by the Directors and authorised for issue on 15th December 2014 and signed on its behalf by:

Richard Burns
Director

The notes on pages 39 to 59 form an integral part of these accounts.

Company registration number: 2915926

Financial Statements continued

Group and Company Cash Flow Statements

for the year ended 30th September 2014

	Group 2014 £'000	Group 2013 £'000	Company 2014 £'000	Company 2013 £'000
Operating activities				
Profit/(loss) before taxation	147,361	(67,970)	147,361	(67,970)
Add back interest	327	224	84	178
Deduct (gains)/add losses on investments held at fair value through profit or loss	(147,005)	66,546	(148,132)	67,143
Unrealised foreign exchange losses	—	(3)	—	(4)
Net (purchases)/sales of investments held at fair value through profit or loss	(30,948)	41,310	(2,612)	(8,714)
(Increase)/decrease in prepayments, VAT and other receivables	(59)	19	4	(12)
(Increase)/decrease in amounts due from brokers	(4,152)	2,259	—	2,259
Increase/(decrease) in other payables	47	(366)	5	7
Increase/(decrease) in amounts due to brokers	1,452	(2,240)	—	—
Net cash (outflow)/inflow from operating activities before interest and taxation	(32,977)	39,779	(3,290)	(7,113)
Interest paid	(327)	(224)	(84)	(178)
Net cash (outflow)/inflow from operating activities	(33,304)	39,555	(3,374)	(7,291)
Investing activities				
Sale of subsidiary shares	—	—	—	50,000
Net cash inflow from investing activities	—	—	—	50,000
Financing activities				
Net proceeds from the issue of Ordinary shares	15,579	1,111	15,579	1,111
Repurchase of shares	(15,146)	(40,304)	(15,146)	(40,304)
Decrease in bank overdraft	—	(14)	—	(14)
Drawdown of short term loans	34,800	25,500	3,000	21,300
Net repayment of short term loans	(4,900)	(25,500)	(3,000)	(21,300)
Expenses in relation to share conversions	(2)	—	(2)	—
Net cash inflow/(outflow) from financing activities	30,331	(39,207)	431	(39,207)
(Decrease)/increase in cash and cash equivalents	(2,973)	348	(2,943)	3,502
Cash and cash equivalents at the start of the year	3,752	3,404	3,504	2
Cash and cash equivalents at the end of the year	779	3,752	561	3,504

The notes on pages 39 to 59 form an integral part of these accounts.

Notes to the Accounts

for the year ended 30th September 2014

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. The principal activity of its subsidiary company, JPMorgan Indian Investment Company (Mauritius) Limited, is that of an investment company.

2. Accounting policies

(a) Basis of accounting

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), 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 accounts have been prepared on the going concern basis. The disclosures on going concern in the Directors' Report on page 19 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 January 2009 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

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

(b) Accounting Standards

(i) New and amended standards adopted by the Company

- IFRS 7 (amendment), 'Financial Instruments - Disclosures' (effective for periods beginning on or after 1st January 2013) - amendments enhancing disclosures about offsetting financial assets and financial liabilities.
- IFRS 12, 'Disclosures of interests in other entities' (effective for annual periods beginning on or after 1st January 2013) - includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- IFRS 13, 'Fair value measurement' (effective for annual periods beginning on or after 1st January 2013) - aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.
- IAS 32, 'Financial instruments: Presentation' (effective for financial periods beginning on or after 1st January 2014) - updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

(ii) New standards, amendments and interpretations issued but not effective for the current financial year and not early adopted by the Company

- IFRS 1 (amendment), First Time Adoption of International Financial Reporting Standards - amendments resulting from the 2010 annual improvement review.
- IFRS 9, 'Financial instruments' (effective for financial periods beginning on or after 1st January 2015) - addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1st January 2015, subject to endorsement by the EU.

Financial Statements continued

Notes to the Accounts continued

2. Accounting policies continued

(b) Accounting Standards continued

(ii) New standards, amendments and interpretations issued but not effective for the current financial year and not early adopted by the Company continued

- IFRS 10, 'Consolidated financial statements' (effective for annual periods starting on or after 1st January 2014) – This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries.
- IAS 39, 'Financial instruments: Recognition and measurement' (effective for annual periods beginning on or after 1st January 2014) – narrow scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

(iii) New standards, amendments and interpretations issued but not effective for the current financial year and not relevant to the Company's operations

- IFRS 11, Joint Arrangements.
- IAS 12, (amendment) Income Taxes.
- IAS 16, Property, Plant and Equipment.
- IAS 19, (amendment) Employee Benefits.
- IAS 27, Separate Financial Statements.
- IAS 28, Associates and Joint Venture.
- IAS 34, Interim Reporting.
- IAS 36, Impairment of Assets.

(c) Basis of consolidation

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

(d) Presentation of the Income Statement

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue nature and a capital nature has been presented alongside the Income Statement. In accordance with the Company's status as a UK investment company under Section 833 of the Companies Act 2006, net capital returns may not be distributed by way of dividend. Additionally, the net revenue is the measure the Directors believe appropriate in assessing compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

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

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

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

(f) Income

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

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

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

(g) Expenses

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

(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. Other receivables are non interest bearing, short term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Interest bearing bank loans 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 rate method.

The Company does not hold or issue derivative financial instruments for speculative purposes. Derivative financial instruments are recognised initially at fair value on the contract date and subsequently remeasured to the fair value at each reporting date. The resulting gain or loss is recognised as revenue or capital in the Income Statement depending on the nature and motive of each derivative transaction. Derivative financial instruments with a positive fair value are recognised as financial assets and derivative financial instruments with a negative fair value are recognised as financial liabilities. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

Financial Statements continued

Notes to the Accounts continued

2. Accounting policies continued

(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 Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that, 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 Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(j) Foreign currency

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

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

(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) Conversion of Subscription shares

When the holders of Subscription shares exercise their right to convert their shares into Ordinary shares, the nominal value of those Subscription shares is transferred to the credit of share premium. The nominal value of the Ordinary shares into which the Subscription shares convert is credited to called up share capital and the balance of the consideration received is credited to share premium.

(m) Key estimates and assumptions

Estimates and assumptions used in preparing the financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

There are no estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities.

	2014 £'000	Group 2013 £'000
3. Income		
Investment income		
Dividends from investments listed overseas	6,671	5,865
Income from liquidity stocks	5	20
	6,676	5,885
Other income		
Deposit interest	—	1
Total income	6,676	5,886

	2014 £'000	Group 2013 £'000
4. Management fee	4,454	5,614

Details of the management fee are given in the Directors' Report on page 19.

	2014 £'000	Group 2013 £'000
5. Other administrative expenses		
Other administration expenses ¹	998	1,025
Directors' fees ²	148	138
Savings scheme costs ³	152	145
Auditor's remuneration for audit services	28	28
Auditor's remuneration for all other services ⁴	7	9
	1,333	1,345

¹Other administrative expenses include £16,000 (2013: £19,000) payable to Lamusse Sek Sum & Co., in respect of the audit fee for JPMorgan Indian Investment Company (Mauritius) Limited.

²Directors' fees include £15,000 (2013: £16,000) payable to the Directors of JPMorgan Indian Investment Company (Mauritius) Limited.

³These fees were payable to the Manager for the marketing and administration of savings scheme products.

⁴Comprises the Company's contribution to the audit of the Manager's internal control procedures amounting to £7,000 (2013: £9,000).

	2014 £'000	Group 2013 £'000
6. Finance costs		
Interest on bank loans repayable within one year	327	224

Financial Statements continued

Notes to the Accounts continued

7. Taxation

(a) Taxation on ordinary activities

	Group	
	2014 £'000	2013 £'000
UK corporation tax at 22.0% (2013: 23.5%)	—	—
Overseas taxation	—	—
Current tax	—	—

(b) Factors affecting the tax charge for the year

The tax charge for the year is lower (2013: lower) than the Company's applicable rate of corporation tax for the year of 22.0% (2013: 23.5%). The difference is explained below.

	Group	
	2014 £'000	2013 £'000
Profit/(loss) before taxation	147,361	(67,970)
Corporation tax at 22.0% (2013: 23.5%)	32,419	(15,973)
Effects of:		
Non taxable capital (gains)/losses	(32,295)	15,668
Movement in excess management expenses	1,344	1,683
Non taxable overseas dividends	(1,468)	(1,378)
Overseas taxation	—	—
Current tax	—	—

(c) Provision for deferred taxation

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

(d) Factors that may affect future tax charges

The Company has an unrecognised deferred tax asset of £4,226,000 (2013: £4,243,000) based on a prospective corporation tax rate of 20% (2013: 23%). The reduction in the standard rate of corporation tax was substantively enacted on 2nd July 2013 and is effective from 1st April 2014. The deferred tax asset has arisen because cumulative deductible expenses have exceeded taxable income over the life of the Company. This asset may be utilised in future years where there is an excess of taxable income over deductible expenses. A deferred tax asset has not been recognised in the accounts as it is not likely that this asset will be utilised in the foreseeable future.

Deferred tax for the Subsidiary is calculated at the applicable tax rate enacted by the balance sheet date of 15% (2013: 15%).

Group

	2014 £'000	2013 £'000
8. Earnings/(loss) per Ordinary share		
Earnings/(loss) per Ordinary share is based on the following:		
Revenue return/(loss)	562	(1,297)
Capital return/(loss)	146,799	(66,673)
Total profit/(loss)	147,361	(67,970)
Weighted average number of Ordinary shares in issue during the year used for the purpose of the undiluted calculation	105,522,093	107,223,518
Weighted average number of Ordinary shares in issue during the year used for the purpose of the diluted calculation	105,522,093	107,223,518
Undiluted		
Revenue loss per share	0.53p	(1.21)p
Capital return/(loss) per share	139.12p	(62.18)p
Total profit/(loss) per share	139.65p	(63.39)p
Diluted¹		
Revenue earnings/(loss) per share	0.53p	(1.21)p
Capital return/(loss) per share	139.12p	(62.18)p
Total profit/(loss) per share	139.65p	(63.39)p

¹The Company's Subscription shares expired and the rights lapsed on 2nd January 2014.

The diluted earnings/(loss) per Ordinary share represents the earnings/(loss) on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the year as adjusted in accordance with the requirements of IAS 33, 'Earnings per Share'. In 2013, there was an antidilution, due to loss per share.

9. Investments held at fair value through profit or loss

(a) Group and Company

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Investments listed on a recognised stock exchange	557,474	372,521	18,656	3,929
Investment in liquidity fund	—	7,000	—	7,000
Investment in Subsidiary held at fair value	—	—	511,729	368,712
Total investments held at fair value through profit or loss	557,474	379,521	530,385	379,641

Financial Statements continued

Notes to the Accounts continued

9. Investments held at fair value through profit or loss continued

(a) Group and Company continued

	Group 2014 Listed £'000		Company 2014 Listed £'000	
Opening book cost	320,644		3,901	
Opening investment holding gains	58,877		28	
Opening valuation	379,521		3,929	
Movements in the year:				
Purchases at cost	175,144		18,165	
Sales - proceeds	(144,247)		(8,554)	
Gains on sales of investments based on the carrying value at the previous balance sheet date	11,659		1,656	
Net movement in investment holding gains and losses	135,397		3,460	
Closing valuation	557,474		18,656	
Closing book cost	383,362		15,249	
Closing investment holding gains	174,112		3,407	
Closing valuation	557,474		18,656	

(b) Transaction costs

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Transaction costs on purchases	480	193	18	7
Transaction costs on sales	345	156	—	—
	825	349	18	7

The above costs comprise mainly brokerage commission.

(c) Investment in Subsidiary

	Company	
	2014 £'000	2013 £'000
Historic cost of investment in Subsidiary ¹	62,868	70,848
Opening cumulative gifts to Subsidiary	79,637	79,637
Opening cumulative holding gains	226,207	335,368
Opening valuation	368,712	485,853
Sale of shares in the Subsidiary	—	(54,725)
Net movement in investment holding gains and losses	143,017	(62,416)
Closing valuation	511,729	368,712

¹The historic cost of the investment in the Subsidiary represents the cost of the ordinary shares and warrants subscribed on its incorporation in 1994.

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) Gains/(losses) on investments held at fair value through profit or loss

	Group	
	2014 £'000	2013 £'000
Gains/(losses) on investments held at fair value through profit or loss based on historical cost	31,821	(943)
Amounts recognised as investment holding gains in the previous year in respect of investments sold during the year	(20,162)	(14,943)
Gains/(losses) on sales of investments based on the carrying value at the previous balance sheet date	11,659	(15,886)
Net movement in investment holding gains and losses	135,397	(50,603)
Other capital charges	(51)	(57)
Total gains/(losses) on investments held at fair value through profit or loss	147,005	(66,546)

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
10. Current assets				
Other receivables				
Securities sold awaiting settlement	4,152	—	—	—
Prepayments and accrued income	158	99	23	27
	4,310	99	23	27

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

Cash and cash equivalents

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

Financial Statements continued

Notes to the Accounts continued

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
11. Current liabilities				
Other payables measured at amortised cost				
Securities purchased awaiting settlement	1,452	—	—	—
Repurchase of shares awaiting settlement	—	413	—	413
Bank loans	29,900	—	—	—
Other creditors and accruals	365	318	123	118
	31,717	731	123	531

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

Further details are given in note 18(a)(ii) on page 55.

	2014 £'000	2013 £'000
12. Called up share capital		
Allotted and fully-paid share capital		
Ordinary shares of 25p each		
Opening balance of 104,683,965 (2013: 114,615,313) Ordinary shares excluding shares held in Treasury	26,171	28,653
Repurchase of 4,330,000 shares into Treasury (2013: 10,313,000)	(1,082)	(2,578)
Issue of 5,353,833 (2013: 381,652) Ordinary shares on conversion of Subscription shares	1,338	96
Sub total	26,427	26,171
Opening balance of 15,579,788 (2013: 5,266,788) Ordinary shares held in Treasury	3,895	1,317
Repurchase of 4,330,000 shares into Treasury (2013: 10,313,000)	1,082	2,578
Closing balance ¹	31,404	30,066
Subscription shares of 1p each		
Opening balance of 5,749,790 (2013: 6,131,442) Subscription shares	58	62
Conversion of 5,353,833 (2013: 381,652) Subscription shares into Ordinary shares	(54)	(4)
Cancellation of 395,957 (2013: nil) shares at their expiry date	(4)	—
Closing balance ²	—	58

¹Comprises 125,617,586 (2013: 120,263,753) Ordinary shares of 25p each including 19,909,788 (2013: 15,579,788) shares held in Treasury. During the year 5,353,833 Ordinary shares were issued as a result of the exercise of Subscription shares and the details of this are given in footnote 2 below.

²Comprises nil (2013: 5,749,790) Subscription shares of 1p each. The Subscription shares were issued as a bonus issue to the Ordinary shareholders on 5th November 2008 on the basis of one Subscription share for every five Ordinary shares held. During the year, holders of 5,353,833 (2013: 381,652) Subscription shares exercised their right to convert those shares into Ordinary shares for a total consideration of £15,579,000 (2013: £1,111,000). Each Subscription share conferred the right to subscribe for one Ordinary share during the period up to and including 2nd January 2014, after which the rights under the Subscription shares lapsed.

13. Reserves

	Group					
	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve ¹ £'000	Capital reserves ² £'000	Revenue reserve £'000
Opening balance	83,019	5,886	6,362	41,929	231,854	(16,533)
Realised foreign currency losses on cash and short term deposits	—	—	—	—	(206)	—
Realised gains on investments	—	—	—	—	11,659	—
Unrealised gains on investments	—	—	—	—	135,397	—
Repurchase of shares into Treasury	—	—	—	—	(14,733)	—
Exercise of Subscription shares to Ordinary shares	54	—	—	—	—	—
Issue of Ordinary shares on conversion of Subscription shares	14,241	—	—	—	—	—
Cancellation of Subscription shares	4	—	—	—	—	—
Expenses in relation to share conversions	(2)	—	—	—	—	—
Other capital charges	—	—	—	—	(51)	—
Net gains for the year	—	—	—	—	—	562
Closing balance	97,316	5,886	6,362	41,929	363,920	(15,971)

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

²Capital reserves comprise gains and losses on sales of investments and holding gains and losses on investments held at the year end. Net holding gains on investments held at the year end amounted to £147,056,000.

	Company					
	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve ¹ £'000	Capital reserves ² £'000	Revenue reserve £'000
Opening balance	83,019	5,886	6,362	41,929	236,028	(20,707)
Realised foreign currency gains on cash and short term deposits	—	—	—	—	22	—
Realised gains on investments	—	—	—	—	1,656	—
Unrealised gains on investments	—	—	—	—	146,477	—
Repurchase of shares into Treasury	—	—	—	—	(14,733)	—
Exercise of Subscription shares to Ordinary shares	54	—	—	—	—	—
Issue of Ordinary shares on conversion of Subscription shares	14,241	—	—	—	—	—
Cancellation of Subscription shares	4	—	—	—	—	—
Expenses in relation to share conversions	(2)	—	—	—	—	—
Other capital charges	—	—	—	—	(1)	—
Net losses for the year	—	—	—	—	—	(793)
Closing balance	97,316	5,886	6,362	41,929	369,449	(21,500)

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

²Capital reserves comprise gains and losses on sales of investments and holding gains and losses on investments held at the year end. Net holding gains on investments held at the year end amounted to £148,133,000.

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Notes to the Accounts continued

	2014	2013
14. Net asset value per Ordinary share		
Undiluted		
Ordinary shareholders funds (£'000)	530,846	382,641
Number of Ordinary shares in issue excluding shares held in Treasury	105,707,798	104,683,965
Net asset value per Ordinary share (pence)	502.2	365.5
Diluted¹		
Ordinary shareholders funds assuming exercise of Subscription shares (£'000)	530,846	399,373
Number of potential Ordinary shares in issue excluding shares held in Treasury	105,707,798	110,433,755
Net asset value per Ordinary share (pence)	502.2	361.6

¹The Company's Subscription shares expired and the rights lapsed on 2nd January 2014.

The diluted net asset value per Ordinary share assumes that all outstanding Subscription shares were converted into Ordinary shares at the 2013 year end. The Company will only re-issue shares held in Treasury at a premium and therefore those shares have no dilutive potential.

15. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the balance sheet date (2013: £nil).

16. Transactions with the Manager

Details of the management contract are set out in the Directors' Report on page 19. The management fee payable to the Manager by the Group and Company for the year was £4,454,000 and £165,000 respectively (2013: £5,614,000 and £29,000 respectively) of which £nil (2013: £nil) was outstanding in the Group accounts at the year end. In addition £152,000 (2013: £145,000) was payable by the Group and Company to the Manager for the marketing and administration of savings scheme products of which £14,000 (2013: £11,000) was outstanding in both the Group's and Company's accounts at the year end.

Included in other administration expenses in note 5 on page 43 are safe custody fees payable to JPMorgan Chase as custodian of the Group and Company amounting to £576,000 and £7,000 respectively (2013: £663,000 and £8,000 respectively) of which £168,000 and £3,000 respectively (2013: £141,000 and £2,000 respectively) was outstanding at the year end.

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 Group and Company was £42,000 and £nil respectively (2013: £8,000 and £nil respectively) of which £nil (2013: £nil) was outstanding in both the Group's and Company's accounts at the year end.

Handling charges payable on dealing transactions undertaken by overseas sub custodians on behalf of the Group and Company amounted to £51,000 and £1,000 respectively (2013: £57,000 and £1,000 respectively) of which £28,000 and £nil respectively (2013: £32,000 and £nil respectively) was outstanding at the year end.

At the year end, the Group and Company held bank balances of £779,000 and £561,000 respectively (2013: £3,752,000 and £3,504,000 respectively) and bank overdraft balances of £nil for both Group and Company (2013: £nil), with JPMorgan Chase which was placed on deposit with an approved list of banks.

Interest amounting to £nil was receivable by the Group and Company respectively (2013: £1,000 Group and Company respectively) during the year from JPMorgan Chase of which £nil (2013: £nil) was outstanding in both the Group's and Company's accounts at the year end.

17. Disclosures regarding financial instruments measured at fair value

The disclosures required by the amendment to IFRS 7: 'Improving Disclosures about Financial Instruments' are given below. The Group and Company financial instruments within the scope of IFRS 7 that are held at fair value comprise their investment portfolios.

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

Level 1 - valued using quoted prices in active markets.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. Details of the valuation techniques used by the Company are given in note 2(e) on page 41.

The following tables set out the fair value measurements using the IFRS 7 hierarchy at 30th September:

	Group 2014				Company 2014			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets held at fair value through profit or loss								
Equity investments	557,474	—	—	557,474	18,656	511,729	—	530,385
Total	557,474	—	—	557,474	18,656	511,729	—	530,385

	Group 2013				Company 2013			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets held at fair value through profit or loss								
Equity investments	372,521	—	—	372,521	3,929	368,712	—	372,641
Investment in liquidity funds	7,000	—	—	7,000	7,000	—	—	7,000
Total	379,521	—	—	379,521	10,929	368,712	—	379,641

There have been no transfers between Levels 1, 2 or 3 during the current or comparative year. There is one holding in Level 3 which comprises an unquoted investment in DC Design which rounds down to less than £1,000. There have been no purchases or sales of this stock and the fair value has remained unchanged in the current and comparative year.

Financial Statements continued

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

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

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

The Group's financial instruments may comprise the following:

- investments in equity shares of Indian companies and other securities which are held in accordance with the investment objective;
- 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 Group may fluctuate because of changes in market prices. This market risk comprises three elements - currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks, and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

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

Management of currency risk

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

Foreign currency exposure

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

	Group At 30th September 2014				Company At 30th September 2014			
	Indian Rupees £'000	US\$ £'000	Others £'000	Total £'000	Indian Rupees £'000	US\$ £'000	Others £'000	Total £'000
Current assets	323	22	—	345	—	16	—	16
Creditors	—	—	—	—	—	—	—	—
Foreign currency exposure to net monetary items	323	22	—	345	—	16	—	16
Equity investments held at fair value	538,817	17,913	743	557,473	—	17,913	743	18,656
Total net foreign currency exposure	539,140	17,935	743	557,818	—	17,929	743	18,672

	Group At 30th September 2013				Company At 30th September 2013			
	Indian Rupees £'000	US\$ £'000	Others £'000	Total £'000	Indian Rupees £'000	US\$ £'000	Others £'000	Total £'000
Current assets	73	38	—	111	—	37	—	37
Creditors	—	—	—	—	—	—	—	—
Foreign currency exposure to net monetary items	73	38	—	111	—	37	—	37
Equity investments held at fair value	368,592	3,929	—	372,521	—	3,929	—	3,929
Total net foreign currency exposure	368,665	3,967	—	372,632	—	3,966	—	3,966

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

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% (2013: 10%) appreciation or depreciation in sterling against the Indian Rupee and US Dollar and the income receivable in foreign currency to which the Group and Company are exposed, which is deemed a reasonable illustration based on the volatility of exchange rates during the year.

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

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Income statement return after taxation				
Revenue return	668	587	15	—
Capital return	35	11	2	4
Total return after taxation for the year	703	598	17	4
Equity investments held at fair value	55,747	37,252	1,866	393
Net assets	56,450	37,850	1,883	397

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18. Financial instruments' exposure to risk and risk management policies continued

(a) Market risk continued

(i) Currency risk continued

Foreign currency sensitivity continued

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

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Income statement return after taxation				
Revenue return	(668)	(587)	(15)	–
Capital return	(35)	(11)	(2)	(4)
Total return after taxation for the year	(703)	(598)	(17)	(4)
Equity investments held at fair value	(55,747)	(37,252)	(1,866)	(393)
Net assets	(56,450)	(37,850)	(1,883)	(397)

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 the interest payable on variable rate cash borrowings.

Management of interest rate risk

The Group does not normally hold significant cash balances. Short term borrowings are used when required and derivative contracts are not used to hedge against the exposure to interest rate risk. The Group 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.

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Exposure to floating interest rates				
JPM Sterling Liquidity Fund	–	7,000	–	7,000
Cash and cash equivalents	779	3,752	561	3,504
Bank loans	(29,900)	–	–	–
Total exposure	(29,121)	10,752	561	10,504

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

The subsidiary had a loan facility with the Royal Bank of Scotland plc ('RBS') which expired on 28th October 2014. Under the terms of that agreement, the Subsidiary could draw up to US\$40 million at an interest rate of LIBOR plus a margin. On 21st July 2014, the Company entered into a new US\$25 million facility with ING Bank at an interest rate of LIBOR plus a margin. Subsequent to the year end, on expiry of the RBS loan facility, the ING loan facility was increased to US\$85 million.

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

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Maximum debit interest rate exposure - net loan	(29,900)	(12,927)	(2,446)	(20,742)
Maximum credit interest rate exposure to floating rates - net cash balances	188	22,642	10,504	18,845

Interest rate sensitivity

The following table illustrates the sensitivity of profit after taxation for the year and net assets to a 1% (2013: 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:

	2014		2013	
	Group £'000	Company £'000	Group £'000	Company £'000
Income statement - return after taxation				
Revenue return	(291)	6	108	105
Total return after taxation for the year and net assets	(291)	6	108	105

Effect of a 1% decrease in interest rate:

	2014		2013	
	Group £'000	Company £'000	Group £'000	Company £'000
Income statement - return after taxation				
Revenue return	291	(6)	(108)	(105)
Total return after taxation for the year and net assets	291	(6)	(108)	(105)

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

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18. 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:

	2014		2013	
	Group £'000	Company £'000	Group £'000	Company £'000
Equity investments held at fair value through profit or loss	557,474	530,385	372,521	372,641

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 Group's investments is given on pages 10 to 12. This shows that the investments' value is entirely in India. Accordingly there is a concentration of exposure to that country. However it should be noted that an investment may not necessarily be wholly exposed to the economic conditions in its country of domicile.

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 10% (2013: 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 10% increase in fair value or a decrease in the sterling/rupee exchange rate:

	2014		2013	
	Group £'000	Company £'000	Group £'000	Company £'000
Income statement - return after taxation				
Revenue return	(557)	(530)	(447)	(5)
Capital return	55,747	53,039	37,252	37,264
Total return after taxation and net assets	55,190	52,509	36,805	37,259

Effect of a 10% decrease in fair value or an increase in the sterling/rupee exchange rate:

	2014		2013	
	Group £'000	Company £'000	Group £'000	Company £'000
Income statement – return after taxation				
Revenue return	557	530	447	5
Capital return	(55,747)	(53,039)	(37,252)	(37,264)
Total return after taxation and net assets	(55,190)	(52,509)	(36,805)	(37,259)

(b) Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the Group's assets comprise readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities. The Board's policy is to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities and working capital requirements. A bank loan facility is used to gear the Group as appropriate. Details of the current facility are given in part (a)(ii) to this note on page 55.

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:

	2014			
	Group		Company	
	Less than three months £'000	Total £'000	Less than three months £'000	Total £'000
Other payables				
Purchases of investments for future settlement	1,452	1,452	–	–
Repurchase of shares for future settlement	–	–	–	–
Other creditors and accruals	365	365	123	123
Bank loan	29,940	29,940	–	–
	31,757	31,757	123	123

	2013			
	Group		Company	
	Less than three months £'000	Total £'000	Less than three months £'000	Total £'000
Other payables				
Repurchase of shares for future settlement	413	413	413	413
Other creditors and accruals	318	318	118	118
	731	731	531	531

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18. Financial instruments' exposure to risk and risk management policies continued

(c) Credit risk

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

Management of credit risk

Portfolio dealing

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

Cash

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

Exposure to JPMorgan Chase

JPMorgan Chase is the custodian of the Company's assets. The custody agreement grants a general lien over the securities credited to the securities account. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore, in the event that JPMorgan Chase were to cease trading, these assets would be protected. However, no absolute guarantee can be given to investors on the protection of all assets of the Group.

Credit risk exposure

The amounts shown in the balance sheet 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.

Cash and cash equivalents comprise balances held at banks that have a minimum rating of A1/P1 (2013: A1/P1) from Standard & Poor's and Moody's respectively.

(d) Fair values of financial assets and financial liabilities

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

19. Capital management policies and procedures

The Company's capital comprises the following:

	2014 £'000	2013 £'000
Debt		
Bank loans	29,900	—
Equity		
Share capital	31,404	30,124
Reserves	499,442	352,517
Total capital	560,746	382,641

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

	2014		2013	
	Group £'000	Company £'000	Group £'000	Company £'000
Investments held at fair value excluding liquidity fund holdings	557,474	530,385	372,521	372,641
Current assets excluding cash	4,310	23	99	27
Current liabilities excluding bank loans	(1,817)	(123)	(731)	(531)
Total assets	559,967	530,285	371,889	372,137
Net assets	530,846	530,846	382,641	382,641
Gearing/(net cash)	5.5%	(0.1)%	(2.8)%	(2.7)%

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

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

20. Business and geographical segments

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

21. Related party transactions disclosures

Balances and transactions between the Company and its subsidiary, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

22. Subsequent events

The Directors have evaluated the period since the year end and have not noted any subsequent events.

Shareholder Information

Notice of Annual General Meeting

Notice is hereby given that the twenty-first Annual General Meeting of JPMorgan Indian Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Thursday, 29th January 2015 at 12.00 noon for the following purposes:

1. To receive the Directors' Report, the Annual Accounts and the Auditors' Report for the year ended 30th September 2014.
2. To approve the Directors' remuneration policy.
3. To approve the Directors' Remuneration Report for the year ended 30th September 2014.
4. To reappoint Jasper Judd as a Director of the Company.
5. To reappoint Richard Burns as a Director of the Company.
6. To reappoint Rosemary Morgan as a Director of the Company.
7. To reappoint Nimi Patel as a Director of the Company.
8. To reappoint Hugh Sandeman as a Director of the Company.

To consider the following resolution, special notice having been received of the intention to propose the resolution as an ordinary resolution:

9. THAT PricewaterhouseCoopers LLP be appointed as Auditors of the Company in place of the retiring Auditors to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and that their remuneration be fixed by the Directors.

Special Business

To consider the following resolutions:

Authority to allot relevant securities – 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 £2,642,694, representing approximately 10% of the Company's issued Ordinary share capital as at the date of the passing of this resolution, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 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 £2,642,694 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 in pursuance of 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 Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693 of the Act) of its issued ordinary shares.

PROVIDED ALWAYS THAT

- (i) the maximum number of ordinary shares hereby authorised to be purchased shall be 15,845,598 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 a share shall be an amount equal to: (a) 105% of the average of the middle

market quotations for the share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

- (iv) any purchase of Ordinary shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary share (as determined by the Directors);
- (v) the authority hereby conferred shall expire on 28th July 2016 unless the authority is renewed at the Company's Annual General Meeting in 2016 or at any other general meeting prior to such time; and
- (vi) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.

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

15th December 2014

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 (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 6.00 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 6.00 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.

Shareholder Information continued

Notice of Annual General Meeting continued

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 accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an Auditor 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 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 can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
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 12th December 2014 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 105,707,798 Ordinary shares, carrying one vote each. Therefore the total voting rights in the Company are 105,707,798.

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.

Glossary of Terms and Definitions

Portfolio Return net of Fees and Expenses

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 year.

Benchmark Return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested into 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 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Return on Net Assets

Return on the 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.

Gearing/Net Cash

Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative, this is shown as a 'net cash' position.

Ongoing Charges

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

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

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 per share. The opposite of a discount is a premium. It is more common for an investment trust company's shares to trade at a discount than at a premium.

Earnings/(Loss) per Ordinary Share

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

Active Position

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

Performance Attribution

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

Performance Attribution Definitions:

Asset Allocation

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

Stock Selection

Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities which are not included in the benchmark.

Currency Effect

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

Gearing/Cash

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

Management Fee/Other Expenses

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

Exercise of Subscription Shares

Measures the negative impact on the net asset value (NAV) per share arising from the exercise of Subscription shares into Ordinary shares at a price which is less than the NAV per share.

Shareholder Information continued

Glossary of Terms and Definitions continued

Alternative Investment Fund Managers – Leverage

The Company's maximum and actual leverage levels at 30th September 2014 are shown below:

Leverage Exposure	Gross method	Commitment method
Maximum limit	200%	200%
Actual	105.23%	105.23%

Financial Conduct Authority

Beware of share fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

How to avoid share fraud

- 1 Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- 2 Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- 3 Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA.
- 4 Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- 5 Use the firm's contact details listed on the Register if you want to call it back.
- 6 Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- 7 Search the list of unauthorised firms to avoid at www.fca.org.uk/scams.
- 8 Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- 9 Think about getting independent financial and professional advice before you hand over any money.
- 10 **Remember:** if it sounds too good to be true, it probably is!

Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000

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
Dividends	N/A
Annual General Meeting	January

History

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

Company Numbers

Company registration number: 2915926
London Stock Exchange number: 0345035
ISIN: GB0003450359
Bloomberg Code: JII LN

Market Information

The Company's net asset value ('NAV') is published daily via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman 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. 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

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 Jonathan Latter.

Depository

BNY Mellon Trust & Depositary (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA
The Depository employs 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: 0871 384 2327
Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1087.
Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk.

Independent Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London EC4A 3BZ
With effect from 30th January 2015:
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Brokers

JPMorgan Cazenove Limited
25 Bank Street, Canary Wharf
London E14 5JP

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.

aic

The Association of
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