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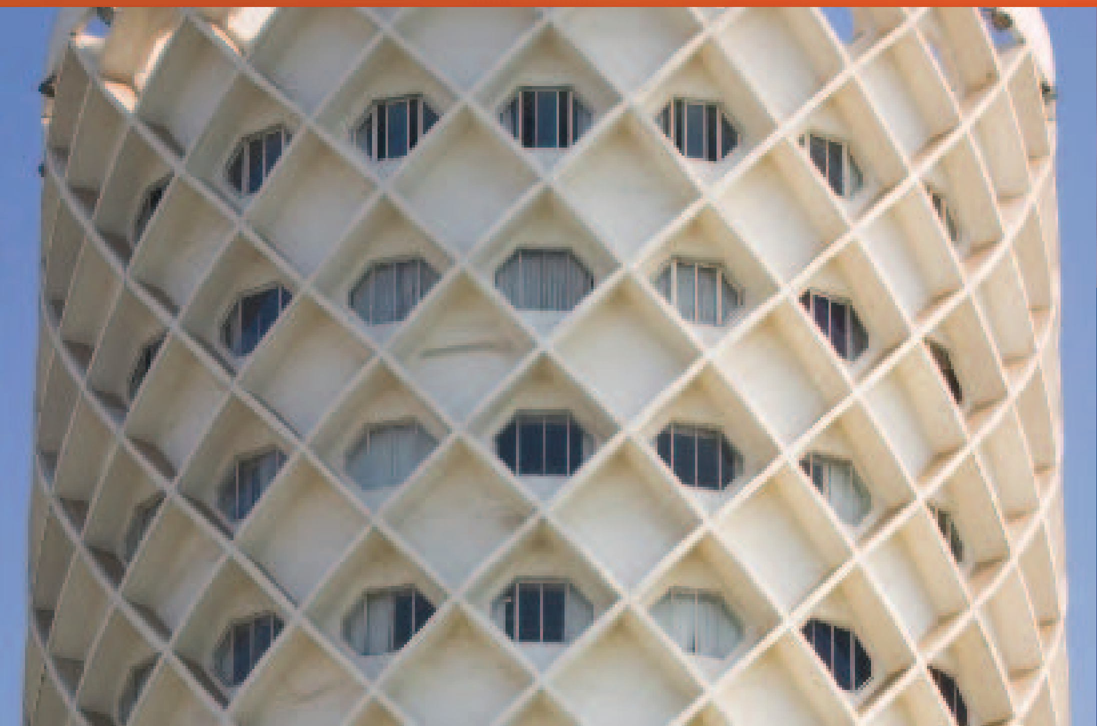
New India Investment Trust PLC

Annual Report and Accounts

31 March 2009



Aberdeen

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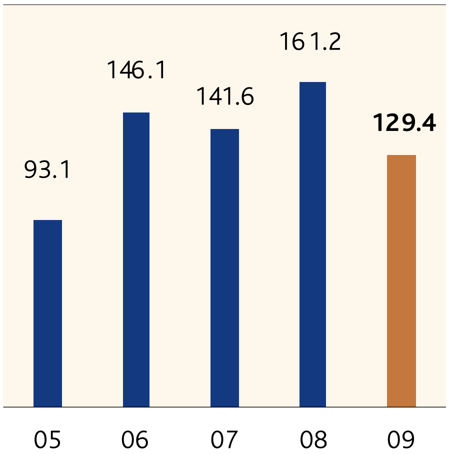
Financial Highlights

	2009	2008
Share price total return	**–19.1%**	+7.8%
Diluted net asset value total return	**–19.7%**	+13.8%
Benchmark total return	**–33.8%**	+29.1%

Source: Aberdeen Asset Managers Limited, Fundamental Data, Factset

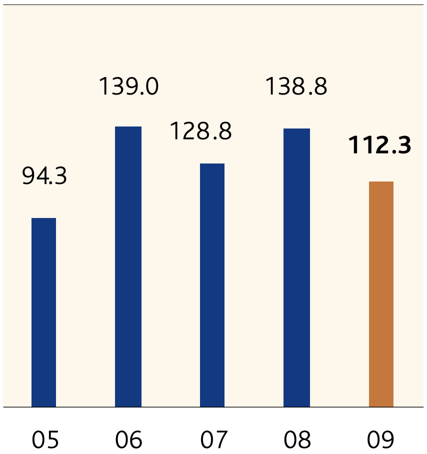
Diluted Net Asset Value per share

At 31 March[A] – pence



Mid-market price per share

At 31 March[A] – pence



[A] Net asset values and share prices for 2005 are as at 28 February.

Financial Calendar

28 May 2009	Announcement of results for year ended 31 March 2009
21 September 2009	Annual General Meeting
November 2009	Announcement of interim results for the six months ending 30 September 2009

Corporate Summary

The Company

New India Investment Trust PLC (the "Company") is an investment trust and its shares and warrants are listed on the London Stock Exchange. The Company is a member of the Association of Investment Companies.

Investment Manager

Aberdeen Asset Management Asia Limited, 21 Church Street, #01-01 Capital Square Two, Singapore 049480 (the "Manager" or "AAM Asia").

Investment Objective

The investment objective of the Company is to provide shareholders with long-term capital appreciation by investment in companies which are incorporated in India or which derive significant revenue or profit from India, with dividend yield from the Company being of secondary importance.

Investment Policy

The Company (either directly or through its Mauritian subsidiary, New India Investment Company (Mauritius) Limited (the "Subsidiary")) primarily invests in Indian equity securities. The Company and Subsidiary are collectively referred to as the "Group".

The Group's investment policy is flexible, enabling it to invest in all types of securities, including equities, debt and convertible securities in companies listed on the Indian stock exchanges or which are listed on other international exchanges and that derive significant revenue or profit from India, and Indian securities listed on other international stock exchanges. The Group may also, where appropriate, invest in open-ended collective investment schemes and closed-end funds that invest in India and are listed on the Bombay (Mumbai) Stock Exchange and/or the Indian National Stock Exchange. The Group is free to invest in any particular market segment or geographical region of India. The Group may also invest in small, mid- or large capitalisation companies.

The Manager continues to expect the portfolio to comprise in the region of 25 to 30 holdings (but without restricting the Group from holding a more or less concentrated portfolio). Less than 15 per cent. of the Group's gross assets will be invested in other listed investment companies (including listed investment trusts).

Currency and Hedging Policy

The Company's accounts are maintained in sterling while, because of its investment focus, many of the Group's investments are denominated and quoted in currencies other than sterling, in particular, the Indian rupee. Although it is not the Group's present intention to do so, the Group may, where appropriate and economic to do so, employ a policy of hedging against fluctuations in the rate of exchange between sterling and other currencies in which its investments are denominated. Cash balances are held in such currency or currencies as the Manager considers to be appropriate, although it is expected that this would generally be the Indian rupee.

Borrowing Policy and Gearing

The Group is permitted to borrow up to 25 per cent of its net assets (measured when new borrowings are incurred). It is intended that this power should be used to leverage the Group's portfolio in order to enhance returns where and to the extent this is considered appropriate to do so.

Gearing will be used in relation to specific opportunities or circumstances. The Directors will take care to ensure that borrowing covenants will permit maximum flexibility of investment policy.

Investment Restrictions

It is the investment policy of the Group to invest no more than 15 per cent of its gross assets in other listed investment companies (including listed investment trusts). The Group does not have any investments in other listed investment companies at 31 March 2009.

Benchmark

The Company compares its performance to the MSCI India Index (Sterling adjusted). However, the Company's portfolio is constructed without reference to the composition of any stockmarket index or benchmark. It is likely, therefore, that there will be periods when its performance may vary significantly from the benchmark.

Capital Structure

At 31 March 2009 the Company had a capital structure comprising 46,309,458 Ordinary shares of 25p and 12,760,682 Warrants to subscribe for Ordinary shares at 100p per share on 31 July in any of the years to 2010 inclusive (or, if later, the thirtieth day in any such year after the date on which audited accounts of the Company for the immediately preceding year are despatched to shareholders). At 21 May 2009, being the nearest practicable date to the signing of this Report, this capital structure remained unchanged.

Net Asset Value

The Company had total assets of £63.7m, an undiluted net asset value of 137.45 pence per Ordinary share and a diluted net asset value of 129.36 pence per Ordinary share at 31 March 2009.

Websites

www.newindia-trust.co.uk
www.aberdeen-asset.com

Company Secretary

Aberdeen Asset Management PLC, One Bow Churchyard, Cheapside, London EC4M 9HH
Email: company.secretary@invtrusts.co.uk

Customer Services

Freephone: 0500 00 00 40 (open Monday – Friday, 9am – 5pm)
Email: inv.trusts@aberdeen-asset.com

Risks and Uncertainties

The Board seeks to set out below its view of the key risks affecting its business. A more detailed note is on page 52. The Board is aware that, apart from those issues it can identify, there are likely to be matters about which it does not or cannot know which may also affect New India Investment Trust.

With that reservation, the Board believes that the factors which could have the most significant adverse impact on shareholders would be likely to include:

- falls in the prices of securities in Indian companies, which may be themselves determined by local and international economic, political and financial factors and management actions
- adverse movements in the exchange rate between sterling and the rupee as well as between other currencies affecting the fortunes of the companies in which we invest
- a lack of skill in New India's investment management team
- factors which affect the discount to net asset value at which the shares of New India trade. These may include the popularity of the investment objective of the company, the popularity of investment trust shares in general and the ease with which the shares and warrants of New India can be traded on the London Stock Exchange
- changes in or breaches of the complicated set of statutory, tax and regulatory rules within which New India seeks to conduct its business, as highlighted by the EU proposals regarding the regulation of Alternative Investment Funds (meaning any fund which is not regulated as a UCITS fund, and which, therefore, includes investment trusts)
- a challenge to the security of the assets of the Company.

Some of these risks can be mitigated or managed to a greater or lesser extent by the actions of the Board in appointing competent managers and custodians. In addition, the Board seeks to put in place, through its contractual arrangements and through various monitoring processes, controls which should avert (but do not guarantee the avoidance of) what might be regarded as operational mistakes. However, investment tends to involve both risk and opportunity regarding future prospects, and we cannot avoid either in our search for returns.

Duration

The Company does not have a fixed life. However, the Articles of Association of the Company provide for an annual continuation vote.

Management Agreement

The Company has an agreement with AAM Asia for the provision of investment management services, details of which are shown in note 4 and on page 21 of the Directors' Report.

Chairman's Statement

William Salomon
Chairman

Highlights

- **Diluted Net Asset Value Total Return -19.7%**
- **Benchmark Total Return -33.8%**

Over the year to 31 March 2009, the net asset value of your Company decreased by 19.7% on a fully diluted basis, with the share price of your Company falling by 19.1%. While disappointing in absolute terms, this performance is much better than the Company's benchmark, the MSCI India Index, which declined by 33.8%. Since the year end, at 26 May 2009, the net asset value has increased by 17.3% on the same basis, and the share price by 22.4%, while the benchmark has increased by 32.9%. Over the period from the inception of the Company's new investment mandate, in December 2004, to 31 March 2009, the net asset value of the Company increased by 43.4%, and the share price by 27.3%, while the benchmark increased by 77.7%, correcting most of the underperformance which occurred during the lowest point of the cycle. As in previous years, no dividend is proposed.

Such performance reflects your Manager's investment style, which focuses on conservatively-managed companies with strong balance sheets. It is these companies that tend to outperform in distressed or normal market conditions, whilst lagging in the final, liquidity-fuelled phase of bull markets. When an equity market bubble bursts, investors become painfully aware that they had been overpaying for stocks of questionable quality. As the economic downturn worsens, it exposes companies' weaknesses that were hidden during the good years. Investors then turn to firms with robust balance sheets, long-term competitive advantages and trustworthy management, the kind of businesses your Manager favours.

Indian equities started the reporting period on a grim note. By 1 April 2008, the index had already fallen some 30% from its January peak. Over the rest of the year, it tumbled further as the rapid breakdown of the Western financial system led to massive outflows from the Indian stock market. In India, investors feared that the upcoming election could produce a fragile coalition that would restrict effective policymaking, while the Satyam financial fraud raised concerns over corporate governance. Markets stabilised only towards the calendar year end, on hopes that both global and local economic rescue efforts would together prevent a more protracted slowdown.

Again, our lack of exposure to index heavyweight Reliance Industries weighed negatively on the portfolio, though to a lesser degree than in previous periods. Your Manager still does not like this company because of a lack of confidence in its strategy and because it does not have any confidence in its corporate governance.

Holding Satyam also proved costly. Its share price plunged 76% on 7 January, after the chairman confessed to a massive accounting fraud that involved inflating profits and suppressing liabilities for several years. Upon news of the fraud, your Manager immediately sold our holding in Satyam since there was no longer a basis upon which it could assess the company's worth. Your Board is considering what appropriate legal recourse might be available to the Company.

But outside of these two holdings, your Company's portfolio of well-managed businesses performed strongly relative to its benchmark. Hero Honda, for example, rose 73.3% over the year. Since the company was first introduced in 2005, Hero's share price has more than doubled as it steadily gained market share in a fast-growing market. The company's strategy of focusing on rural areas, low dependency on financing and development of new models has produced excellent returns over the longer term. Further information about performance can be found in the Manager's Review (on pages 6 to 9).

During the period under review, as stated in the Interim Board Report, the Company's wholly-owned subsidiary, New India Investment Company (Mauritius) Limited, entered into a one-year revolving credit facility of up to £10 million to take advantage of the long-term attractions of the Indian equities market. The money will be invested in Indian equities when the market presents suitable long-term opportunities to provide shareholders with capital appreciation. To date, the facility has not been drawn. Use of the gearing will be at the recommendation of the Manager and with the approval of the Board.

Continuation of Company and Manager

Your Board has carefully considered the reappointment of your Manager in light of the performance of your Company, not only in the year under review, but also previous periods. The Manager's recent performance, long-term track record and well-understood investment style make a good case for their continued appointment.

Accordingly, your Board recommends that shareholders vote in favour of Resolution No. 9, to allow the Company to continue as an investment trust.

Annual General Meeting

Ambassador Rozental will be offering himself for re-election, and Audley Twiston-Davies will be retiring by rotation at the Annual General Meeting to be held at One Bow Churchyard, Cheapside, London EC4M 9HH on Monday, 21 September 2009 at 11.00 a.m. Your Board, having reviewed their proposed re-elections, strongly recommends shareholders to vote in favour of their reappointment.

In addition to the ordinary business of the meeting, shareholders will be asked to approve the continuation of the Company as an investment trust; authorise the Board to buy back up to 14.99% of the Company's issued share capital; authorise the issue of new shares representing 5% of the present issued share capital; authorise the issue for cash of shares representing up to 5% of the present issued share capital otherwise than by a pro rata issue to existing shareholders (i.e., pre-emption); and to authorise the Board to sell shares held as treasury shares. In respect of the issue of shares from treasury, the Board's policy is kept under review but remains broadly unchanged from last year. The Board would only expect to sell shares from treasury at a maximum discount of 3% to the prevailing diluted NAV at the time of issue. Your Board recommends that shareholders vote in favour of these resolutions, and intends to do so in respect of its own shareholdings.

As at previous AGMs, there will be a presentation by the Managers and an opportunity to meet the Directors over coffee following the AGM.

VAT on Management Fees

It was noted in last year's annual report that HM Revenue & Customs had accepted the European Court of Justice ruling over the charging of VAT on the management fees incurred by UK investment trusts. Since the year end, the Company has agreed with its previous investment manager a repayment due to the Company of £33,251, representing the VAT charged on our management fees during the 12 months ended 31 March 2005 (and this has been reflected as a post-balance sheet event in the financial statements). The Company was not charged VAT after this period as, for the most part, VAT has not been paid by the Company on management fees, because it invests in non-EU securities. However, a non-material amount was paid in prior years, in respect of which the Company has protected its position. In due course, we will be able to recognise further, smaller sums, once there is greater certainty regarding any other VAT and interest recoverable by the former manager from HM Revenue and Customs.

Outlook

Predictions about stock market movements at this stage seem pointless. As we all have witnessed, the world has just suffered the most significant financial collapse in 70 years, which has been met by previously untried policy responses. All forecasts are likely to be misleading in these circumstances.

Within that context, India has elected a more stable governing coalition than anticipated, and is able to grow from its own internal dynamic, unreliant, like Japan and Germany, on overseas demand. The portfolio has been constituted from companies that should be able to grow and that have strong balance sheets and sound management.

William Salomon
Chairman
28 May 2009

Manager's Review

Overview

During the review period, the change in diluted net asset value return (see page 11) was -19.7% in sterling terms, compared with a fall in its benchmark, the MSCI India index, of -33.8%. The outperformance came from both stock selection and sector allocation, reflecting the defensiveness of both the companies and industries in which your Company invests. During the period, the rupee appreciated 9.5% against sterling.

At the sector level, the overweight to consumer discretionary and information technology were the biggest contributors. In contrast, the lack of exposure to the energy sector detracted from relative performance.

In terms of stock selection, motorcycle maker Hero Honda was the best performer, with investor sentiment buoyed by the company's upbeat results. Other notable performers were Aventis Pharma and GlaxoSmithKline Pharmaceuticals, which proved defensive despite the weak economic environment.

Conversely, the Company was hurt by its exposure to Satyam Computer Services following the chairman's shocking admission of fraud. We subsequently sold the entire holding at just above Rs42 per share, compared with Rs178 a share the previous day. The chairman's confession was a huge disappointment; we had been long-term shareholders of Satyam, and had visited the company regularly, meeting its management and monitoring its performance, for well over 10 years. While the fund as a whole outperformed its benchmark significantly over the period, the impact of Satyam in isolation was severe. For the year as a whole, the fund's net asset value fell by 18.8p as a direct result of its holding in Satyam. Without Satyam, and assuming that the fund's exposure to the company was distributed pro rata across its other holdings, the net asset value of your Company would have been around 11% higher than it actually was at the end of the year. Official investigations by the authorities are ongoing, but the company's results and financial data had obviously been manipulated. We are in touch with US and Indian legal counsels on possible routes of redress. In light of the chairman's confession, the Securities and Exchange Board of India made it mandatory for promoters to reveal the amount of shares pledged with financiers to improve disclosure levels.

In addition, the lack of exposure to Reliance Industries, a stock that accounts for around 16% of the benchmark, continued to detract from relative performance, albeit to a lesser extent than in the previous period. We have a fundamental and disciplined investment process and remain uncomfortable with Reliance's aggressive expansion into new business activities as well as its lack of transparency.

All told, the year under review stood out as one in which the Indian stockmarket and economy faced extreme volatility and uncertainty. In particular, the global financial crisis deteriorated rapidly following the default by Lehman Brothers in September, resulting in an acute loss of confidence and massive deleveraging. Under these conditions, global markets, including India, came under exceptional pressure. Adding to the strain, the domestic economy faced major macroeconomic challenges – flagging private investment, dwindling capital inflows and waning exports – stemming from the financial turmoil. Nevertheless, India has been relatively resilient compared to its emerging market peers, though local sentiment will continue to be affected by developments in world financial markets.

Despite the current uncertainty, our stock specific, value-oriented investment strategy remains unchanged. Indeed, the current conditions are ones in which our investment style tends to produce good relative results.

Economic News

India began the period on a sound macroeconomic footing. The economy had continued to grow at a fast pace, even as authorities expressed concerns about overheating and the impact of rising commodity prices on domestic inflation, which hit a peak of 12.8% in August. Yet, growth slowed considerably over the period: GDP expanded by 5.3% year-on-year in the fourth quarter of 2008, easing from 8.8% earlier in the year.

The deceleration was precipitated by the financial turbulence and rapid cooling of global economic activity, which affected both capital flows and trade. On the one hand, the crisis prompted foreign institutional investors to reduce their exposure to emerging markets and undermined investment activity in India. On the other hand, the global slowdown, with synchronised recessions in the US, Eurozone and Japan, caused exports to slump, which in turn impacted domestic consumer and business sentiment. As firms scaled back production, job losses multiplied and private consumption declined, further inhibiting growth.

When the severity of the crisis became apparent, the Reserve Bank of India (RBI), led by new governor Duvvuri Subbarao, reversed its tight monetary policy stance that it had adopted earlier to curb accelerating domestic price pressures. Over the period, it lowered the repo rate by four percentage points from 9% to 5%; cut the reserve ratio; and provided banks with additional liquidity support. The RBI also eased access to overseas funds and extended the interest subsidy on export-related loans.

At the same time, the government ramped up its spending programmes, unveiling its first fiscal stimulus package – worth US$4 billion – in December, which increased spending on infrastructure and social security programmes, improved access to credit and reduced the value-added tax. Later, the government, mindful of upcoming elections, announced two more fiscal packages. In all, the stimulus plans amounted to about 1.5% of GDP and brought the overall fiscal deficit to 7.8% of GDP, leading Standard & Poor's to downgrade the country's outlook to negative from stable.

On a more optimistic note, the downturn in India has been somewhat muted. Its low export/GDP ratio – India is unusual for being highly domestic demand-led – shielded it from the worst of the global slowdown. Easing inflationary pressures, together with government cuts on petrol and diesel prices, have also helped lift disposable incomes and reduced pressure on profit margins. Robust consumer demand, particularly in rural areas, may help India's economy avoid a hard landing.

Market View

Indian equities fell markedly over the year under review, in line with other markets in Asia. The losses generally reflected the global financial market turmoil, reduced foreign investor interest and uncertainty about the economic outlook of India.

The stockmarket rose at the start of the period, as technology stocks gained on a weakening rupee and an extension of tax holidays for the sector. But investor confidence soon evaporated on fears that the continued escalation of raw material prices would hurt corporate earnings – the domestic stockmarket was Asia's worst performer in June. Still, share prices rebounded in July, after the government survived a no-confidence vote over the US nuclear deal.

By September, however, market movements became dictated by external events, specifically the collapse of Lehman Brothers and the subsequent spate of bank rescues in the US and Europe. Heightened risk aversion saw substantial portfolio capital outflows, exacerbating the depreciation of the Rupee.

As the financial crisis evolved into a broader global economic slump, weak earnings data and continued deterioration of its export markets exerted further downward pressure on share prices. As well, domestic concerns weighed on sentiment: investors feared that the Satyam financial fraud would threaten future foreign investment flows and that the elections would produce a shaky coalition unable to implement tough economic reforms. Increasing security concerns, particularly the shocking Mumbai terrorist attacks, also rattled markets.

There were intermittent rallies in the equity market, albeit short-lived ones, in December and March, as global and local policy responses to the crisis were viewed positively by investors. However, sentiment remained shaky, and markets continued to overreact to negative news.

Sector Views

Information Technology

We remain major investors in Infosys Technologies which has performed strongly. The company delivered buoyant December-quarter results, as margins remained firm. Separately, it opted to conserve cash, shunning a bidding war with rival HCL Technologies over UK-based Axon Group, a consultancy practice that has a sizeable European base. We took partial profits in the company, following the run-up in its share price.

In comparison, aggressive pricing hurt Tata Consulting Services. We also hold shares in software developer MphasiS, which has gained from the synergy with its parent EDS. Its third-quarter profits more than doubled on the back of higher revenue and improved margins.

In general, valuations of Indian software companies have become more attractive, owing to short-term uncertainty over their client base in the US financial sector. Nevertheless, they have continued to expand and diversify geographically, which should bode well in the longer term. Software and IT services are areas in which India has significant competitive advantage, given low labour costs, excellent English language proficiency and a strong scientific culture.

Energy

The ongoing challenge of providing the public with a reliable, reasonably-priced energy supply remains unfulfilled and politicised. The government increased prices for selected energy products and provided one-off relief to oil marketing companies that have to absorb rising energy prices, but the subsidy burden remains heavy on downstream companies such as Bharat Petroleum and Hindustan Petroleum. As well, the full implementation of the reformist Rangarajan Report – which promotes free-market pricing and supports targeted subsidies for the needy – will depend on the political strength of the new government.

In view of the industry challenges, we took advantage of the recent rallies to complete our divestment of Bharat Petroleum, followed our earlier exit of Oil and Natural Gas Corporation, thereby reducing our energy exposure to nil at 31 March 2009.

Our reluctance to hold index heavyweight Reliance Industries reflects our overriding concern with its ambitious expansion into non-core retail and industrial park activities – areas that, we feel, require extensive capital outlay and in which it does not have a competitive advantage.

Financials

We have a large exposure to the financial sector, as we see the banks playing a pivotal role in providing finance for consumer spending. Our core holdings are ICICI Bank, a leading privately-owned lender whose strength is in the urban retail segment, and Housing Development Finance Corporation (HDFC), the largest and most efficient domestic mortgage company. We also have a holding in Bank of Baroda, the country's second largest lender.

Prior to the global credit crunch, ICICI had raised US$5 billion through an equity placement. However, the lender made additional provisions in September, after disclosing its US$81 million exposure to Lehman Brothers' products. Although its capital adequacy ratio remains high, ICICI Bank has been preserving capital and tidying up its portfolio of overseas investments.

Likewise, HDFC had raised Rs31 billion via a preferential share issue, which it will use to invest in subsidiary HDFC Bank and its fast-growing insurance business. HDFC Bank had raised US$607 million in the ADR market and is currently integrating its acquisition of the Centurion Bank of Punjab, which will add to the lender's distribution and deposit-taking network, allowing it to benefit from economies of scale.

Overall, HDFC, as the more conservative of the two banks, has weathered the liquidity crunch better than ICICI Bank. Its balance sheet and capital base show little sign of stress. As such, we felt it prudent to reduce our exposure to ICICI Bank and use the cash to add to HDFC.

Against this, we sold property giant DLF, in view of funding concerns. The company is focused on strengthening its balance sheet and consolidating its cash flow but we have not seen adequate progress in either reinforcing its capital structure or reducing its inventory.

Consumer Discretionary

The consumer discretionary sector has huge growth potential, due to the country's expanding middle class, rising disposable incomes and relatively low interest rates. However, the automotive sector has been experiencing a fall in demand following a period of unprecedented expansion. Most companies also face tighter margins amid intense competition.

Even so, our biggest holding, Hero Honda, recorded its fifth consecutive quarter of solid growth in December, backed by its extensive distribution strength. We pared our holding in the company, given the strong outperformance.

We also acquired Bosch India during the year, which reiterated its commitment to invest Rs18 billion in its operations and whose parent announced its intention to buy back another 20% of its shares to add to its existing 60% stake. We took advantage of price weakness during the period to add to our position.

On the other hand, we exited fabric manufacturer and designer Himatsingka Seide. The company had increased its gearing as it acquired brands in Europe, built new factories and opened retail stores overseas. We had reservations about its aggressive expansion and were concerned about the financial risks inherent in overexpansion.

Consumer Staples

During the period, we took partial profits from ITC, an associate of British American Tobacco, following its relative outperformance. ITC has a strong core business in tobacco and a diversified portfolio of businesses, which includes packaged food and confectionery products as well as paper, packaging and hotels. ITC plans to establish 15 three-star hotels over the next three years, catering to business and leisure travellers in rural areas, where it already has a presence. It will also invest Rs3 billion to build a new food processing plant to expand its snack food operations. Meanwhile, the company stopped production of non-filtered cigarettes due to steep excise hikes.

We have two other holdings in this fast-moving consumer goods sector: Hindustan Unilever, the locally listed subsidiary of Unilever, which makes and distributes brands such as Lux, Fair & Lovely, Pepsodent and Lifebuoy, and Godrej Consumer Products, a leader in the personal, hair, household and fabric care segments.

Shares in our holdings have remained resilient, notwithstanding the general market weakness. Good December-quarter results bear testimony to the continued strength of their businesses.

Materials

Materials prices, notably those of viscose fibre, have fallen over the past three quarters, with most players now delaying capacity expansion plans.

Grasim Industries, the flagship company of the Birla Group, remains our core holding in this sector. The leading cement group in India and the world's eighth largest in terms of capacity, Grasim is well positioned to benefit from rising housing demand and infrastructure spending. To that end, we took advantage of price weakness to add to our holding.

Our other investments in this sector are ICI India, which produces and markets paints, and Kansai Nerolac Paints, a subsidiary of Japan's Kansai Paint.

Healthcare

We have a particular predisposition towards healthcare, reflecting our belief that India has a strong competitive advantage in the pharmaceutical sector, given its relatively low costs and availability of talented scientists and pharmaceutical experts. Our holdings include a mix of subsidiaries of multinationals (GlaxoSmithKline Pharmaceuticals, Aventis Pharma) that seek to sell to the local market, and domestic companies (Sun Pharmaceutical, Piramal Healthcare (the latter a new purchase during the year)) which leverage off their low-cost manufacturing strengths to penetrate overseas markets.

Sun Pharmaceutical's bid to acquire Israeli generic drug-maker Taro Pharmaceutical remains unresolved, given Taro's promoters' reluctance to proceed with an earlier agreement to sell the company.

Robust earnings continued to underpin the performance of our holdings: GlaxoSmithKline's full-year net earnings grew 10%, while Sun Pharmaceutical's net earnings for the nine months to end-December rose 86%.

Industrials

We hold ABB India and Container Corporation in this sector. ABB is the listed subsidiary of Swiss group Asea Brown Boveri and a beneficiary of the government's infrastructure plan. Its December results showed some signs of the economic slowdown; its order backlog contracted for the first time in over four years. On the upside, however, the company's strong management is committed to investing another US$100 million in its domestic operations. We added to ABB India during the period because of its leading edge technology and solid brand, and felt that its shares had been oversold.

Container Corporation, a near-monopolistic provider of rail freight and logistics, plans to invest Rs6.5-7.0 billion in creating infrastructure capacity.

Utilities

We are overweight this sector, largely due to our holding in Gas Authority of India (GAIL), the country's largest gas distribution company. GAIL has a sound balance sheet and is poised to benefit from the country's growing industrialisation and rising consumption. The company aims to achieve Rs450 billion in revenue by 2011. Not only did GAIL win government approval to lay 5,000km of new pipeline, it also plans to invest Rs5 billion in its gas business, partner Reliance Industries in overseas petrochemical projects, and build a 780km pipeline from Dabhol to Bangalore. We pared our holding GAIL during the period.

We are also investors in Tata Power, a power generator and distributor; and Gujarat Gas, a gas distributor in which British Gas holds a majority stake.

Healthy December-quarter results underscored the resilience of all three holdings.

Telecommunication Services

This growing sector continues to be characterised by fierce competition and a heavy capital expenditure burden. Regulatory changes, however, have allowed industry players to share tower infrastructure and reduce capex requirements.

The feud between the Ambani brothers boiled over after Reliance Industries started arbitration proceedings against spun-off arm Reliance Communications, whose merger talks with South Africa's MTN were then derailed. We do not hold Reliance Communications, preferring to invest in Bharti Airtel, a leading integrated telecom services provider with a dominant nationwide presence. Bharti has maintained impressive growth momentum and benefited from its strategic tie-ups with Singapore Telecommunications (now the largest shareholder) and Vodafone. We are confident that the company's focus on the growing rural segment and competent leadership will help it retain its strong position in the local cellular market.

Strategy

India's stockmarket is likely to remain volatile, with performance affected more by global and regional developments than India-specific news flow. However, the decisiveness of the victory for the Congress Party-led alliance in the recent national elections surprised markets, with Indian equities rising around 17% on 18 May. While the victory means that the support of the Communist Party will not be required to form a government, and thus that a major impediment to tabled reforms has been removed, many challenges lie ahead, not least of them the large budget deficit. Furthermore, the victory does not reflect a call for economic and political reform but for much needed support for the rural poor. Markets may therefore be disappointed with the pace of reform under the new government.

On the economic front, resurgence in growth is contingent on economic recovery elsewhere and revival of consumer and business sentiment in India.

That said, the Indian stock universe remains attractive because of its great stock-picking potential. Despite the Satyam scandal, we believe that our investment approach and due diligence can continue to uncover great investment opportunities.

We remain confident in, but vigilant over, our holdings in the portfolio, which are skewed towards companies with proven managements and solid financial structures, and which are relatively well insulated from extreme margin pressures. As ever, we will continue to aim to identify and invest in high-quality, cash-rich companies that operate in growth industries.

Aberdeen Asset Management Asia Limited
28 May 2009

Results

Financial Highlights

	31 March 2009	31 March 2008	% change
Total equity shareholders' funds (net assets)	£63,653,000	£84,968,000	(25.1)
Share price (mid market)	112.25p	138.75p	(19.1)
Warrant price (mid market)	22.25p	59.50p	(62.6)
Net asset value per share (basic)	137.45p	177.52p	(22.6)
Net asset value per share (diluted)	129.36p	161.18p	(19.7)
Discount to diluted net asset value	13.2%	13.9%	
Total (loss)/return per share	(41.03p)	24.85p	
Revenue return/(loss) per share	0.18p	(0.89p)	
Revenue reserves per share	2.45p	2.19p	
Prospective gross portfolio yield [A]	2.0%	1.5%	
MSCI India portfolio yield [A]	1.7%	0.9%	
Prospective portfolio P/E ratio [B]	15x	19x	
Operating costs			
Total expense ratio (see definition on page 53)	1.8%	1.6%	

[A] Source – AAM Asia (estimated information)/Factset.

[B] Consensus broker views.

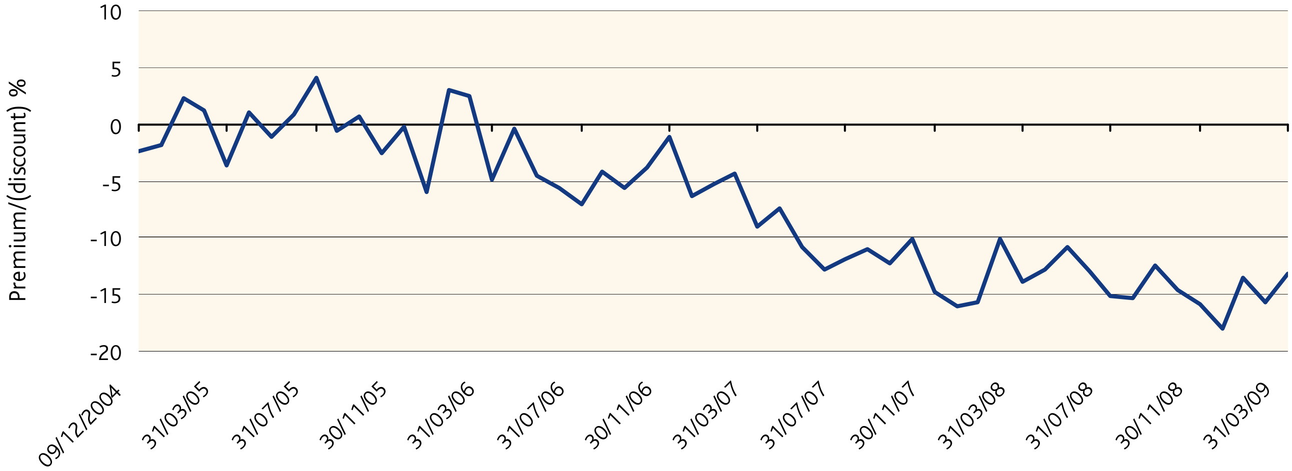
Performance (total return)

	1 year % return	3 year % return
Share price	–19.1	–19.2
Net asset value per Ordinary share (basic)	–22.6	–13.3
Net asset value per Ordinary share (diluted)	–19.7	–11.5
MSCI India Index (sterling adjusted)	–33.8	–9.1

Performance

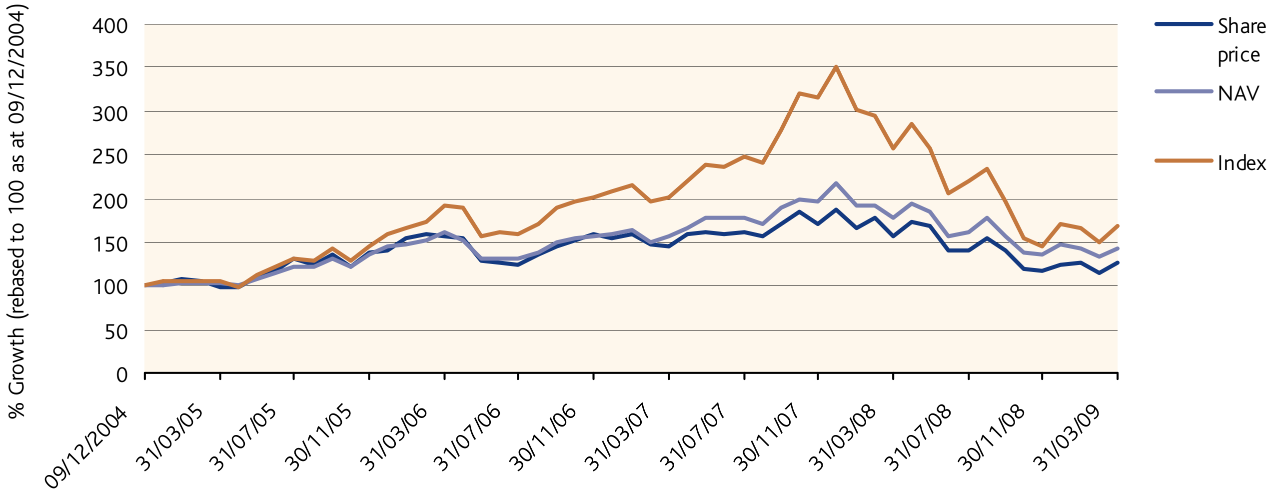
Share Price Premium/(Discount) to Diluted NAV

From 9 December 2004 (date of management and investment policy change) to 31 March 2009



Capital Return of NAV and Share Price vs MSCI India Index (sterling adjusted)

From 9 December 2004 (date of management and investment policy change) to 31 March 2009



Ten Year Financial Record

Year to 31 March	2000	2001	2002	2003	2004	2005[A]	2006	2007	2008	2009
Total revenue (£'000)	1,209	1,478	1,706	1,128	1,306	1,857	1,175	1,212	1,073	1,347
Per share										
Net revenue return (p)	0.40	0.41	0.47	0.61	0.97	0.84	(0.03)	0.04	(0.89)	0.18
Total return (p)	39.60	(14.05)	(1.77)	(33.28)	31.36	9.29	65.47	(5.75)	24.85	(41.03)
Net dividends paid/proposed (p)[B]	0.20	0.20	0.20	0.30	0.70	0.70	–	–	–	–
Net asset value per share										
Basic (p)	99.32	89.27	87.56	53.98	84.65	93.12	158.47	152.71	177.52	137.45
Diluted (p)	99.32	89.27	87.56	53.98	84.65	93.12	146.12	141.58	161.18	129.36
Shareholders' funds (£'000)	59,772	43,085	41,863	25,810	40,471	44,800	75,797	73,054	84,968	63,653

The figures for 2000 to 2004 are for the year to 28 February. The figures for 2005 are for the period 1 March 2005 to 31 March 2006. The figures for 2006 onwards are for the year to 31 March.

The management and investment policy changed with effect from 9 December 2004. Prior to this date the Company invested in Latin American securities.

[A] 2005 figures restated following the introduction of International Financial Reporting Standards (IFRS). Figures for 2004 and earlier have not been restated.

[B] Following the introduction of IFRS, it should be noted that all of these dividends are the amounts payable in respect of the associated financial year or period. See note 8 to the Financial Statements.

Investment Portfolio – Ten Largest Investments

As at 31 March 2009

Company	Sector	Valuation 2009 £'000	Net assets 2009 %	Valuation 2008 £'000
Infosys Technologies One of the leading information technology companies in India.	Information Technology	6,390	10.0	6,771
Housing Development Finance Leading domestic mortgage provider with a leading distribution network, cost structure and balance sheet quality.	Financials	6,095	9.6	7,849
Grasim Industries[A] Building materials producer and distributor with interests in cement, viscose fibre and sponge iron.	Materials	3,703	5.8	4,181
Hero Honda Motors A 25 year old joint venture between Honda of Japan and the local Munjal family, it is the world's largest producer of motorcycles.	Consumer Discretionary	3,609	5.7	4,094
Tata Consultancy Services A major information technology and software service provider.	Information Technology	3,017	4.7	4,388
GlaxoSmithKline The India-listed subsidiary of the world's second-largest pharmaceutical company has a strong product pipeline and enviable distribution channels.	Healthcare	2,989	4.7	2,587
ABB India The local subsidiary of Asea Brown Boveri, the Swiss-based engineering company.	Industrials	2,786	4.4	2,950
ITC An Indian conglomerate with a diversified presence in tobacco, hotels, paperboards, packaging, agri-exports and confectionery.	Consumer Staples	2,758	4.3	2,778
Hindustan Unilever Part of the Unilever group, it has a strong brand portfolio and a wide distribution network.	Consumer Staples	2,743	4.3	2,987
Gail (India) GDR India's largest gas distribution company with an extensive pipeline network.	Utilities	2,614	4.1	3,282
Top ten investments		**36,704**	**57.6**	

[A] Comprises equity and GDR holdings.

Investment Portfolio – Other Investments

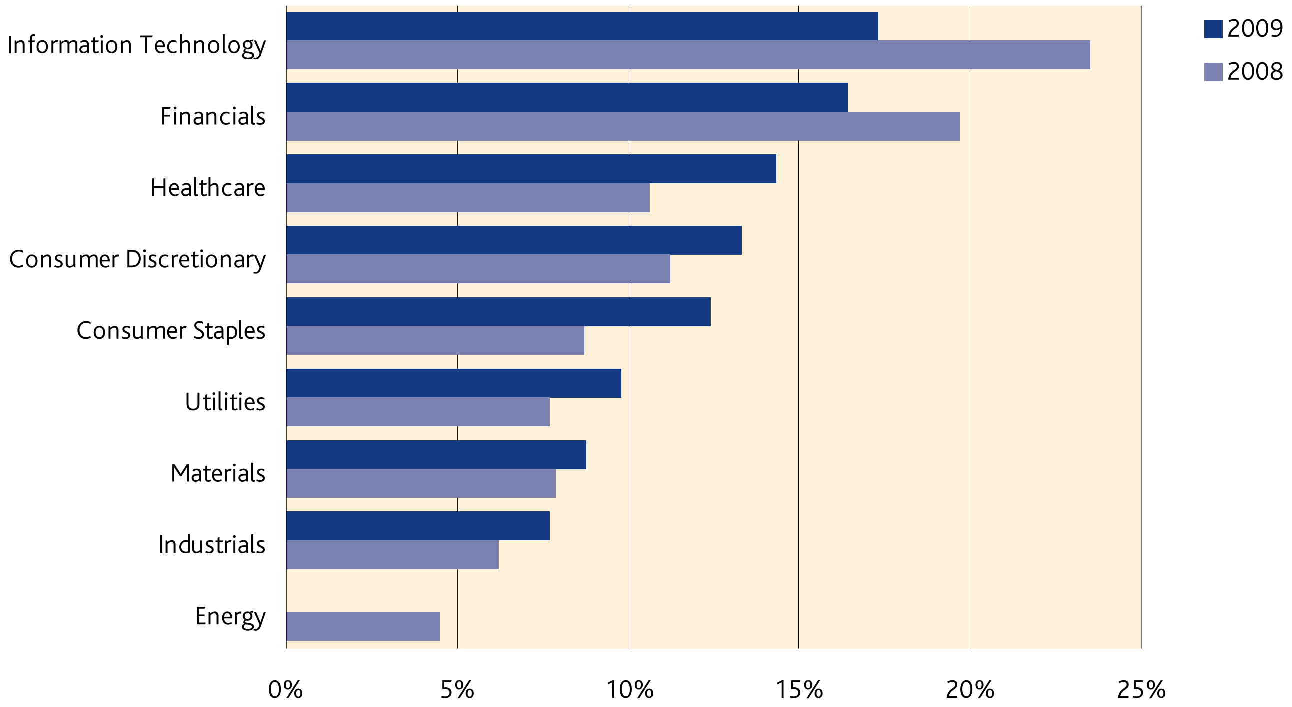
As at 31 March 2009

Company	Sector	Valuation 2009 £'000	Net assets 2009 %	Valuation 2008 £'000
Sun Pharmaceutical Industries	Healthcare	2,583	4.1	2,743
ICICI Bank	Financials	2,499	3.9	5,017
Bharti Airtel	Consumer Discretionary	2,457	3.9	2,460
Bosch	Consumer Discretionary	2,234	3.5	2,081
Godrej Consumer Products	Consumer Staples	2,225	3.5	1,646
Gujarat Gas	Utilities	1,979	3.1	1,524
Container Corporation of India	Industrials	1,977	3.1	2,340
Piramal Heathcare	Healthcare	1,804	2.8	2,541
Bank of Baroda	Financials	1,592	2.5	1,771
Tata Power	Utilities	1,531	2.4	1,748
Top twenty investments		**57,585**	**90.4**	
Aventis Pharma	Healthcare	1,502	2.3	1,084
ICI India	Materials	1,077	1.7	1,465
MphasiS	Information Technology	998	1.6	365
Kansai Nerolac Paints	Materials	701	1.1	1,007
CMC	Information Technology	352	0.6	803
Total investments		**62,215**	**97.7**	
Net current assets		**1,438**	**2.3**	
Net assets		**63,653**	**100.0**	

Sector Analysis

As at 31 March 2009

Sector Breakdown



Stock Contribution to NAV Performance

Year to 31 March 2009

Stock name	Weight at 31/03/09 %	Returns %	Contribution to return %	Contribution to NAV return p
Hero Honda Motors	5.7	70.1	3.1	5.5
Godrej Consumer Products	3.5	23.6	0.8	1.4
Gujarat Gas	3.1	32.0	0.8	1.4
Aventis Pharma	2.3	42.1	0.8	1.4
GlaxoSmithKline	4.7	23.6	0.8	1.4
Hindustan Unilever	4.3	15.7	0.6	1.0
ITC	4.3	0.7	0.3	0.5
MphasiS	1.6	18.0	0.2	0.3
Gail (India) GDR	4.1	0.7	0.1	0.2
Oil & Natural Gas	–	–	0.1	0.1
Bank Of Baroda	2.5	(6.6)	(0.1)	(0.1)
Container Corporation of India	3.1	(6.1)	(0.1)	(0.1)
Sun Pharmaceutical Industries	4.1	0.3	(0.2)	(0.3)
Infosys Technologies	10.0	3.2	(0.2)	(0.3)
Kansai Nerolac Paints	1.1	(28.5)	(0.3)	(0.5)
ICI India	1.7	(25.6)	(0.3)	(0.5)
Bharat Petroleum	–	–	(0.3)	(0.5)
Bosch	3.5	(9.7)	(0.4)	(0.7)
Tata Power	2.4	(29.2)	(0.5)	(0.8)
Bharti Airtel	3.9	(16.4)	(0.5)	(0.9)
CMC	0.6	(55.6)	(0.5)	(0.9)
Himatsingka Seide	–	–	(0.6)	(1.0)
Grasim Industries	5.8	(32.7)	(0.7)	(1.2)
Piramal Healthcare	2.8	(26.6)	(1.2)	(2.1)
Tata Consultancy Services	4.7	(25.6)	(1.2)	(2.2)
DLF	–	–	(2.0)	(3.5)
ABB India	4.4	(60.7)	(3.0)	(5.3)
ICICI Bank	3.9	(51.8)	(3.2)	(5.8)
Housing Development Finance	9.6	(33.4)	(3.5)	(6.3)
Satyam Computer Services	–	–	(10.6)	(18.8)
Total (equities at 100%)	97.7		(21.8)	(38.6)
Cash	2.3		0.1	0.1
Total fund return	100.0		(21.7)	(38.5)
Management fee, expenses etc.	–		(0.9)	(1.7)
NAV per share return (basic)	100.0		(22.6)	(40.2)
Dilution impact on return	–		2.9	8.3
NAV per share return (diluted)	**100.0**		**(19.7)**	**(31.9)**

Information about the Manager

New India Investment Trust PLC

Aberdeen Asset Management Asia Limited ("AAM Asia") is the Manager of the Company. AAM Asia is based in Singapore and is a wholly-owned subsidiary and the Asia Pacific headquarters of Aberdeen Asset Management PLC (the "Aberdeen Group"), a publicly-quoted company on the London and Singapore Stock Exchanges.

Worldwide, the Aberdeen Group manages a combined £96 billion (as at 31 March 2009) in assets for a range of clients, including individuals and institutions, through mutual and segregated funds.

AAM Asia has been the Aberdeen Group's principal manager of Asia-Pacific assets since 1992 and had over 280 staff based in the region as at 31 March 2009.

Total funds in the region, which are also managed from Sydney, Kuala Lumpur, Hong Kong and Bangkok, are over £18 billion as at 31 March 2009.

The Aberdeen Group has its headquarters in Aberdeen with principal offices in Bangkok, Edinburgh, Glasgow, Hong Kong, Kuala Lumpur, Jersey, London, Philadelphia, Singapore, Stockholm, Sydney and Tokyo.

The Aberdeen Group manages 45 investment trusts and other closed-ended funds representing £7.3 billion under management. They adhere closely to the Group's investment style which is that of fundamental investors, with an emphasis on company visits and original research.

The Investment Team Senior Managers

Hugh Young
Managing Director
BA in Politics from Exeter University. Started investment career in 1980. In charge of AAM Asia's Far East funds since 1985.

Peter Hames
Investment Director
BSc in Economics & Accountancy from Bristol University. Started investment career in 1985. Joined the Aberdeen Group in 1989.

Flavia Cheong
Senior Investment Manager
Masters in Economics from University of Auckland. Previously with Investment Company of the People's Republic of China and Development Bank of Singapore. Started investment career in 1987. Joined AAM Asia in August 1996.

Chern-Yeh Kwok
Investment Manager
BA in Journalism from the University of Missouri-Columbia and an MSc in Finance from the London Business School. Joined Aberdeen in 2005 from MSCI Barra where he was an equity research analyst.

Adrian Lim
Investment Manager
Chartered Financial Analyst, B.Acc from Nanyang Technological University (Singapore). Joined the Aberdeen Group in 2000. Previously he was an associate director at Arthur Andersen advising clients on mergers & acquisitions in South East Asia.

Andrew Gillan
Investment Manager
MA Joint Honours in French and European History from University of Edinburgh. Joined Murray Johnstone in September 2000 and transferred to AAM Asia in November 2001.

The Investment Process

Philosophy and Style

The Manager's investment philosophy is that markets are not always efficient. We believe that superior investment returns are therefore attainable by identifying good companies cheaply, defined in terms of the fundamentals that in our opinion drive share prices over the long term. We undertake substantial due diligence before initiating any investment including company visits in order to assure ourselves of the quality of the prospective investment. We are then careful not to pay too high a price when making the investment. Subsequent to that investment we then keep in close touch with the company, aiming to meet management at least twice a year. Given our long-term fundamental investment philosophy, one would not expect much change in the companies in which we invest. We do, however, take opportunities offered to us by what we see as anomalous price movements within stock markets to either top up or top slice positions, which typically accounts for the bulk of the activity within the portfolio during the year under review.

Risk Controls

We seek to minimise risk by our in-depth research. We do not view divergence from a benchmark as risk – we view investment in poorly run expensive companies that we do not understand as risk. In fact where risk parameters are expressed in benchmark relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides our main control.

Aberdeen's performance and investment risk unit independently monitors portfolio positions, and reports monthly. As well as attributing performance it also produces statistical analysis, which is used by the Manager primarily to check the portfolio is behaving as expected, not as a predictive tool.

Regional Teams

Your Board of Directors

The Directors, all of whom are non-executive, and independent of the Manager, supervise the management of New India Investment Trust PLC and represent the interests of shareholders. All Directors are members of the Audit and Management Engagement Committee.

William Salomon

Status: Chairman and Independent Non-Executive Chairman
Length of service: 4 years, appointed a Director and Chairman on 9 December 2004
Experience: Currently senior partner of Hansa Capital Partners LLP which manages Hansa Trust PLC, deputy chairman of Ocean Wilsons Holdings Limited and a director of Wilson Sons Limited, a subsidiary of Ocean Wilsons Holdings Limited. Former chairman of Rea Brothers Group plc and between 1999 and 2002, vice-chairman of Close Asset Management Holdings Limited
Remuneration: £20,000 per annum
All other public company directorships: Hansa Trust PLC, Ocean Wilsons Holdings Limited, Wilson Sons Limited
Shareholding in Company: 285,000 Ordinary shares

Sarah Bates

Status: Independent Non-Executive Director and Chairman of the Audit and Management Engagement Committee
Length of service: 4 years, appointed a Director on 9 December 2004
Experience: Between 1985 and 2003 employed by Invesco Asset Management as an investment manager and latterly as chief executive officer of Invesco Institutional UK, a former director of Invesco India Fund (an offshore Indian mutual fund) and chairman of the Audit Committees both of Royal London Growth and Income Trust and Private Investors Capital Trust. Currently adviser to the Royal College of Surgeons and the East Riding and Merseyside Pension Funds, member of the investment committees of Newnham College, Cambridge, the Cancer Research UK Pension Fund and the Daily Mail and General Trust pension funds, a director of the Association of Investment Companies, chairman of Rutley Russia Property Fund and of the Trustees of the Stena Line (UK) Pension Scheme and a director of MTI Partners Ltd.
Remuneration: £17,500 per annum
All other public company directorships: Witan Pacific Investment Trust PLC, Invesco English and International Trust plc, St. James's Place plc and JPMorgan American Investment Trust plc
Shareholding in Company: 24,469 Ordinary shares

Professor Victor Bulmer-Thomas CMG OBE

Status: Independent Non-Executive Director
Length of service: 5 years, appointed a Director on 5 February 2004
Experience: Former director of the Royal Institute of International Affairs (Chatham House) and a former non-executive director of Gartmore Latin America New Growth Fund SA and Schroder Emerging Countries Fund PLC. Emeritus Professor of Economics at London University and adviser to governments and multinational companies on macroeconomic policy and corporate strategy
Remuneration: £15,000 per annum
All other public company directorships: None
Shareholding in Company: 22,020 Ordinary shares

Ambassador Andrés Rozental

Status: Independent Non-Executive Director
Length of service: 11 years, appointed a Director on 9 December 1997
Experience: Chairman of the Board of Trustees of the Mexican Council of Foreign Relations and formerly Mexico's Ambassador to the United Kingdom and a non-executive director of several international commercial companies
Remuneration: £15,000 per annum
All other public company directorships: Chairman of ArcelorMittal Mexico, a director of ArcelorMittal Brazil, Fumisa S.A de C.V. (Mexico) and Dufry South America (Brazil), and Chairman of Grupo Industral Omega (Mexico)

Shareholding in Company: None

Audley Twiston-Davies

Status: Independent Non-Executive Director
Length of service: 5 years, appointed a Director on 5 February 2004
Experience: Currently an investment manager and chairman of Taylor Young Investment Management and former non-executive director of a number of emerging markets investment companies including F&C India. Chief executive of Foreign & Colonial Emerging Markets between 1987 and 1997
Remuneration: £15,000 per annum
All other public company directorships: Chairman of TR European Growth Trust PLC
Shareholding in Company: 164,000 Warrants to subscribe for Ordinary shares

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 March 2009.

Business Review

A review of the Company's activities is given in the Corporate Summary on pages 2 and 3, the Chairman's Statement on pages 4 and 5 and the Manager's Review on pages 6 to 9. This includes a review of the business of the Company and its principal activities and likely future developments of the business.

The Board meets at least four times a year to review performance with the Manager. As well as carrying out the matters set out in the Statement of Corporate Governance (pages 24 to 28), the Board receives, for each meeting, a detailed portfolio report and an analysis of economic indicators, and discusses performance and strategy, considering perceived regional risks and economic conditions and using such measures as attribution analysis against the benchmark, active weights and valuation matrices to assess the Company's success in achieving its objectives. The Key Performance Indicators for the Company, which are established industry measures, include NAV performance, share price performance and benchmark performance. A record of these measures is disclosed on pages 10 and 11.

The Board regularly reviews the major strategic risks that the Board and the Manager have identified, and against these the Board sets out the delegated controls designed to manage those risks. Aside from the risks associated with investment in Indian equities or those of companies that derive significant revenue or profit solely from India, the key risks related to investment strategy are managed through a defined investment policy, specific guidelines and restrictions, and by the process of oversight at each Board meeting, as outlined above. Operational disruption, accounting and legal risks are also covered annually, and regulatory compliance is reviewed at each Board meeting. The major risks associated with the Company are detailed in the Corporate Summary on pages 2 and 3, and in note 17 to the Financial Statements.

The Company does not make political donations or expenditures, and has not made any donations for charitable purposes during the year. In common with most investment trusts, the Company has no employees.

Results and Dividends

Details of the Company's results are shown on page 10 of this Report.

Principal Activity

The business of the Company is that of an investment trust investing in India. The objective of the Company is set out on page 2 of this Report. The Company owns 100% of the share capital of its subsidiary, New India Investment Company (Mauritius) Limited, an investment holding company registered in Mauritius.

Status

The Company is registered as a public limited company, is an investment company as defined in Section 833 of the Companies Act 2006, and a member of the Association of Investment Companies ("AIC").

The Company has been approved by HM Revenue & Customs as an investment trust for the purposes of Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 31 March 2008. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 March 2009 so as to be able to continue to obtain approval as an investment trust under Section 842 of the Income and Corporation Taxes Act 1988, although approval for those periods would be subject to review, were there to be any enquiry under the Corporate Tax Self Assessment regime.

The Company intends to manage its affairs so that the Company's shares will be qualifying investments for the stocks and shares component of an Individual Savings Account (ISA).

Directors

Details of the current Directors of the Company, who held office throughout the year under review, are shown on pages 18 and 19. The current Directors were the only Directors in office during the year.

Ambassador Rozental, having served more than nine years, is subject to annual re-election as recommended by the AIC Code on Corporate Governance, and therefore offers himself for re-election. Audley Twiston-Davies will retire by rotation at the Annual General Meeting and, being eligible, offers himself for re-election. Their biographies and experience are disclosed on pages 18 and 19. The non-retiring Directors have reviewed the contributions of Ambassador Rozental and Audley Twiston-Davies to the Board, and strongly encourage shareholders to vote in favour of their proposed re-elections.

The Directors at the year end and their beneficial interests in the share capital of the Company both at 31 March 2009 and at 1 April 2008 were as follows:

	At 31 March 2009		At 1 April 2008	
	Ordinary shares	Warrants	Ordinary shares	Warrants
W Salomon, Chairman	285,000	-	285,000	-
S Bates	23,712	-	18,802	-
Professor V Bulmer-Thomas	22,020	50,000	22,020	50,000
Ambassador A Rozental	-	-	-	-
A W Twiston-Davies	-	164,000	-	164,000

Subsequent to the period end, Mrs Bates acquired 757 Ordinary shares as a result of monthly subscriptions in the Aberdeen Investment Share Plan. On 21 May 2009, Professor Bulmer-Thomas sold 50,000 Warrants at a price of 43p per Warrant. Save as aforementioned, the Directors' beneficial interests were unchanged at the date of this Report.

No Director has a service contract with the Company.

No Directors have any interests in contracts with the Company.

Directors' Insurance and Indemnities

The Company's Articles of Association indemnify each of the Directors out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings, or in connection with any application to the Court in which relief is granted. Directors' & Officers' liability insurance cover has been maintained throughout the year at the expense of the Company.

Manager and Company Secretary

Investment management services are provided to the Group by AAM Asia. The Manager also provides company secretarial, accounting and administrative services through its parent company, Aberdeen Asset Management PLC.

For the year ended 31 March 2009, investment management and secretarial fees payable to the Aberdeen Group have been calculated and charged on the following basis:

A monthly management fee is payable at the annual rate of 1.0% of the value of the Company's net assets. The investment management fee is chargeable 100% to revenue. The management agreements are terminable by either the Company or Aberdeen on 12 months' notice.

Additionally, the Manager is entitled to a performance-related investment management fee calculated in respect of each financial year to 31 March (the "measurement period") and payable in arrears. The fee is 10% of the amount by which the net asset value per share of the Company (adjusted to add back any performance fees paid or accrued during the measurement period, calculated on a consolidated basis for the Group, and diluted by the deemed exercise of all the Warrants), exceeds the Company's net asset value per share on either the first business day of the current measurement period or at the end of the most recent measurement period in respect of which a performance fee has been paid, whichever is higher, multiplied by the number of Ordinary shares in issue at the start of the measurement period.

The management and secretarial fees paid during the year ended 31 March 2009 are shown in note 4 on page 40. In accordance with the basis of calculation described above, no performance fee was payable to AAM Asia in respect of the year ended 31 March 2009 (2008 – nil), as there was a decrease in the Company's net assets over the year under review.

In monitoring the performance of the Manager, the Board considers the investment record of the Manager over short and longer-term periods, taking into account the Company's performance against the benchmark index and peer group funds. The performance of the Company compared with its benchmark and peers has been disappointing since December 2004 (although strong in absolute terms). The Board carried out a review of the Manager in 2008, which included talking to major shareholders about the investment approach taken by Aberdeen. The Board also reviews the management processes, risk control mechanisms and marketing activities of the Manager. As a result of these enquiries, the Board considers the continuing appointment of the Manager, on the terms agreed, to be in the interests of the shareholders because the Aberdeen Group has the investment management, marketing and associated secretarial and administrative skills required for the effective operation of the Company. The Board continues to keep this matter under review.

Special Business at Annual General Meeting

Share Repurchases

At the Annual General Meeting held on 19 September 2008, shareholders approved the renewal of the authority permitting the Company to repurchase its Ordinary shares.

The Directors wish to renew the authority given by shareholders at the previous Annual General Meeting. The principal aim of a share buy-back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to net asset value per share, should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders, and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the Annual General Meeting.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of: (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase; and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share. Shares which are purchased under this authority will either be cancelled or held as treasury shares.

Special Resolution No. 6 in the Notice of Annual General Meeting will renew the authority to purchase in the market a maximum of 14.99% of shares in issue on 21 May 2009, being the nearest practicable date to the signing of this Report, (amounting to 6,941,788 Ordinary shares). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted. The Directors recommend that shareholders vote in favour of Resolution No. 6.

Issue of Shares

Ordinary Resolution No. 7 in the Notice of Annual General Meeting will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £578,868 (equivalent to 2,315,472 Ordinary shares, or 5 per cent of the Company's existing issued share capital on 21 May 2009, being the nearest practicable date to the signing of this Report). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 89(1) of the Companies Act 1985 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution No. 8 will, if passed, give the Directors power to allot for cash equity securities up to an aggregate nominal amount of £578,868 (equivalent to 2,315,472 Ordinary shares, or 5 per cent of the Company's existing issued share capital at 21 May 2009, being the nearest practicable date to the signing of this Report), as if Section 89(1) of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution No. 7. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by Resolutions 7 and 8 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting. Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (as amended) (the "Treasury Share Regulations") the Company is permitted to buy back and hold shares in treasury and then sell them at a later date for cash, rather than cancelling them. The Treasury Share Regulations require such sale to be on a pre-emptive, pro rata, basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued Ordinary share capital on a non pre-emptive basis, Resolution No. 8, if passed, will give the Directors authority to sell Ordinary shares held in treasury on a non pre-emptive basis. Under the Treasury Share Regulations, the holding of treasury shares is restricted to 10 per cent of the Company's issued share capital, no dividends may be paid on any shares held in treasury and no voting rights will attach to such shares. The benefit of the ability to hold treasury shares is that such shares may be resold. This should give the Company greater flexibility in managing its share capital, and improve liquidity in its shares. It is the intention of the Board that any re-sale of treasury shares would only take place at a maximum discount of 3% to the prevailing diluted net asset value at the date of sale. It is also the intention of the Board that sales from treasury would only take place when the Board believes that to do so would assist in the provision of liquidity to the market. The Directors recommend that shareholders vote in favour of Resolutions 7 and 8.

Continuance of Company

In accordance with Article 164.2 of the Articles of Association of the Company, the Directors are required to propose an Ordinary Resolution at each Annual General Meeting of the Company, commencing in 2006, that the Company continues as an investment trust. Accordingly, the Directors are proposing Resolution No. 9, that the Company continues as an investment trust, and the Directors recommend that shareholders support the continuance of the Company.

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued share capital of the Company at the date of this Report.

Shareholder	Number of shares held	% held
Clients of Aberdeen Asset Management	10,340,600	22.33
Lazard Asset Management	9,804,804	21.17
F&C Asset Management[A]	5,270,000	11.38
Asset Value Investors:		
- British Empire Securities and General Trust	4,775,000	10.31
City of London Asset Management	2,744,930	5.93
Progressive Asset Management:		
- Advanced Developing Markets	2,487,232	5.37

[A] Holding includes 1,900,000 shares held by Utilico Emerging Markets Limited.

Corporate Governance

The Statement of Corporate Governance is shown on pages 24 to 28.

Going Concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements. The Company has adequate financial resources to enable it to continue in operational existence for the foreseeable future. This is based on the assumption that the Ordinary Resolution, that the Company continues as an investment trust, which will be proposed at the forthcoming Annual General Meeting of the Company, is passed (refer to page 23 for further details).

Creditor Payment Policy

It is the policy of the Company to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. All other expenses are paid on a timely basis in the ordinary course of business. The Directors do not consider any creditors to represent trade creditors.

Annual General Meeting

The Notice of Annual General Meeting, which will be held on 21 September 2009, is contained on pages 54 to 56.

Independent Auditors

Ernst & Young LLP have expressed their willingness to continue in office. Resolution No. 5, to re-appoint Ernst & Young LLP as independent auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration, will be put to shareholders at the forthcoming Annual General Meeting.

Additional Information

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by Part 15 of the Companies Act 2006:

There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law (for example, insider trading law).

The Company is not aware of any agreements between shareholders that may result in a restriction on the transfer of securities and/or voting rights.

The rules governing the appointment of Directors are set out in the Statement of Corporate Governance on page 26. The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

The Company is not aware of any significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company following a takeover.

Other than the Investment Management Agreement with the Manager, further details of which are set out on page 21, the Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' Report.

Statement as to Disclosure of Information to Auditors

The Directors who were members of the Board at the time of approving the Report of the Directors are listed on pages 18 and 19 of these financial statements. Each of these Directors confirms that:

- to the best of each Directors' knowledge and belief, there is no information relevant to the preparation of their Report of which the Company's auditors are unaware; and,
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board
Aberdeen Asset Management PLC
One Bow Churchyard
Cheapside, London EC4M 9HH
28 May 2009

Statement of Corporate Governance

The Company is committed to high standards of corporate governance and the Board is accordingly accountable to the Company's shareholders.

The Board considers that reporting against the principles and recommendations of the Association of Investment Companies ("AIC") Code on Corporate Governance issued in July 2003 (as amended in February 2006 and March 2009) (the "AIC Code"), and by reference to the AIC Corporate Governance Guide for Investment Companies issued in May 2007 (the "AIC Guide"), which incorporates the Combined Code on Corporate Governance issued by the Financial Reporting Council in 2006 (the "Combined Code"), would provide better information to shareholders. The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code, except as set out below.

The Combined Code includes provisions relating to:
- the role of the chief executive and senior independent director
- executive directors' remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and in the Preamble to the Combined Code, the Board considers these provisions are not relevant to the position of the Company, being an externally-managed investment company. The Company has therefore not reported further in respect of these provisions.

The Chairman of the Company was a member of the Audit and Management Engagement Committee during the year ended 31 March 2009; further information may be found in the section below entitled "Committees - Audit and Management Engagement Committee".

The Board

The Board currently consists of five non-executive Directors, all of whom are considered to be independent of the Manager and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct.

The Board has appointed Sarah Bates to be Chairman of the Audit and Management Engagement Committee ,having considered her to have recent relevant financial experience as a result of her employment in the financial services industry and wide-ranging business experience. Sarah is a non-executive director of a number of other investment trusts including Witan Pacific Investment Trust PLC ("Witan"). Subsequent to her appointment, Aberdeen Asset Managers Limited, a company within the Aberdeen Group, was appointed to manage half the assets of Witan in a multi-manager structure under the supervision of Witan Investment Services. Despite her consequent involvement in two investment trusts (including this one) where Aberdeen has a management relationship, the remainder of the Board is unanimous in its opinion that Sarah remains wholly independent in her role as a Director of your Company.

The Board's policy on tenure is set out on page 26. Ambassador Rozental has served for a term of more than nine years: as recommended by the AIC Code, he will stand for annual re-election.

During the period under review, an evaluation of the Board was implemented by way of a questionnaire backed up with interviews by the Chairman. The evaluation confirmed that the Directors are all independent and each have a significant range of business, financial or fund management skills relevant to the future direction of the Company. The Chairman was appraised using a similar process by the Audit and Management Engagement Committee Chairman, as the Company does not have a Senior Independent Director. The Directors remain satisfied that the Chairman is independent and able to dedicate sufficient time to the discharge of his responsibilities to the Company.

The biographies of the Directors appear on pages 18 and 19 of this Report and indicate their range of investment, industrial, commercial and professional experience.

The Board sets the Company's objectives and ensures that its obligations to its shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

These matters include:
- the maintenance of clear investment objectives and risk management policies.
- the monitoring of the business activities of the Company including investment performance.
- Companies Act requirements such as the approval of the periodic Financial Statements and approval and recommendation of the final dividend (if any).
- setting the level of gearing within which the Manager may operate.
- major changes relating to the Company's structure, including share buybacks and share issues.
- Board appointments and removals and the related terms.
- authorisation of Directors' conflicts or possible conflicts of interest.
- appointment and removal of the Manager and the terms and conditions of the management and administration agreements relating thereto.
- terms of reference and membership of Board Committees.

- Stock Exchange/UK Listing Authority/Financial Services Authority matters, including responsibility for approval of all circulars, listing particulars and approval of all releases concerning matters decided by the Board.

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the new regime introduced by the Companies Act 2006. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need authorising either in relation to the Director concerned or his/her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations that will need authorising by the Board. Authorisations given by the Board will be reviewed at each Board meeting.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense. The Directors have access to the advice and services of the corporate Company Secretary through its appointed representatives who are responsible to the Board:
- for ensuring that Board procedures are complied with.
- under the direction of the Chairman, for ensuring good information flows with the Board and its committees, as well as facilitating induction and assisting with professional development as required.
- for advising through the Chairman on all corporate governance matters.

Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors intend to take part in various training activities specific to non-executive directors, including those courses run by the AIC and the Manager.

The Chairman of the Company is a non-executive Director. A senior non-executive Director has not been appointed (required by provision A.3.3. of the Combined Code) as the Board considers that each of the Directors has different qualities and areas of expertise on which they may lead. Consequently no one individual has unfettered powers of decision. However, the Audit and Management Engagement Committee Chairman appraises the Chairman on an annual basis as envisaged by the AIC Code.

During the year ended 31 March 2009, the Board met formally five times. In addition, there were three meetings of the Audit and Management Engagement Committee.

Between these meetings, the Board maintains regular contact with the Manager. The primary focus at regular Board meetings is a review of investment performance and associated matters including gearing, asset allocation, marketing and investor relations, peer group information and industry issues.

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including the Manager's review and discussion documents regarding specific matters. Directors have made further enquiries where necessary.

Directors have attended Board meetings and Committee meetings, held during the period as follows:

Director	Board Meetings Attended	Audit & Management Engagement Committee Meetings Attended
W H Salomon, Chairman	4/5	2/3
S C Bates	5/5	3/3
Professor V G Bulmer-Thomas	4/5	2/3
Ambassador A Rozental	4/5	2/3
A W Twiston-Davies	3/5	3/3

External Agencies

The Board has contractually delegated to external agencies, including the Manager and other service providers, certain services: the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the registration services and the day-to-day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered, in so far as they relate to the affairs of the Company. The Board receives and considers reports from the Manager on a regular basis. In addition, ad hoc reports and information are supplied to the Board as requested.

Committees

Audit & Management Engagement Committee

An Audit and Management Engagement Committee has been established with written terms of reference, and comprising the full Board. Mrs Bates is the Chairman of the Audit and Management Engagement Committee. There were three meetings held during the period. The terms of reference of the Audit and Management Engagement Committee, which are available on request and via the Company's web site, are reviewed and re-assessed for their adequacy on an annual basis.

A summary of the Committee's main audit review functions is shown below:
- to review and monitor the internal control systems and risk management systems on which the Company is reliant;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the interim and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager and Administrator;
- to meet with the external Auditors to review their proposed audit programme of work and the findings of the Auditors. The Board shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the external Auditors to supply non-audit services (During the period under review, no fees (2008 - £3,200) were paid to the Auditors in respect of non-audit services. The Board will review any future fees in the light of the requirement to maintain the Auditors' independence);
- to review an annual statement from the Manager detailing the arrangements in place within Aberdeen whereby Aberdeen staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations in relation to the appointment of the external Auditors and to approve the remuneration and terms of engagement of the external Auditors; and,
- to monitor and review annually the external Auditors' independence, objectivity, effectiveness, resources and qualification. At its May meeting, the Audit Committee confirmed its view that the Auditors remained independent and objective.

A separate Management Engagement Committee has not been established. The joint Audit and Management Engagement Committee will annually review matters concerning the management contract which exists with AAM Asia. There were three meetings held during the year. Details of the Management Agreement are shown on page 21 of this Report.

Directors' Remuneration

Under the UK Listing Authority's Listing Rules, where an investment trust has only non-executive directors, the Combined Code principles relating to directors' remuneration do not apply. The full Board acts as the Remuneration Committee whose Chairman is the Chairman of the Company.

The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. In accordance with Principle 8 of the AIC Code, the Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is disclosed in the Directors' Remuneration Report on page 30.

Nomination Committee

Appointments to the Board of Directors are considered by the Nomination Committee, which comprises the whole Board. Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. External search consultants may be used to ensure that a wide range of candidates can be considered. Every Director is entitled to receive appropriate training as deemed necessary. A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next Annual General Meeting. The Articles also require that one third of the Directors retire by rotation each year and seek re-election at the Annual General Meeting. In addition, all Directors are required to submit themselves for re-election at least every three years, and any Director serving for a period longer than nine years is required to stand for annual re-election. No meetings of the Committee were held during the year.

Policy on Tenure

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and, therefore the length of service will be determined on a case by case basis.

Communication with Shareholders

The Company places a great deal of importance on communication with its shareholders. The Manager has an annual programme of meetings with institutional shareholders and reports back to the Board on these meetings. The Chairman is always available to hear from shareholders, and consults with major shareholders during the year.

The Notice of the Annual General Meeting is posted to shareholders at least 20 business days in advance of the meeting. The Notice of Meeting sets out the business of the meeting, and the resolutions to be considered at the Annual General Meeting are explained more fully in the Directors' Report on pages 20 to 23.

Separate resolutions are proposed for each substantive issue. Shareholders are encouraged to attend, and participate in, the Annual General Meeting. The Manager makes a presentation to the meeting outlining the key investment issues that affect the Company. All shareholders have the opportunity to put questions at the Company's Annual General Meeting. The number of proxy votes is relayed to shareholders at the Annual General Meeting.

Shareholders also have direct access to the Company via the free shareholder information telephone service run by the Manager, and the Company and the Manager respond to letters from shareholders. The Manager meets regularly with major shareholders, and reports back to the Board on these visits. A website, from which the Company's reports and other publications can be downloaded, is maintained on www.newindia-trust.co.uk.

Accountability and Audit

The Directors' Statement of Responsibilities in respect of the Financial Statements is on page 29, and the Statement of Going Concern is included in the Directors' Report on page 23.

The Independent Auditors' Report is on page 31.

Internal Control

The Board of Directors of New India Investment Trust PLC has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The Directors confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company that has been in place for the full year under review and up to the date of approval of the Financial Statements, and that this process is regularly reviewed by the Board and accords with the FRC's guidance document "Internal Control: Revised Guidance for Directors on the Combined Code".

The Board has carefully reviewed the effectiveness of the system of internal control and, in particular, it has reviewed the process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed. The Board has concluded that, given the internal control systems in place within the Manager, there is no current need for the Company to have its own separate internal audit function, but will keep this matter under review.

The Directors have delegated the investment management of the Company's assets to the Manager within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by an internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the FRC guidance and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Company, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored, and feedback provided to the Board.

The key components designed to provide effective internal control for the year under review and up to the date of this Report are outlined below:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Manager have established clear investment limits which are monitored by the Manager and reported to the Board. These limits are reviewed by the Board at each Board Meeting. The Manager's evaluation procedure and financial analysis of the companies concerned include detailed appraisal and due diligence;
- as a matter of course the compliance department of Aberdeen continuously reviews the Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- twice a year, at its Board meetings, the Board carries out an assessment of internal controls by considering documentation from the Manager, including its internal audit and compliance functions, and taking account of events since the relevant period end; and
- on a quarterly basis the Board receives a detailed Compliance Report.

In addition, the Manager ensures that clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations.

The Head of Internal Audit of the Manager reports six-monthly to the Audit Committee of the Company, and has direct access to the Directors at any time.

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business goals and, by their nature, can provide reasonable, but not absolute, assurance against material misstatement or loss.

Proxy Voting as an Institutional Investor

Responsibility for actively monitoring the activities of investee companies has been delegated by the Board to the Manager. The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the investee company, and for attending company meetings. The Directors believe that the exercise of voting rights at company meetings lies at the heart of the regulation and promotion of corporate governance. The Board has, therefore, given discretionary voting powers to the Manager, in the absence of explicit instruction from the Board. The Manager's policy is to exercise the votes attached to all shares held by the Company. The Manager reports to the Board in all circumstances where it has voted against the recommendations of the investee's management.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The Directors are required to prepare financial statements for each financial year which present fairly the financial position of the Company and of the Group and the financial performance and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to:
- select suitable accounting policies in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

We confirm that to the best of our knowledge:
- the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and Group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

Sarah Bates
Chairman of the Audit and Management Engagement Committee
28 May 2009

Directors' Remuneration Report

The Board has prepared this Report, in accordance with the requirements of Schedule 7A to the Companies Act 1985. An ordinary resolution for the approval of this Report will be put to the members at the forthcoming Annual General Meeting. As the Board of Directors is comprised solely of non-executive Directors, it is exempt under the Listing Rules from appointing a Remuneration Committee. The determination of the Directors' fees is a matter dealt with by the whole Board. This Report has been divided into separate sections for unaudited and audited information.

Unaudited Information

Remuneration Policy

The Company's policy is for the Directors to be remunerated in the form of fees, payable to the Director personally or to a third party specified by him or her. The fees for the non-executive Directors are determined within the limits set out in the Company's Articles of Association, which limit the aggregate of the fees payable to the Directors to £150,000 per annum. The Company's policy is that fees payable to the Directors should reflect the time spent by them on the Company's affairs, and should be sufficient to enable candidates of a high quality to be recruited. Non-executive Directors are normally not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. The Board's policy is to review Directors' fees periodically. The Board carried out a review of Directors' fees at its May meeting, and concluded that no increase would take place with effect from 1 April 2009. Directors' fees will be reviewed again with effect from 1 April 2010.

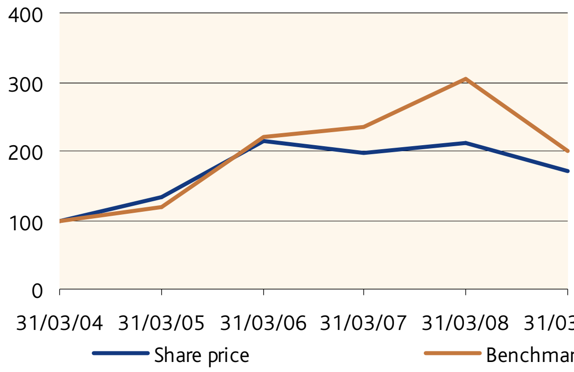
During the year ended 31 March 2009, the Chairman received fees of £20,000 per annum, the Audit and Management Engagement Committee Chairman £17,500 per annum and the other Directors £15,000 per annum. Directors' and Officers' liability insurance cover is held by the Company in respect of the Directors and is neither a benefit in kind, nor does it form part of the Directors' remuneration.

Directors' Service Contracts

None of the Directors has a service contract with the Company, but have letters of appointment which set out their terms of appointment. A Director may resign by notice in writing to the Board at any time, subject to one month's notice. All Directors are appointed for an initial period of three years; this period may be varied by mutual consent. The Articles of Association provide that, at the Annual General Meeting each year, one third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to, but not exceeding, one third) shall be subject to retirement by rotation. Directors, therefore, shall retire and be subject to re-election at the first AGM following their appointment and thereafter shall be obliged to retire by rotation, and offer themselves for re-election, at least every three years. No compensation is payable for loss of office, save any arrears of fees which may be due.

Company Performance

The graph below compares the total return (assuming all dividends are reinvested) to Ordinary shareholders, assuming a notional investment of £100 into the Company on 31 March 2004, compared with the total shareholder return on a notional investment made in the MSCI EM Latin America Index to 9 December 2004 and the MSCI India Index since that date (both in sterling terms). These benchmarks have been chosen as they most accurately reflect the Company's benchmark for the relevant periods in time.



Audited Information

Directors' Emoluments

The Directors, who served in the period, received the following emoluments in the form of fees:

Director	Date of Appointment	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Chairman of the Board:			
W H Salomon	09/12/04	20,000	20,000
Chairman of the Audit and Management Engagement Committee:			
Mrs S C Bates	09/12/04	17,500	17,500
Directors:			
Professor V G Bulmer-Thomas	05/02/04	15,000	15,000
Ambassador A Rozental*	09/12/97	15,000	15,000
A W Twiston-Davies	05/02/04	15,000	15,000
Total		**82,500**	**82,500**

*Ambassador Rozental's remuneration is paid to Rozental & Asociados.

No Director has received any taxable expense or compensation for loss of office or non-cash benefits for the year ended 31 March 2009 and the year ended 31 March 2008.

By order of the Board
Aberdeen Asset Management PLC
28 May 2009
Secretaries

Independent Auditors’ Report to the Members of New India Investment Trust PLC

We have audited the Group and Parent Company financial statements (the “financial statements”) of New India Investment Trust PLC for the year ended 31 March 2009, which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Cash Flow Statements and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors’ Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors’ responsibilities for preparing the Annual Report, the Directors’ Remuneration Report and the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRS) as adopted by the European Union are set out in the Statement of Directors’ Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors’ Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors’ Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors’ remuneration and other transactions are not disclosed.

We review whether the Corporate Governance Statement reflects the Company’s compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board’s statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group’s corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only Financial Highlights, Corporate Summary, Chairman’s Statement, Manager’s Review, Results, Performance, Investment Portfolio – Ten Largest Investments, Investment Portfolio – Other Investments, Sector Analysis, Stock Contribution to NAV Performance, Information about the Manager, the Investment Process, Your Board of Directors, the Directors’ Report, Statement of Corporate Governance, the unaudited part of the Directors’ Remuneration Report, How to Invest in New India Investment Trust PLC, Glossary of Terms and Definitions, Notice of Annual General Meeting, Corporate Information and Your Company’s History. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors’ Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group’s and Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors’ Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors’ Remuneration Report to be audited.

Opinion

In our opinion:
- the Group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Group’s affairs as at 31 March 2009 and of its loss for the year then ended;
- the parent Company financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent Company’s affairs as at 31 March 2009;
- the financial statements and the part of the Directors’ Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the information contained within the Directors’ Report is consistent with the financial statements.

Ernst & Young LLP
Registered Auditor
28 May 2009
London

Group Income Statement

	Notes	Year ended 31 March 2009 Revenue return £'000	Capital return £'000	Total £'000	Year ended 31 March 2008 Revenue return £'000	Capital return £'000	Total £'000
Investment income	3						
Dividend income		1,322	–	1,322	1,038	–	1,038
Interest income		25	–	25	35	–	35
Total revenue		1,347	–	1,347	1,073	–	1,073
(Losses)/gains on investments held at fair value through profit or loss	10(a)	–	(19,157)	(19,157)	–	12,320	12,320
Currency losses		–	(61)	(61)	–	(5)	(5)
		1,347	(19,218)	(17,871)	1,073	12,315	13,388
Expenses							
Investment management fees	4	(718)	–	(718)	(903)	–	(903)
VAT recoverable on investment management fees	19	33	–	33	–	–	–
Other administrative expenses	5	(563)	(2)	(565)	(548)	–	(548)
Profit/(loss) before tax and finance charges		99	(19,220)	(19,121)	(378)	12,315	11,937
Finance costs	6	(6)	–	(6)	–	–	–
Profit/(loss) before tax		93	(19,220)	(19,127)	(378)	12,315	11,937
Taxation	7	(8)	–	(8)	(46)	–	(46)
Profit/(loss) for the year		**85**	**(19,220)**	**(19,135)**	**(424)**	**12,315**	**11,891**
Return per Ordinary share (pence)	9						
Basic		**0.18**	**(41.21)**	**(41.03)**	**(0.89)**	**25.74**	**24.85**
Diluted		**0.17**	**(39.18)**	**(39.01)**	**(0.82)**	**23.70**	**22.88**

The total column of this statement represents the Profit & Loss Account of the Group, prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of New India Investment Trust PLC. There are no minority interests.

No operations were acquired or discontinued during the year.

The accompanying notes are an integral part of the financial statements.

Group and Company Balance Sheets

	Notes	Group As at 31 March 2009 £'000	Company As at 31 March 2009 £'000	Group As at 31 March 2008 £'000	Company As at 31 March 2008 £'000
Non-current assets					
Investments held at fair value through profit or loss	10	62,215	62,874	84,826	84,776
Current assets					
Cash at bank	11	2,090	803	772	277
Other receivables	12	190	42	196	24
Total current assets		2,280	845	968	301
Total assets		64,495	63,719	85,794	85,077
Current liabilities					
Bank overdraft	11	(623)	–	–	–
Other payables	13	(219)	(66)	(826)	(109)
Total current liabilities		(842)	(66)	(826)	(109)
Net assets		**63,653**	**63,653**	**84,968**	**84,968**
Share capital and reserves					
Ordinary share capital	14	11,577	11,577	11,966	11,966
Share premium account		11,807	11,807	11,790	11,790
Special reserve		15,778	15,778	17,981	17,981
Warrant reserve		4,003	4,003	4,010	4,010
Warrant exercise reserve		26	26	19	19
Capital redemption reserve		4,484	4,484	4,089	4,089
Capital reserve	15	14,844	14,840	34,064	33,904
Revenue reserve		1,134	1,138	1,049	1,209
Equity shareholders' funds		**63,653**	**63,653**	**84,968**	**84,968**
Net asset value per Ordinary share (pence):	16				
Basic		**137.45**	**137.45**	**177.52**	**177.52**
Diluted		**129.36**	**129.36**	**161.18**	**161.18**

The financial statements were approved by the Board of Directors and authorised for issue on 28 May 2009 and were signed on its behalf by:

William Salomon
Chairman

The accompanying notes are an integral part of the financial statements.

Group Statement of Changes in Equity

Year ended 31 March 2009

	Share capital £'000	Share premium account £'000	Special reserve £'000	Warrant reserve £'000	Warrant exercise reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2008	11,966	11,790	17,981	4,010	19	4,089	34,064	1,049	84,968
Net loss on ordinary activities after taxation	–	–	–	–	–	–	(19,220)	85	(19,135)
Issue of share capital upon exercise of warrants	6	17	–	(7)	7	–	–	–	23
Purchase of own shares	(395)	–	(2,192)	–	–	395	–	–	(2,192)
Expenses of repurchase	–	–	(11)	–	–	–	–	–	(11)
Balance at 31 March 2009	**11,577**	**11,807**	**15,778**	**4,003**	**26**	**4,484**	**14,844**	**1,134**	**63,653**

Year ended 31 March 2008

	Share capital £'000	Share premium account £'000	Special reserve £'000	Warrant reserve £'000	Warrant exercise reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2007	11,960	11,773	17,981	4,017	12	4,089	21,749	1,473	73,054
Net profit on ordinary activities after taxation	–	–	–	–	–	–	12,315	(424)	11,891
Issue of share capital upon exercise of warrants	6	17	–	(7)	7	–	–	–	23
Balance at 31 March 2008	**11,966**	**11,790**	**17,981**	**4,010**	**19**	**4,089**	**34,064**	**1,049**	**84,968**

Company Statement of Changes in Equity

Year ended 31 March 2009

	Share capital £'000	Share premium account £'000	Special reserve £'000	Warrant reserve £'000	Warrant exercise reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2008	11,966	11,790	17,981	4,010	19	4,089	33,904	1,209	84,968
Net loss on ordinary activities after taxation	–	–	–	–	–	–	(19,064)	(71)	(19,135)
Issue of share capital upon exercise of warrants	6	17	–	(7)	7	–	–	–	23
Purchase of own shares	(395)	–	(2,192)	–	–	395	–	–	(2,192)
Expenses of repurchase	–	–	(11)	–	–	–	–	–	(11)
Balance at 31 March 2009	**11,577**	**11,807**	**15,778**	**4,003**	**26**	**4,484**	**14,840**	**1,138**	**63,653**

Year ended 31 March 2008

	Share capital £'000	Share premium account £'000	Special reserve £'000	Warrant reserve £'000	Warrant exercise reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2007	11,960	11,773	17,981	4,017	12	4,089	21,910	1,312	73,054
Net profit on ordinary activities after taxation	–	–	–	–	–	–	11,994	(103)	11,891
Issue of share capital upon exercise of warrants	6	17	–	(7)	7	–	–	–	23
Balance at 31 March 2008	**11,966**	**11,790**	**17,981**	**4,010**	**19**	**4,089**	**33,904**	**1,209**	**84,968**

Group and Company Cash Flow Statements

	Notes	Year ended 31 March 2009 Group £'000	Year ended 31 March 2009 Company £'000	Year ended 31 March 2008 Group £'000	Year ended 31 March 2008 Company £'000
Operating activities					
(Loss)/profit before tax		(19,127)	(19,135)	11,937	11,891
Losses/(gains) on investments held at fair value through profit or loss		19,157	19,042	(12,320)	(11,991)
Net losses on foreign exchange		61	20	5	3
Net sales/(purchases) of investments held at fair value through profit or loss		3,454	2,860	(47)	210
Decrease in amounts due from brokers		113	–	312	–
(Increase)/decrease in other receivables		(95)	(18)	187	–
(Decrease)/increase in amounts due to brokers		(446)	–	117	–
(Decrease)/increase in other payables		(135)	(43)	63	5
Finance costs		6	6	–	–
Net cash inflow from operating activities before interest and corporation tax		2,988	2,732	254	118
Corporation tax paid		(46)	–	(27)	–
Net cash inflow from operating activities		2,942	2,732	227	118
Financing activities					
Exercise of warrants		23	23	23	23
Purchase of own shares		(2,203)	(2,203)	–	–
Finance costs		(6)	(6)	–	–
Net increase in cash and cash equivalents		756	546	250	141
Cash and cash equivalents at the start of the year		772	277	527	139
Effect of foreign exchange rate changes		(61)	(20)	(5)	(3)
Cash and cash equivalents at the end of the year	11	**1,467**	**803**	**772**	**277**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements For the year ended 31 March 2009

1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of Section 842 of the Income and Corporation Taxes Act 1988 ("s842").

The principal activity of its foreign subsidiary is similar in all relevant respects to that of its United Kingdom parent.

2. Accounting policies

The Group and Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the provisions of the Companies Act 1985. The principal accounting policies adopted by the Group and by the Company are set out below. The Company has taken advantage of the exemption provided under Section 230 of the Companies Act 1985 not to publish its individual Income Statement and related notes.

(a) Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2009. There are no differences between the accounting policies applied in the Group and the Company.

The Group and Company financial statements are presented in Sterling, which is the currency of the primary environment in which the Group operates. All values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") in January 2009 is consistent with the requirements of IFRS, the financial statements have been prepared in accordance with the SORP.

The Company has not adopted any new or amended IFRS and IFRIC interpretations during the year.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- Amendment to IAS 1 – Presentation of Financial Statements : comprehensive revision including requiring a statement of comprehensive income (effective for annual periods beginning on or after 1 January 2009)
- Amendment to IAS1 – Presentation of Financial Statements : a Revised Presentation relating to disclosure of puttable instruments and obligations arising on liquidation (effective for annual periods beginning on or after 1 January 2009)
- Amendment to IAS 7 – Statement of Cash Flows (effective for annual periods beginning on or after 1 January 2010)
- Amendment to IAS 23 – Borrowing Costs (effective for annual periods beginning on or after 1 January 2009)
- Amendment to IAS 27 – Consolidated and Separate Financial Statements : consequential amendments arising to IFRS 3 (effective for annual periods beginning on or after 1 July 2009)
- Amendment to IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 January 2009)
- Amendment to IAS 32 – Financial Instruments (effective for annual periods beginning on or after 1 January 2009)
- Amendment to IAS 36 – Impairment of Assets : amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009)
- Amendment to IAS 36 – Impairment of Assets : amendments resulting from April 2009 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2010)
- Amendment to IAS 39 – Financial Instruments : amendments for eligible hedged items (effective for annual periods beginning on or after 1 July 2009)

- Amendment to IAS 39 – Financial Instruments : amendments for embedded derivatives when reclassifying financial instruments (effective for annual periods beginning on or after 30 June 2009)
- Amendment to IAS 39 – Financial Instruments : amendments resulting from April 2009 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2010)
- Revised IFRS 1 – First-time Adoption of International Financial Reporting Standards (effective for annual periods beginning on or after 1 January 2009)
- Revised IFRS 7 – Financial Instruments (effective for annual periods beginning on or after 1 January 2009)
- IFRS 8 – Operating Segments (effective for annual periods beginning on or after 1 January 2009)
- Revised IFRS 8 – Operating Segments : amendments resulting from April 2009 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2010)

The Directors do not anticipate that the adoption of these Standards and Interpretations in future periods will materially impact the Company's financial results in the period of initial application although there will be revised presentations to the Primary Financial Statements and additional disclosures. The Company intends to adopt the standards in the reporting period when they become effective.

(b) Group accounts

The Group financial statements consolidate the financial statements of the Company and its subsidiary, New India Investment Company (Mauritius) Limited.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights, currently exercisable or convertible potential voting rights, or by way of contractual agreement. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

(c) Presentation of Group Income Statement

In order better to reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Group Income Statement between items of revenue and capital nature has been presented alongside the Group 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.

(d) Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being investment business.

(e) Income

Dividends receivable on equity shares are recognised in the Group Income Statement on the ex-dividend date. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Group's right to receive payment is established. Where a Group company has elected to receive dividends in the form of additional shares rather than in cash, the amount of the cash dividend is recognised in the Group Income Statement. Provision is made for any dividends not expected to be received. Interest receivable from cash and short-term deposits is accrued to the end of the financial year.

(f) Expenses and interest payable

All expenses, with the exception of interest expenses, which would be recognised using the effective interest method, are accounted for on an accruals basis. Expenses are charged to the revenue column of the Group Income Statement except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are charged to the capital column of the Group Income Statement and separately identified and disclosed in note 10 (c); and

– expenses are charged to the capital column of the Group Income Statement where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

(g) Taxation

The charge for taxation is based on the revenue return for the financial year.

Deferred tax

Deferred tax is recognised in respect of all temporary differences at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Balance Sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

(h) Investments

All investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Group's documented investment strategy, and information about the grouping is provided internally on that basis. Purchases of investments are recognised on a trade date basis and designated upon initial recognition as held at fair value through profit or loss. Sales of assets are also recognised on a trade date basis. Proceeds as measured at fair value, which is regarded as the proceeds of sale less any transaction costs.

The fair value of the financial instruments is based on their quoted bid price at the Balance Sheet date, without deduction for any estimated future selling costs. Any unquoted investments would be held at fair value, as measured by the Directors using appropriate valuation methodologies such as earnings multiples, recent transactions and net assets. In the case of the Company's investment in the subsidiary, of which the Company owns 100% of its ordinary share capital, this has been measured at fair value, which is deemed to be its net asset value.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Group Income Statement as "Gains/(losses) on investments at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

(i) Cash and cash equivalents

Cash comprises cash in hand and banks and short-term deposits. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash, and that are subject to an insignificant risk of changes in value.

(j) Other receivables and payables

Other receivables do not carry any interest and are short-term in nature, and are, accordingly, stated at their nominal value. Other payables are non-interest bearing and are stated at their nominal value.

(k) Dividends payable

Final dividends are recognised from the date on which they are declared and approved by shareholders.

(l) Foreign currency

Overseas monetary assets and liabilities are converted into Sterling at the rate of exchange ruling at the Balance Sheet date. Transactions during the year involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss and recognised in the Group Income Statement.

3. Income	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Income from investments		
Overseas dividends	1,322	1,038
Bond interest	2	–
	1,324	1,038
Other operating income		
Deposit interest	23	35
Total income	**1,347**	**1,073**

4. Investment management fees	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Investment management fees	**718**	**903**

The Company has an agreement with AAM Asia for the provision of management services.

During the year, the management fee was payable monthly in arrears and was based on an annual amount of 1% of the net asset value of the Group, valued monthly. The agreement is terminable on one year's notice. The balance due to AAM Asia at the year end was £100,000 (2008 – £147,000). All investment management fees are charged 100% to the revenue column of the Income Statement.

There was no performance fee due to the Manager for the year (2008 – £nil).

5. Other administrative expenses – revenue	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Directors' fees	88	87
Marketing contribution	58	58
Auditors' remuneration		
– fees payable to the Group's auditors for the audit of the Group's annual accounts	25	23
– fees payable to the Group's auditors for the audit of the Company's subsidiary annual accounts	5	3
– fees payable to the Group's auditors for the audit of the Group's prior year annual accounts under accrued	4	–
– fees payable to the Group's auditors for the audit of the Group's subsidiaries prior year annual accounts under accrued	1	–
– fees payable to the Group's auditors and its associates for other services		
– tax services	–	3
Legal and advisory fees	35	66
Custodian and overseas agents' charges	168	210
Other	179	98
	563	**548**

Directors' fees include US$7,875 (2008 – US$7,875) paid in respect of the Directors of New India Investment Company (Mauritius) Limited.

Non–audit fees relate to work carried out by Ernst & Young LLP and its international associates on tax compliance (2009 – £nil; 2008 – £3,000).

The Company has an agreement with Aberdeen Asset Management PLC ('AAM PLC') for the provision of marketing services in relation to the Company's participation in the Aberdeen Investment Trust Share Plan and ISA. The total fees paid and payable under the agreement during the year were £58,000 (2008 – £58,000) and no amount was due to AAM PLC at the year end (2008 – £nil).

Other administrative expenses – capital	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Issuance fee relating to a bonus issue on holding in Gail (India) GDR	**2**	–

6. Finance costs	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Bank overdraft interest	**6**	–

7. (a) Tax on ordinary activities	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Current tax:		
Overseas taxation	**8**	**46**

(b) Factors affecting the tax charge for the year

The tax charged for the year can be reconciled to the (loss)/profit per the Group Income Statement as follows:

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
(Loss)/profit before tax	(19,127)	11,937
Corporation tax on (loss)/profit at the standard rate of 28% (2008 – 30%)	(5,356)	3,581
Effects of:		
Losses/(gains) on investments held at fair value through profit or loss not taxable (see note below)	5,365	(3,696)
Currency losses not taxable	17	–
Effect on subsidiary of different tax rate levied in another jurisdiction	(18)	161
Total tax charge	**8**	**46**

The Company is exempt from corporation tax on capital gains provided it obtains agreement from HM Revenue & Customs that the tests within Section 842 of the Income & Corporation Taxes Act 1988 ('s842') have been met. Under Mauritian taxation laws, no Mauritian capital gains tax is payable on profits arising from the sale of securities.

8. Dividends on equity shares

No final dividend is being proposed for the year ended 31 March 2009 (2008 – £nil) because no distributable profit was generated by the Parent Company.

During the year, the subsidiary Company paid a dividend of £135,000 (2008 – £160,000) to the parent Company, and the net amount due to the parent Company at the year end was £nil (2008 – £nil).

9. Return per Ordinary share

The basic earnings per Ordinary share is based on the net loss after taxation of £19,135,000 (2008 – net profit after taxation of £11,891,000) and on 46,640,119 (2008 – 47,854,303) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The calculation of the diluted returns per Ordinary share is carried out in accordance with IAS 33, "Earnings per Share". For the purposes of calculating diluted returns per Ordinary share, the number of Ordinary shares is the weighted average used in the basic calculation plus the number of Ordinary shares deemed to be issued for no consideration on exercise of all Warrants by reference to the average share price of the Ordinary shares during the year. The calculations indicate that the exercise of Warrants would result in an increase in the weighted average number of Ordinary shares of 2,417,518 (2008 – 4,098,457), to a total of 49,057,637 (2008 – 51,952,760) Ordinary shares.

The basic and diluted earnings per Ordinary share detailed above can be further analysed between revenue return and capital return as follows:

	Year ended 31 March 2009			Year ended 31 March 2008		
Basic	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Net profit/(loss) (£'000)	**85**	**(19,220)**	**(19,135)**	**(424)**	**12,315**	**11,891**
Weighted average number of Ordinary shares in issue			**46,640,119**			**47,854,303**
Return per Ordinary share (pence)	**0.18**	**(41.21)**	**(41.03)**	**(0.89)**	**25.74**	**24.85**

	Year ended 31 March 2009			Year ended 31 March 2008		
Diluted	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Net profit/(loss) (£'000)	**85**	**(19,220)**	**(19,135)**	**(424)**	**12,315**	**11,891**
Weighted average number of Ordinary shares in issue			**49,057,637**			**51,952,760**
Return per Ordinary share (pence)	**0.17**	**(39.18)**	**(39.01)**	**(0.82)**	**23.70**	**22.88**

10. Investments held at fair value through profit or loss	**Year ended 31 March 2009 £'000**	**Year ended 31 March 2008 £'000**
(a) Group		
Opening book cost	57,850	48,050
Opening investment holdings fair value gains	26,976	24,409
Opening valuation	84,826	72,459
Movements in the year:		
Purchases at cost (see section (c) below)	12,632	16,635
Sales – proceeds	(16,086)	(16,588)
– realised net (losses)/gains	(3,881)	9,753
(Decrease)/increase in investment holdings fair value gains	(15,276)	2,567
Closing valuation	**62,215**	**84,826**

	£'000	£'000
Closing book cost	50,515	57,850
Closing investment holdings fair value gains	11,700	26,976
Closing valuation	**62,215**	**84,826**

(Losses)/gains on held-at-fair-value investments	£'000	£'000
Realised (losses)/gains on sales of investments	(3,881)	9,753
(Decrease)/increase in investment holdings gains	(15,276)	2,567
	(19,157)	**12,320**

	Year ended 31 March 2009			Year ended 31 March 2008		
(b) Company	Investment in subsidiary £'000	Listed overseas £'000	Total £'000	Investment in subsidiary £'000	Listed overseas £'000	Total £'000
Opening book cost	41,545	1,714	43,259	41,545	1,792	43,337
Opening investment holdings fair value gains	39,948	1,569	41,517	29,374	284	29,658
Opening valuation	81,493	3,283	84,776	70,919	2,076	72,995
Movements in the year:						
Purchases	–	2,932	2,932	–	–	–
Sales – proceeds	(3,004)	(2,788)	(5,792)	–	(210)	(210)
– realised net gains	2,609	311	2,920	–	132	132
(Decrease)/increase in investment holdings fair value gains	(21,365)	(597)	(21,962)	10,574	1,285	11,859
Closing valuation	**59,733**	**3,141**	**62,874**	**81,493**	**3,283**	**84,776**

	Year ended 31 March 2009			Year ended 31 March 2008		
	Investment in subsidiary £'000	Listed overseas £'000	Total £'000	Investment in subsidiary £'000	Listed overseas £'000	Total £'000
Closing book cost	41,150	2,169	43,319	41,545	1,714	43,259
Closing investment holdings fair value gains	18,583	972	19,555	39,948	1,569	41,517
Closing valuation	**59,733**	**3,141**	**62,874**	**81,493**	**3,283**	**84,776**

Gains/(losses) on held-at-fair-value investments	As at 31 March 2009 £'000	As at 31 March 2008 £'000
Realised gains on sales of investments	2,920	132
(Decrease)/increase in investment holdings gains	(21,962)	11,859
	(19,042)	**11,991**

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

The investment in the subsidiary is valued at fair value, which is deemed to be its underlying net asset value.

All investments are categorised at held at fair value through profit or loss, and were designated as such upon initial recognition.

(c) Transaction costs

During the year, expenses were incurred in acquiring or disposing of investments classified as fair value though profit or loss. These have been expensed through the capital column of the Income Statement, and are included within gains/(losses) on investments at fair value through profit or loss in the Income Statement. The total costs were as follows:

	Year ended 31 March 2009 Group £'000	Company £'000	Year ended 31 March 2008 Group £'000	Company £'000
Purchases	40	3	62	–
Sales	51	1	64	–
	91	**4**	**126**	**–**

11. Cash and cash equivalents	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Cash at bank	2,090	803	772	277
Bank overdraft	(623)	–	–	–
	1,467	**803**	**772**	**277**

12. Other receivables	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Amounts due from brokers	–	–	113	–
Prepayments and accrued income	145	9	83	24
VAT recoverable on investment management fees	33	33	–	–
Current tax recoverable	12	–	–	–
	190	**42**	**196**	**24**

None of the above amounts are past their due date or impaired.

13. Other payables	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Amounts due to brokers	11	–	457	–
Other payables	208	66	343	109
Current tax	–	–	26	–
	219	**66**	**826**	**109**

14. Ordinary share capital	2009 Number	2009 £'000	2008 Number	2008 £'000
Authorised				
Ordinary shares of 25p each	**200,000,000**	**50,000**	**200,000,000**	**50,000**

Issued and fully paid				
Ordinary shares of 25p each :				
Balance brought forward	47,862,750	11,966	47,839,850	11,960
Warrants exercised during the year	21,708	6	22,900	6
Purchase of own shares	(1,575,000)	(395)	–	–
Balance carried forward	**46,309,458**	**11,577**	**47,862,750**	**11,966**

The Ordinary shares give shareholders the entitlement to all of the capital growth in the Group's assets, and to all the income from the Group that is resolved to be distributed.

As at 31 March 2009, there were 12,760,682 Warrants in issue (31 March 2008 – 12,782,390), each Warrant carrying the right to subscribe for one new Ordinary share of 25p in the Company on 31 July 2008 to 2010 inclusive or, if later, the date in any such year 30 days after the date on which copies of the audited accounts of the Company for its then immediately preceding financial year are dispatched to shareholders.

During the year, 21,708 (2008 – 22,900) Warrants were exercised at a price of 100p each, creating 21,708 (2008 – 22,900) new Ordinary shares which were issued for a total consideration of £21,708 (2008 – £22,900). As a result of this, £6,810 (2008 – £7,184) was transferred from the Warrant Reserve to the Warrant Exercise Reserve.

On 18 June 2008, New India Investment Trust PLC purchased 1,575,000 of its own 25p Ordinary shares at 139 pence per share for cancellation. Following the buy back, there were 46,287,750 Ordinary shares in issue. The share buy-back was financed out of the capital reserve.

Ownership of Subsidiary

At the year end, the Company's wholly-owned subsidiary, New India Investment Company (Mauritius) Limited ('the subsidiary') had share capital of 4,275,000 Redeemable Participating Preference shares of £0.10 each ('Preference shares') and 50 Management shares of £1 each. The Company holds 100% of the share capital of the subsidiary

In January 2005 the subsidiary issued a warrant instrument to the Company, giving the Company the right to purchase up 38,350,900 Preference shares, at an exercise price per share of £20 per share ('the Warrant'). The Warrant is exercisable for 10 years from 14 January 2005. The subsidiary also has the right to purchase the Warrant in part or in whole.

Partial redemption of Subsidiary Warrant

On 15 May 2008, the subsidiary purchased part of the Warrant, in relation to 405,900 Preference shares, at a valuation based on the subscription price of £20. In aggregate, proceeds of £3,004,000 were received by the Company in the form of a partial capital redemption. These proceeds have been credited to the capital reserve of the Company.

As at 31 March 2009, there was one warrant in issue (2008 – 1) carrying the right to subscribe for 37,945,000 (2008 – 38,350,900) new ordinary shares of 10p in the Company at £20 per share

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders.

The capital structure of the Company consists of cash, cash equivalents and equity, comprising issued capital, reserves and retained earnings.

The Group's overall strategy remains unchanged from 2008.

15. Capital reserves	2009 £'000	2008 £'000
Group		
At 1 April 2008	34,064	21,749
Currency loss	(61)	(5)
Movement in investment holdings fair value gains	(15,276)	2,567
(Loss)/gain on sales of investments	(3,881)	9,753
Issuance fee relating to a bonus issue	(2)	–
At 31 March 2009	**14,844**	**34,064**

Company	2009 £'000	2008 £'000
At 1 April 2008	33,904	21,910
Currency (loss)/gain	(20)	3
Movement in investment holdings fair value gains	(21,962)	11,859
Gain on sales of investments	311	132
Gain on redemption of warrant	2,609	–
Issuance fee relating to a bonus issue	(2)	–
At 31 March 2009	**14,840**	**33,904**

16. Net asset value per Ordinary share

The basic net asset value per Ordinary share is based on a net asset value of £63,653,000 (2008 – £84,968,000) and on 46,309,458 (2008 – 47,862,750) Ordinary shares, being the number of Ordinary shares in issue at the year end.

The diluted net asset value per Ordinary share has been calculated by reference to the total number of Ordinary shares in issue at the year end and on the assumption that those Warrants which are not exercised at the year end, amounting to 12,760,682 (2008 – 12,782,390) Warrants, were exercised on the first day of the financial year at 100p per share, giving a total of 59,070,140 (2008 – 60,645,140) Ordinary shares.

17. Financial instruments

The Group's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement and debtors for accrued income, short-term debtors and creditors.

The Manager has a dedicated investment management process, which ensures that the investment policy explained on page 2 is followed. Stock selection procedures are in place based on the active portfolio management and identification of stocks. The portfolio is reviewed on a periodic basis by a senior investment manager and also by the Manager's Investment Committee.

The Manager has an independent Investment Risk department for reviewing the investment risk parameters of the Group's portfolio on a regular basis. The department reports to the Manager's Performance Review Committee which is chaired by the Manager's Chief Investment Officer. The department's responsibility is to review and monitor predicted portfolio risk and style characteristics using best practice, industry standard multi-factor models.

Additionally, the Manager's Compliance department continually monitors the Group's investment and borrowing powers and reports to the Manager's Risk Management Committee.

The main risks arising from the Group's financial instruments are: (i) market price risk; (ii) liquidity risk; and (iii) credit risk.

The Board regularly reviews and agrees policies for managing each of these risks, and these are summarised below. These policies have remained unchanged since the inception of the Group.

The Board considers that the carrying amount of all disclosed receivables approximates to their fair values.

(i) Market price risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

Financial assets

The interest rate risk profile of the Group's financial assets, excluding equity shares which are non-interest bearing and short-term debtors, as at 31 March 2009 and 31 March 2008 was as follows:

	Total (per Balance Sheet)		Floating rate	
Type	**2009 £'000**	**2008 £'000**	**2009 £'000**	**2008 £'000**
Cash at bank – Sterling	314	465	314	465
Cash at bank – US Dollar	489	215	489	215
Cash at bank – Indian Rupee	1,287	92	1,287	92
Total	**2,090**	**772**	**2,090**	**772**

The floating rate assets consist of cash deposits on call earning interest at prevailing market rates, and are classified as having maturity dates of less than one year.

Financial liabilities

The interest rate risk profile of the Group's financial liabilities, excluding short-term creditors, as at 31 March 2009 and 31 March 2008 was as follows:

	Total (per Balance Sheet)		Floating rate	
Type	**2009 £'000**	**2008 £'000**	**2009 £'000**	**2008 £'000**
Bank overdraft – Sterling	(623)	–	(623)	–

The floating rate liabilities consist of cash overdraft paying interest at prevailing market rates, and are classified as having maturity dates of less than one year.

Interest rate sensitivity

Movements in interest rates would not significantly affect net assets attributable to the Group's shareholders and total profit.

Foreign currency risk

The Group's total return and net assets can be significantly affected by currency translation movements as the majority of the Group's assets and income are denominated in currencies other than Sterling, which is the Group's functional currency. It is not the Group's policy to hedge this risk but it reserves the right to do so, to the extent possible.

Foreign currency exposure by currency of denomination:

	31 March 2009			31 March 2008		
	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000
US Dollar	3,141	489	3,630	3,283	215	3,498
Indian Rupee	59,074	1,407	60,481	81,543	(194)	81,349
	62,215	**1,896**	**64,111**	**84,826**	**21**	**84,847**

At 31 March 2009, the exchange rate of the Indian Rupee against the reporting currency Sterling was £1: INR 72.721 compared with an exchange rate of £1: INR 79.7385 at 31 March 2008. Based on continuing to hold the same investments in the same quantities from 1 April 2008 to 31 March 2009, all other things being equal, the impact of the exchange rate movement over the year would be to increase the value of the investments by £7,869,000 (2008 – £4,865,000).

Foreign currency sensitivity

There is no sensitivity analysis included, as the Group's significant foreign currency financial instruments are in the form of equity investments, which have been included within the other price risk sensitivity analysis so as to show the overall level of exposure.

Other price risk

Other price risks (ie, changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a sector. Both the allocation of assets and the stock selection process, as detailed on page 2, act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Group are all listed on the Bombay (Mumbai) Stock Exchange and/or The Indian National Stock Exchange, with the exception of the Gail (India) GDR and Grasim Industries GDR whose primary exchanges are London and Luxembourg respectively.

Other price risk sensitivity

If market prices at the Balance Sheet date had been 25% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 March 2009 would have increased /(decreased) by £15,554,000 (2008 – increased/(decreased) by £21,206,000) and equity reserves would have increased /(decreased) by the same amount.

(ii) Liquidity risk

This is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not considered to be significant, as the Group's assets mainly comprise readily realisable securities which can be sold to meet funding requirements, if necessary.

(iii) Credit risk

This is failure of the counterparty to a transaction to discharge its obligations under that transaction, which could result in the Group suffering a loss.

The risk is not significant, and is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty exposure due to failed trades causing a loss to the Group is mitigated by the review of

failed trade reports on a monthly basis. In addition, the Custodian carries out a stock reconciliation to the Administrators' records on a monthly basis to ensure discrepancies are picked up on a timely basis. The Manager's Compliance department carries out periodic reviews of the Custodian's operations and reports its findings to the Manager's Risk Management Committee. This review will also include checks on the maintenance and security of investments held;

– cash is held only with reputable banks whose credit ratings are monitored on a regular basis.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Fair values of financial assets and financial liabilities

Investments held at fair value through profit or loss are valued at their quoted bid prices which equate to their fair values. The Directors are of the opinion that the other financial assets and liabilities are stated at fair value in the Balance Sheet and considered that this is equal to the carrying amount.

18. Capital management policies and procedures

The Company's capital management objectives are:

– to ensure that the Company will be able to continue as a going concern, and

– to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The policy is that debt should not exceed 25% of net assets.

The Company's capital at 31 March comprised:

	2009 **£'000**	**2008** **£'000**
Debt		
Bank overdraft	**623**	–
Equity		
Equity share capital	11,577	11,966
Retained earnings and other reserves	52,076	73,002
	63,653	**84,968**
Debt as a % of net assets	**1.0%**	**n/a**

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 account of the Manager's views on the market;

– the need to buy back equity shares for cancellation, which takes account of the difference between the net asset value per share and the share price (ie the level of share price discount or premium);

– the need for new issues of equity shares; and

– the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company had no loan gearing at the year end (2008 – nil).

19. Post Balance Sheet event

On 5 November 2007, the European Court of Justice ruled that management fees on investment trusts should be exempt from VAT. HMRC has announced its intention not to appeal against this ruling to the UK VAT Tribunal and therefore protective claims which have been made in relation to the Company will be processed by HMRC in due course. The

Company has not been charged VAT on its investment management fees from 9 December 2004.

Since the year end the Company's former Manager, DWS Investment Trust Managers Limited, agreed to refund £33,251 to the Company for VAT charged on investment management fees for the period of their tenure and this has been included in these financial statements. This repayment has been allocated to revenue in line with the accounting policy of the Company for the periods in which the VAT was charged. The reclaim has now been received.

How to Invest in New India Investment Trust PLC

Direct

Investors can buy and sell shares in New India Investment Trust PLC directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, shares can be bought directly through Aberdeen's Investment Trust Share Plan, Investment Plan for Children, Investment Trust ISA or ISA Transfer.

Aberdeen's Investment Trust Share Plan

Aberdeen Asset Managers ("AAM") runs a Share Plan (the "Plan") through which shares in New India Investment Trust PLC can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen's Investment Plan for Children

AAM runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management, including New India Investment Trust PLC. Anyone can invest in the Children's Plan, including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts

Stocks and Shares ISA

An investment of up to £7,200 in New India Investment Trust PLC can be made through Aberdeen's Stocks and Shares ISA in the tax year 2009/2010 and up to £10,200 in the tax year 2010/2011.

Between 6 October 2009 and 5 April 2010, an additional £3,000 may be invested in an ISA, for the tax year 2009/2010, provided that the ISA holder is aged 50 years or over at the date of the additional investment.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT.

The annual ISA administration charge is £24 + VAT, calculated six monthly and deducted from income. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

Investors can choose to transfer previous tax year investments to AAM, which can be invested in New India Investment Trust PLC while retaining their ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

Trust Information

If investors would like details of New India Investment Trust PLC or information on the Children's Plan, Share Plan, ISA or ISA Transfer, please telephone 0500 00 00 40 or write to Aberdeen Investment Trusts, Block C, Western House, Lynchwood Business Park, Peterborough PE2 6BP or e-mail at inv.trusts@aberdeen-asset.com. Details are also available on www.invtrusts.co.uk.

Literature Request Service

For literature and application forms for AAM's investment trust products, please contact:
Telephone: 0500 00 40 00
Email: aam@lit-request.com

Keeping you informed

New India Investment Trust PLC's share price appears under the heading 'Investment Companies' in the Financial Times.

How to Invest in New India Investment Trust PLC continued

For internet users, detailed data on New India Investment Trust PLC, including price, performance information and a monthly fact sheet is available on the Company's website (www.newindia-trust.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively, you can call 0500 00 00 40 for trust information.

Contact Us

For information on New India Investment Trust PLC, please contact:
The Company Secretary
One Bow Churchyard
Cheapside
London EC4M 9HH.

For any administrative queries relating to the Investment Trust Share Plan, Investment Plan for Children, Investment Trust ISA or ISA Transfer please contact:
Aberdeen Investment Trust Administration
Block C, Western House
Lynchwood Business Park
Peterborough, PE2 6BP
Telephone: 0500 00 00 40

If you have an administrative query which relates to a certificated holding, please contact the Registrar, as follows:
Computershare Investor Services PLC
PO Box 82, The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 1153
E-mail: web.queries@computershare.co.uk
Website: www.computershare.co.uk

The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Aberdeen Asset Management Limited which is authorised and regulated by the Financial Services Authority.

Risk

As the market value of the listed shares and warrants in investment companies is determined by demand and supply in the stock market for those shares, the respective market values of the shares and warrants can fluctuate and may not always reflect their respective underlying net asset values. It should be remembered that the respective prices of the shares and warrants and the income from the shares can go down as well as up, and investors may not realise the value of their initial investment. Quoted market prices of the Company's shares are normally approximate and you may not be able to buy or sell your shares at precisely the quoted price.

Investment in the shares and/or warrants may be relatively illiquid. There may be a limited number of shareholders and/or warrantholders and/or market makers and this fact may contribute to infrequent trading on the London Stock Exchange and volatile price movements. In the event of the winding-up of the Company prior to the exercise of subscription rights conferred by the Warrants, warrantholders may receive a payment out of the assets which would otherwise be available for distribution amongst Ordinary shareholders in order to compensate warrantholders for their loss of time value.

The Group's investments are subject to normal market fluctuations and the risks inherent in the purchase, holding or selling of equity securities and related instruments, and there can be no assurance that appreciation will occur. There can be no guarantee that the full value of the Group's investments will be realisable in the event of a sale.

Emerging Market Risks

Investment in Indian equities or those of companies that derive significant revenue or profit solely from India involves a greater degree of risk than that usually associated with investment in the securities in major securities markets or a range of emerging markets. The securities that the Group owns may be considered speculative because of this higher degree of risk. Risks include:

- Greater risk of expropriation, confiscation, taxation, nationalisation and social, political and economic instability;
- Certain national policies which may restrict the investment opportunities available in respect of a fund, including restrictions on investing in issuers or industries deemed sensitive to national interests;
- The absence of developed legal structures governing private or foreign investment and private property;
- Currency fluctuations, greater market volatility and high interest rates;
- Changes in taxation laws and/or rates which may affect the value of the Group's investments; and
- Changes in government which may have an adverse effect on economic reform.

Glossary of Terms and Definitions

Asset Cover
The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.

Discount
The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

Dividend Cover
Earnings per share divided by dividends per share expressed as a ratio.

Dividend Yield
The annual dividend expressed as a percentage of the share price.

Net Asset Value (or NAV)
The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.

Premium
The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.

Price/Earnings Ratio
The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.

Prior Charges
The name given to all borrowings including debentures, loan and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.

Total Assets
Total Assets less current liabilities (before deducting prior charges as defined above).

Total Expense Ratio
Ratio of expenses as a percentage of average shareholders' funds calculated as per the industry standard Lipper Fitzrovia method.

Total Return
Total Return involves reinvesting the net dividend in the month that the share price goes xd. The NAV Total Return involves investing the same net dividend in the NAV of the trust on the date to which that dividend was earned, eg quarter end, half year or year end date.

Winding-up Date
The date specified in the Articles of Association for winding-up a company.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of New India Investment Trust PLC will be held at One Bow Churchyard, Cheapside, London EC4M 9HH, at 11.00 a.m. on 21 September 2009 for the following purposes:

To consider and, if thought fit, pass the following Resolutions, of which Resolutions 1 to 5 inclusive, and Resolutions 7 and 9 will be proposed as Ordinary Resolutions, and Resolutions 6 and 8 will be proposed as Special Resolutions:

1. To receive the Directors' Report and Financial Statements for the year ended 31 March 2009, together with the auditors' report thereon.
2. To receive and adopt the Directors' Remuneration Report.
3. To re-elect Ambassador Rozental as a Director.
4. To re-elect Audley Twiston-Davies as a Director.
5. To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to determine their remuneration.
6. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 166 of the Companies Act 1985 ("the Act") to make market purchases (within the meaning of Section 163 of the Act) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares"), provided that:
   (i) the maximum number of Ordinary shares hereby authorised to be purchased is 6,941,788, being 14.99 per cent. of the issued share capital of the Company on 21 May 2009;
   (ii) the minimum price which may be paid for an Ordinary share is 25p;
   (iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall be not more than the higher of (i) 5 per cent. above the average market values of the shares taken from the Daily Official List of the London Stock Exchange for the 5 business days before the purchase is made or that stipulated by Article 5(1) of the Commission Regulation (EC) No. 2273/2003 and, (ii) the higher of the last independent trade and the highest current bid on the trading venue where the purchase is carried out;
   (iv) unless renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2010 or on 21 December 2010 (whichever is the earlier), save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary shares which will or may be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

7. THAT the Directors be and they are hereby generally and unconditionally authorised, in accordance with Section 80 of the Companies Act 1985, in substitution for any existing power to allot relevant securities, to exercise all the powers of the Company to allot relevant securities (within the meaning of the said Section 80) up to an aggregate nominal amount of £578,868 during the period commencing on the date of the passing of this Resolution and expiring at the conclusion of the Annual General Meeting of the Company in 2010 or on 21 December 2010 (whichever is the earlier) but so that this authority shall allow the Company to make, before the expiry of this authority, offers or agreements which would or might require relevant securities to be allotted after such expiry and notwithstanding such expiry, the Directors may allot relevant securities in pursuance of any such offers or agreement.

8. THAT the Directors be and are hereby empowered, pursuant to Section 95 of the Companies Act 1985 (the "Act"):
   (i) subject to the passing of Resolution No. 7 set out in the Notice of this meeting, to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority conferred by Resolution No. 7; and
   (ii) to transfer equity securities (within the meaning of Section 94 of the Act) which are held by the Company as treasury shares,
   in each case as if Section 89 (1) of the Act did not apply to any such allotment or transfer, provided that this power shall be limited to:
      a) the allotment or transfer of equity securities up to an aggregate nominal amount of £578,868, being 5 per cent. of the Company's issued share capital on 21 May 2009; and
      b) the allotment of equity securities at a price which is not less than the undiluted net asset value per Ordinary share at the time of such allotment,

   and shall expire at the conclusion of the Annual General Meeting of the Company in 2010 or on 21 December 2010 (whichever is the earlier), but so that this power shall allow the Company to make, before the expiry of this power, offers or agreements which would or might require equity securities to be allotted or transferred after such expiry and notwithstanding such expiry, the Directors may allot or transfer such securities in pursuance of any such offer or agreement.

9. To approve the continuance of the Company as an investment trust.

One Bow Churchyard
Cheapside, London EC4M 9HH
28 May 2009

By order of the Board
Aberdeen Asset Management PLC
Secretaries

Notes:

(i) A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him/her. on his/her behalf at the Meeting. A proxy need not be a shareholder. The shareholder may appoint more than one proxy, provided that each proxy is appointed to attend, speak and vote in respect of a different share or shares. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman of the meeting) and give instructions directly to them. Appointing a proxy will not prevent a shareholder from attending in person and voting at the meeting. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should, or if you would like to appoint more than one proxy, please contact the Company's Registrar, Computershare Investor Services PLC. on 0870 707 1153. In the case of joint holders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

(ii) To be valid, the appointment of a proxy, and the original or duly certified copy of the power of attorney or other authority, if any, under which it is signed or authenticated, should be sent to the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY so as to arrive not less than forty eight hours before the time fixed for the Meeting.

(iii) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company at 11.00 am on 19 September 2009 (or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting) shall be entitled to attend or vote at the meeting in respect of the number of Ordinary shares registered in their name at that time. In each case, changes to entries on the register of members of the Company after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

(iv) Any shareholder holding 3% or more of the total voting rights of the Company who appoints a person other than the chairman of the meeting as his or her proxy(ies) will need to ensure that both he or she and his/her proxy(ies) comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

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

(vi) A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes (i) and (ii) above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.

(vii) The terms of appointment of the Directors of the Company are available for inspection on any day (except Saturdays, Sundays and bank holidays) from the date of this notice of until the date of the meeting during usual business hours at the registered office of the Company and will, on the date of the Meeting, be available for inspection at the venue of the Meeting from 10.45 am on 21 September 2009 until the conclusion of the Meeting.

(viii) Shareholders are advised that, unless otherwise stated, any telephone number, website or email address which may be set out in this notice of Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

(ix) Following the meeting, the results of the voting at the meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and placed on the Company's website www.newindia-trust.co.uk.

(x) As at 21 May 2009 (being the last practicable date prior to publication of this notice) the Company's issued share capital comprised 46,309,458 Ordinary shares of 25p each. Each Ordinary share carries the right to one vote at a general meeting of the Company. Accordingly, the total number of voting rights in the Company as at 21 May 2009 was 46,309,458.

Corporate Information

Directors
William Salomon, Chairman
Sarah Bates, Chairman Audit and Management Engagement Committee
Ambassador Andrés Rozental
Professor Victor Bulmer-Thomas
Audley Twiston-Davies

Manager
Aberdeen Asset Management Asia Limited
21 Church Street
#01-01 Capital Square Two
Singapore 049480

Secretaries & Registered Office
Aberdeen Asset Management PLC
One Bow Churchyard, Cheapside,
London EC4M 9HH
Registration Number: 2902424

Website
www.newindia-trust.co.uk

Registrar
Computershare Investor Services PLC
PO Box 82, The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 1153
E-mail: web.queries@computershare.co.uk

Stockbrokers
Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Independent Auditors
Ernst & Young LLP
1 More London Place
London SE1 2AF

Your Company's History

Authorised share capital at 31 March and 21 May 2009

200,000,000	Ordinary shares of 25p

Issued Share Capital at 31 March and 21 May 2009

46,309,458	Ordinary shares of 25p
12,760,682	Warrants to subscribe for Ordinary shares at a price of 100p per Ordinary share on 31 July in any of the years to 2010 inclusive (or, if later, the date in any such year after the date on which audited accounts of the Company for the immediately preceding year are despatched to shareholders)

Capital History

11 September 2008	21,708 Ordinary shares issued following the exercise of Warrants
18 June 2008	1,575,000 Ordinary shares purchased by Company for cancellation
13 August 2007	22,900 Ordinary shares issued following the exercise of Warrants
14 August 2006	500 Ordinary shares issued following the exercise of Warrants
7 August 2006	8,600 Ordinary shares issued following the exercise of Warrants
21 July 2005	18,700 Ordinary shares issued following the exercise of Warrants
14 July 2005	Accounting Reference Date changed from 28 February to 31 March
13 December 2004	Name changed from Deutsche Latin American Companies Trust PLC to New India Investment Trust PLC
9 December 2004	Shareholders voted in favour of a special resolution to transfer investment management services to Aberdeen Asset Management Asia Limited ("AAM Asia") and pursue a revised investment objective to provide shareholders with long term capital appreciation by investment in companies which are incorporated in India or which derive significant revenue or profit from India, with dividend yield from the Company being of secondary importance. Under the new management agreement company secretarial, accounting and administration services are provided by AAM Asia's parent Company, Aberdeen Asset Management PLC ("Aberdeen")
3 July 2000	Name changed from Morgan Grenfell Latin American Companies Trust PLC to Deutsche Latin American Companies Trust PLC

Aberdeen