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New India Investment Trust PLC

Annual Report and Accounts
31 March 2010

Aberdeen

Contents

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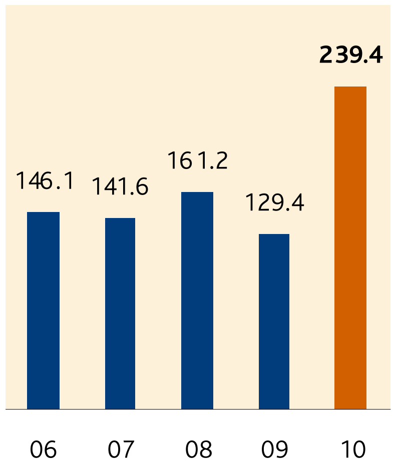
Financial Highlights

	2010	2009
Share price total return	**+95.3%**	–19.1%
Diluted net asset value total return	**+85.1%**	–19.7%
Benchmark total return	**+104.0%**	–33.8%

Source: Aberdeen Asset Managers Limited, Fundamental Data, Factset

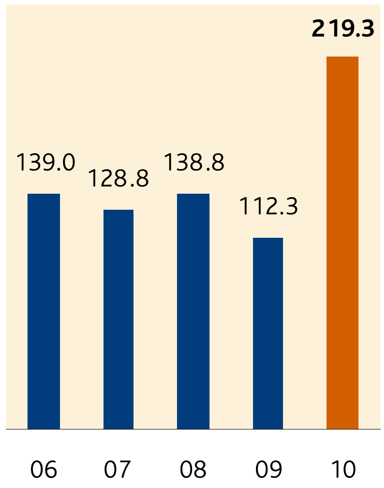
Diluted net asset value per share

At 31 March – pence



Mid-market price per share

At 31 March – pence



Financial Calendar

15 June 2010	Announcement of Annual Financial Report for year ended 31 March 2010
23 September 2010	Annual General Meeting (11.00am)
November 2010	Announcement of Half-Yearly Financial Report for the six months ending 30 September 2010

Corporate Summary

The Company

New India Investment Trust PLC ("New India" or 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 which 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 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).

Currency and Hedging Policy

The Company's financial statements 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 2010.

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 2010 the Company had a capital structure comprising 46,954,143 Ordinary shares of 25p and 12,115,997 Warrants to subscribe for Ordinary shares at 100p per share on 2 August 2010. As at the latest practicable date before the signing of this Report, this capital structure remained unchanged.

Net Asset Value

The Company had total assets of £129.3m, a basic (undiluted) net asset value of 275.4 pence per Ordinary share and a diluted net asset value of 239.4 pence per Ordinary share at 31 March 2010.

Websites

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

Company Secretary

Aberdeen Asset Management PLC, Bow Bells House, 1 Bread Street, London EC4M 9HH
Email: company.secretary@invtrusts.co.uk

Customer Services

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

Principal Risks and Uncertainties

The Board seeks to set out below its view of the principal key risks affecting its business; more detailed information is available in note 17 to the financial statements. 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 Ordinary 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 Ordinary shares and warrants of New India may 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); and
- 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 the Board cannot avoid either in the Company's 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

The financial year under review witnessed a dramatic recovery in share prices around the world and India was no exception. The Company's fully diluted net asset value rose by 85.1% in sterling terms and the basic (undiluted) net asset value rose by 100.4%, compared to the MSCI India Index's rise of 104.0% (all figures on a total return basis). The Company's share price gained by 95.3% (on a total return basis), reflecting a narrowing of the discount to net asset value from 13.2% to 8.4%. While it is always disappointing to underperform the benchmark, I have on previous occasions highlighted your Manager's style and process, which is to lag in liquidity-driven rallies such as that of last year because of a concentration on sound businesses with robust financial positions. Conversely, in weak stock markets when investors focus on fundamentals, your Manager's style tends to result in resilient performance. The table below compares the total return of the benchmark MSCI India Index to the performance of the Manager by reference to the basic net asset value total return which most accurately reflects the nature of the underlying investment portfolio -

	1 year %	3 years %	5 years %
Net asset value per Ordinary share (basic)(total return)	+100.4	+80.3	+204.4
MSCI India Index (sterling adjusted)	+104.0	+74.2	+245.1

The investment case for India remains as strong as ever. Income levels are rising, thanks to an increasingly skilled workforce and robust domestic demand. The economy continued to grow throughout the global recession, with GDP rising by more than 6% year-on-year in the first three quarters of the fiscal year. What is even more remarkable is that this economic performance has been achieved in spite of bureaucracy and a relatively weak fiscal position, which hampered much needed investment in rail, road and power.

The Congress party's sweeping win in the May 2009 elections means that it is no longer beholden to the communist elements or the vagaries of coalition politics, although factions and power bases remain constraints. Under prime minister Manmohan Singh, who as financial minister in 1991 unleashed historic economic reforms, India has an opportunity to implement structural reforms, including an overhaul of its tax code that will help reduce the budget deficit and accelerate infrastructure spending.

Most crucially, the government has vowed to reduce the deficit to 5.5% of GDP this year by cutting costly subsidies on fuel and fertiliser. Significantly, it will no longer be able to keep petroleum subsidies off the balance sheet through the issuance of oil bonds.

This has also spurred the long-delayed auction of licences for the third generation (3G) mobile phone spectrum, which is expected to bring in more than US$7 billion that will be crucial in funding India's extensive social welfare programmes.

Also commendable is the Reserve Bank of India's ("RBI") proactive role in balancing the economy. As with elsewhere in Asia, the tightening cycle is occurring even as the West persists with record low rates. The RBI's interest rates were raised in March 2010, and again in April, to head off inflation. In an effort to broaden the financial sector, the central bank also started issuing commercial banking licences to foreign operators, with Australia's ANZ Bank and Swiss lender Credit Suisse among the first recipients.

What this means for companies is that they are likely to gain confidence in India's regulatory environment. Those in which your Company invests should be particularly adroit at adapting to the changing environment, given their solid balance sheets and robust cashflow. Information about the portfolio's holdings can be found in the Manager's Report on pages 6 to 9 of this Report together with a comprehensive analysis of the portfolio on pages 12 to 14.

Warrants

The final subscription date of the Company's warrants in issue is 2 August 2010. The exercise of the outstanding warrants will result in the issue of an additional 12.1m Ordinary shares, representing an increase of approximately 26% in the Company's issued share capital. Further information for warrant-holders on the final opportunity to exercise the warrants may be found in the Directors' Report on page 21.

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 in previous periods. The Manager's recent performance, long-term track record and well-understood investment style make a good case for their continued appointment. Further information on longer term performance may be found on page 11 of this Report.

Accordingly, your Board recommends that Shareholders vote in favour of resolution No. 8 at the Annual General Meeting, to allow the Company to continue as an investment trust.

Annual General Meeting

The Annual General Meeting ("AGM") will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Thursday, 23 September 2010 at 11.00 a.m.

Ambassador Rozental will be retiring at the AGM. He originally joined the Board in 1997 and has served with great distinction, but has decided that, after 12 years, it is appropriate to step down. The Board thanks him for all his hard work and insight.

As required by the Company's Articles of Association, Professor Bulmer-Thomas will retire and seek re-election at the AGM. Your Board, having reviewed Professor Bulmer-Thomas' proposed re-election, strongly recommends shareholders to vote in favour of his 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 Manager and an opportunity to meet the Directors over coffee following the meeting.

Outlook

Following sharp gains in share prices over the past year, Indian companies are sadly no longer cheap. Valuations are at a premium to their long-run average and to their regional peers. But earnings are well supported by positive long-term growth prospects, which should still reward the long-term investor.

Most importantly, we continue to be impressed by the professionalism and focus of the managements of the companies we hold, which gives us confidence in the future.

William Salomon
Chairman

14 June 2010

Manager's Report

Overview

In the 12 months ended 31 March 2010, the portfolio's fully diluted net asset value rose by 85.1% in sterling terms while the basic net asset value rose by 100.4%, compared with a gain in the benchmark, the MSCI India Index, of 104.0%.

Our investments in IT firms such as Infosys Technologies, Tata Consultancy Services and MphasiS served us particularly well as they rebounded sharply on higher global IT spending. Another source of positive relative performance was our financial holding, Housing Development Finance Corporation, which registered solid profit growth thanks to rising loan demand.

On the other hand, Bharti Airtel was the key laggard. Its shares were depressed by concerns about domestic competition, its failed bid for MTN and its takeover of Zain Telecommunications' African operations. Nonetheless, there are reasons for optimism. Bharti's expansion plans have been focused on emerging markets, where it is able to compete and add value. Its purchase of Zain's infrastructure assets in Africa also gives the mobile phone operator an opportunity to complement its strong position in the domestic market where, despite competition, it is generating profits and positive operational cash flow.

The portfolio's zero weighting in the energy sector, which significantly underperformed the overall market, contributed considerably to relative out-performance. Specifically, we do not hold index heavyweight Reliance Industries, which lagged the broader market amid a gas-pricing dispute between the Ambani brothers as well as an uncertain outlook for the company's refining margins. As bottom-up stock pickers with a stringent emphasis on quality, we remain unconvinced by Reliance's aggressive expansion into non-core businesses.

Our large exposure to the defensive consumer staples sector, however, detracted from our relative return as it underperformed in the wake of rising risk appetite. Still, from our perspective, consumer-focused companies remain appealing because of the potential for growth in domestic demand and our conviction in the quality of their business franchises. It should also be noted that, despite lagging the overall market, the portfolio's consumer staples holdings outperformed that sector.

In aggregate, the year under review was exceptional. The Indian stockmarket staged a spectacular rebound after a dismal 2008, one of the worst years in global financial markets. Domestic equities regained favour with investors and attracted robust fund inflows from abroad. Economically, the downturn in India was relatively shallow and brief as the economy, which is driven largely by its domestic market, is still fairly well shielded from the volatility of global markets – unlike many of its Asian counterparts.

In line with the strength in the economy, most businesses reported excellent corporate earnings for both the September and December quarters and, for those so far released, for the March quarter too.

Despite the outstanding market gains over the past 12 months, our long-term views have not changed. We remain comfortable with the portfolio's current positioning and are committed to investing in quality companies run by competent, shareholder-friendly management. We are confident that this strategy, which has steered us through different business and market cycles, will yield good results over the longer term.

Economic News

India largely sidestepped the global recession and maintained its growth trajectory on account of strong policy support and its relatively small export sector. The government's targeted stimulus measures and the Reserve Bank of India's ("RBI") interest rate cuts proved pivotal in underpinning domestic demand throughout the crisis.

GDP expanded by a remarkable 7.9% year-on-year in the July-September quarter, even as other major world economies remained weak. Although growth slowed to 6.0% in October-December as poor rains hurt agricultural output, manufacturing activity remained robust. Exports also picked up towards the end of 2009 as the global economic recovery gained traction. The improved backdrop led the government to upgrade its GDP forecast for the fiscal year ending March 2010 to almost 8%.

Meanwhile inflation, originally fed by a weak monsoon and elevated agricultural prices, started spreading to other sectors. The wholesale price index witnessed a rise of almost 10% year-on-year in February 2010. The higher cost of food, commodities and manufactured goods, coupled with the economic turnaround, compelled the RBI to alter its policy stance – from nurturing growth to managing inflation. Apart from increasing banks' reserve requirements to 5.75%, the RBI also raised both its short-term lending and borrowing rates by 0.25 percentage points, to 5.00% and 3.50% respectively. At the time of writing, RBI had hiked all three policy rates by another 0.25%.

Turning to politics, the Congress party returned to power with a strong mandate, allowing it to govern without stubborn coalition members and their conflicting interests. Expectations that the re-elected government would pursue extensive reforms were high, but the 2009 budget dashed these hopes. The government, however, did not disappoint in 2010, as it unveiled a pro-growth budget in February.

Not only was spending on priority areas such as infrastructure and the rural sector maintained, the government also committed to reducing the fiscal deficit, which is now projected to reach almost 7% of GDP in the fiscal year ending March 2010.

The shift towards greater fiscal prudence was particularly promising, given concerns that its high public spending and borrowing programme could jeopardise the country's long-term credit rating. However, India's economic resilience during the global downturn and its high growth potential saw Moody's and Standard & Poor's raise the country's outlook towards the period-end, on hopes that healthy growth will improve public finances.

Indian equities performed extremely well over the year under review and were among the best performers in Asia. The MSCI India Index gained 104.0% in sterling terms, compared to a 67.5% rise in the MSCI Asia Pacific (ex Japan) Index. Much of the marked upswing can be traced to a revival in foreign buying on the back of reduced risk aversion, supported by better economic and corporate fundamentals.

Sector Views

Information Technology

Software and IT services are areas in which India has significant competitive advantage, given its well-educated, English-speaking, inexpensive workforce and a flourishing scientific culture. Over the year, the sector made substantial gains as domestic software companies posted increasingly solid results. Margins improved and demand picked up as their customers in the US and Europe resumed spending.

We remain major investors in leading software outsourcing companies Infosys Technologies and Tata Consultancy Services. Both delivered good March year-end financials. Infosys also restarted its campus hiring efforts after temporarily suspending recruitment last year in view of the global economic downturn.

In addition, we hold shares in software developer MphasiS, which posted robust quarterly sales and earnings growth. Not only has MphasiS gained from the synergy with its parent EDS, it has also benefited from the working relationship with its shareholder Hewlett-Packard, which is both the company's largest customer as well as a project partner. We added to the stock during the period as valuations remained attractive.

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 had to absorb the upsurge in energy prices, but the subsidy burden remains heavy on downstream companies such as Bharat Petroleum and Hindustan Petroleum. There have been no commitments to reform the energy market. On a positive note, however, this is one of the areas that Manmohan Singh's government is keen to address.

In view of the industry challenges and a lack of transparency and predictability, we have chosen not to have an exposure to the sector. We reiterate our reservations about holding index heavyweight Reliance Industries because its expansion into untested oil and gas exploration and forays into retail and industrial park activities are, to our mind, overly ambitious. These are areas that require extensive capital outlay and ones in which the company has neither a proven track record nor a competitive advantage.

Financials

We have a large exposure to the financial sector, as we see the banks playing a central role in providing finance for consumer spending. Our core holdings are ICICI Bank, a leading lender whose strength is in the urban retail segment, and Housing Development Finance Corporation ("HDFC"), the largest and most proficient domestic mortgage company. Overall, HDFC, as the more conservative of the two banks, has weathered the liquidity crunch better. As such, we maintain a larger weight in HDFC than in ICICI Bank. During the year, we introduced HDFC's associate holding HDFC Bank, a commercial lender with a well-established retail and corporate banking franchise. It is led by one of the best management teams in Indian banking and has high net interest margins as well as low non-performing loan ratios.

HDFC's sound capital position has enabled it to manage growth across its many businesses. Over the period, HDFC raised close to US$1 billion through a mix of zero coupon non-convertible debentures and warrants placed to domestic institutions, which it will use to capitalise its associate holding HDFC Bank and fund growth.

ICICI Bank has been strengthening its balance sheet, consolidating its capital and slowing the expansion of its loan book. Furthermore, it reined in risk by trimming its overseas exposure. The new CEO, Chanda Kochhar, is committed to bolstering its deposit base before pursuing further loan growth. March year-end results showed the lender continuing to strengthen its capital base.

Consumer Discretionary

The consumer discretionary sector has huge growth potential in view of India's expanding middle class and rising disposable incomes.

However, the automotive sector has been experiencing a fall in demand following a period of unprecedented expansion. Most companies also face tighter margins amid increasingly intense competition. Comparatively, the motorcycle market has been more resilient – motorcycles are relatively affordable and often seen as a necessity rather than a luxury.

We hold Hero Honda, the country's biggest two-wheeler manufacturer. Hero Honda has continued to grow, winning back market share from rival Bajaj Auto, by utilising its superior rural distribution network and introducing a more attractive range of models. During the year, we pared our holding in the company following strong share price appreciation.

Consumer Staples

We have three holdings in the fast-moving consumer goods sector. Hindustan Unilever is the locally listed subsidiary of Unilever which makes and distributes brands such as Lux, Fair & Lovely, Pepsodent and Lifebuoy. ITC, an associate of British American Tobacco, has a thriving core business in tobacco and a diversified portfolio of businesses that includes packaged food and confectionery products as well as paper, packaging and hotels. Both these companies have strong brands and broad, effective distribution networks across India. We also hold Godrej Consumer Products, a leader in the personal, hair, household and fabric care segments.

These consumer staples companies have managed their cost structures well even as demand remained at healthy levels. Their steadfast March-quarter results attest to the continued strength of their businesses.

Materials

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 firm housing demand and infrastructure spending. We took advantage of the rally to topslice our position in the stock during the year.

We complemented our position in Grasim with Ambuja Cements, which we introduced during the period. Owned and controlled by the Swiss cement group Holcim, Ambuja Cements has a substantial network of production and distribution facilities. Holcim recently increased its stake in the company and expects to use it as a channel to access India's long-term demand for cement. Both Grasim and Ambuja Cements enjoyed good volume growth on the back of stable demand and pricing.

Additionally, we established a position in Castrol India, a globally recognised brand which has proved resilient in the downturn. Our other investments in this sector are Akzo Nobel India, which produces and markets paints, and Kansai Nerolac Paints, a subsidiary of Japan's Kansai Paint.

Healthcare

Despite the increasingly challenging regulatory environment in the US, a major export market, India has a considerable competitive advantage in the pharmaceutical sector, given its relatively low costs and access to talent.

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) which leverage on their low-cost manufacturing strengths to penetrate overseas markets.

Sun Pharmaceutical's bid to acquire Israeli generic drugmaker Taro Pharmaceutical remains unresolved. Taro's promoters have been reluctant to proceed with an earlier agreement to sell the company, while independent minority shareholders voted against Taro's management that had backed Sun's bid.

Separately, Caraco, Sun's listed subsidiary in the US, had its manufacturing operations suspended for failing to meet good manufacturing practices promulgated by the US Food and Drug Administration. Sun has since replaced the senior management team at Caraco and has been working towards compliance. We are cautiously optimistic that the new team will be able to turn operations around. The impact on earnings is not expected to exceed 15% of the consolidated profit after tax.

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 investment plan. Part-owned by Indian Rails, Container Corporation is a near-monopolistic provider of rail freight and logistics.

Utilities

We are investors 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. GAIL won government approval to lay 5,000km of new pipeline and plans to invest Rs5 billion in its gas business as well as look to overseas petrochemical projects. Additionally, its board approved over Rs80 billion for the extension of the country's gas pipeline network from Uttar Pradesh to West Bengal. We trimmed our position in GAIL during the review period on relative price strength.

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.

Telecommunication Services

Despite their dominance, or perhaps because of it, large telecommunications players such as Bharti Airtel, Reliance Communications, Vodafone and Idea continue to battle fiercely to maintain market share. Some regulatory developments have proved beneficial. For example, in order to minimise red tape, the government is mulling a single telecom licence in place of 17 service-specific ones. It has also allowed industry players to share tower infrastructure and reduce capex requirements. Third-generation (3G) licensing and infrastructure requirements continue to cast a pall of uncertainty over the industry. The Ministry of Communications and Information Technology postponed the introduction of mobile number portability, but the 3G spectrum auction had begun at the time of writing after several delays.

We do not hold Reliance Communications, preferring to invest in Bharti Airtel, a leading integrated telecom services provider with a 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 dominant position in the local cellular market and we took advantage of price weakness to add to our holding during the period.

Strategy

Looking ahead, economic newsflow is likely to remain on the whole positive, although authorities are facing new headwinds. The leading areas of concern are the large fiscal deficit and inflationary pressures – both politically sensitive issues. Encouragingly, the government seems keen to improve its weak fiscal position, and already, the RBI has increased rates even as the major economies in the West maintain very loose monetary conditions. Raising interest rates, however, presents fresh dilemmas. On the one hand, it could attract a large inflow of hot money, inflating asset price bubbles. On the other, higher borrowing costs could impede the rise in consumer spending and compromise India's growth. The critical priority is for policymakers to contain inflationary trends without suffocating growth or threatening market stability.

Yet, India still offers great investment opportunities, with its abundance of strong home-grown companies and listed subsidiaries of multinationals. Also working in the country's favour are its excellent demographics, entrepreneurial talent and dynamic long-term growth prospects. While remaining watchful over our holdings in the portfolio, we will continue to be disciplined and consistent in applying our proven investment philosophy and approach.

Aberdeen Asset Management Asia Limited
Manager

14 June 2010

Results

Financial Highlights

	31 March 2010	31 March 2009	% change
Total equity shareholders' funds (net assets)	£129,320,000	£63,653,000	+103.2
Share price (mid market)	219.25p	112.25p	+95.3
Warrant price (mid market)	115.25p	22.25p	+418.0
Net asset value per share (basic)	275.42p	137.45p	+100.4
Net asset value per share (diluted)	239.44p	129.36p	+85.1
Discount to diluted net asset value	8.4%	13.2%	
Total return/(loss) per share	139.19p	(41.03p)	
Revenue (loss)/return per share	(0.63p)	0.18p	
Revenue reserves per share	1.79p	2.45p	
Prospective gross portfolio yield [A]	1.1%	2.0%	
MSCI India portfolio yield [A]	0.9%	1.7%	
Prospective portfolio P/E ratio [B]	20x	15x	
Operating costs			
Total expense ratio (see definition on page 54)	1.6%	1.8%	

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

[B] Consensus broker views.

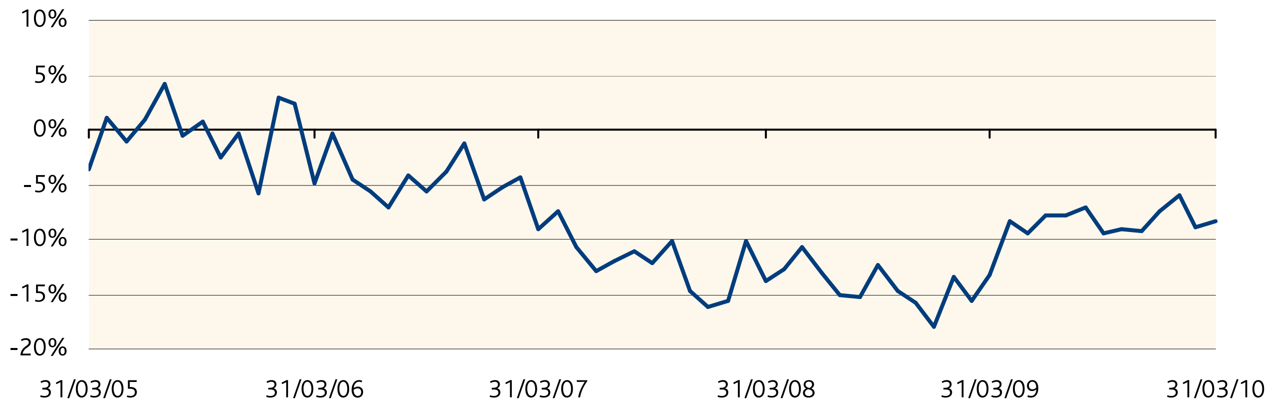
Performance (total return)

	1 year % return	3 year % return	5 year % return
Share price	+95.3	+70.3	+151.6
Net asset value per Ordinary share (basic)	+100.4	+80.3	+204.4
Net asset value per Ordinary share (diluted)	+85.1	+69.1	+164.6
MSCI India Index (sterling adjusted)	+104.0	+74.2	+245.1

Performance

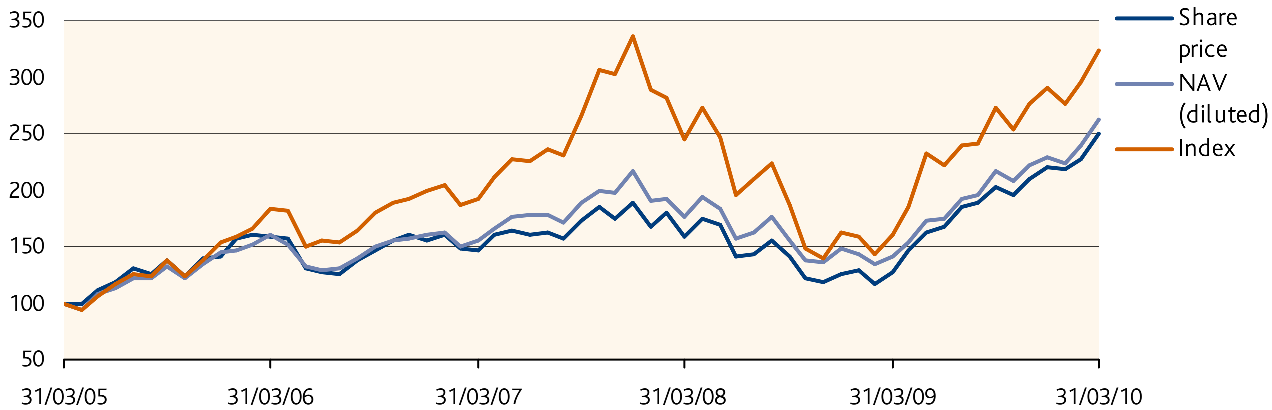
Share Price Premium/(Discount) to Diluted NAV

Five years to 31 March 2010



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

Five years to 31 March 2010 (rebased to 100 at 31 March 2005)



Ten Year Financial Record

Year to 31 March	2001	2002	2003	2004	2005[A]	2006	2007	2008	2009	2010
Total revenue (£'000)	1,478	1,706	1,128	1,306	1,857	1,175	1,212	1,073	1,347	1,335
Per share										
Net revenue return (p)	0.41	0.47	0.61	0.97	0.84	(0.03)	0.04	(0.89)	0.18	(0.63)
Total return (p)	(14.05)	(1.77)	(33.28)	31.36	9.29	65.47	(5.75)	24.85	(41.03)	139.19
Net dividends paid/proposed (p)[B]	0.20	0.20	0.30	0.70	0.70	–	–	–	–	–
Net asset value per share										
Basic (p)	89.27	87.56	53.98	84.65	93.12	158.47	152.71	177.52	137.45	275.42
Diluted (p)	89.27	87.56	53.98	84.65	93.12	146.12	141.58	161.18	129.36	239.44
Shareholders' funds (£'000)	43,085	41,863	25,810	40,471	44,800	75,797	73,054	84,968	63,653	129,320

The figures for 2001 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 2010

Company	Sector	Valuation 2010 £'000	Net assets 2010 %	Valuation 2009 £'000
Housing Development Finance Corporation Leading domestic mortgage provider with a leading distribution network, cost structure and balance sheet quality.	Financials	12,760	9.9	6,095
Infosys Technologies One of the leading information technology companies in India.	Information Technology	12,171	9.4	6,390
ICICI Bank Leading commercial bank group with a strong presence in insurance, brokerage and asset management activities.	Financials	9,176	7.1	2,499
Tata Consultancy Services A major information technology and software service provider.	Information Technology	8,568	6.6	3,017
Grasim Industries[A] Building materials producer and distributor with interests in cement, viscose fibre and sponge iron.	Materials	6,650	5.1	3,703
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	6,296	4.9	3,609
ABB India The local subsidiary of Asea Brown Boveri, the Swiss-based engineering company.	Industrials	5,787	4.5	2,786
GlaxoSmithKline The India-listed subsidiary of the world's second-largest pharmaceutical company has a strong product pipeline and enviable distribution channels.	Healthcare	4,804	3.7	2,989
Godrej Consumer Products Professionally run company with strong brand portfolios in soaps, hair care and insecticides. Has been supplementing its core Indian business with acquisitions in Africa and Asia.	Consumer Staples	4,597	3.6	2,225
Gujarat Gas Listed subsidiary of British Gas that distributes gas for both commercial and consumer customers in the state of Gujarat.	Utilities	4,276	3.3	1,979
Top ten investments		**75,085**	**58.1**	

[A] Comprises equity and GDR holdings.

Investment Portfolio – Other Investments

As at 31 March 2010

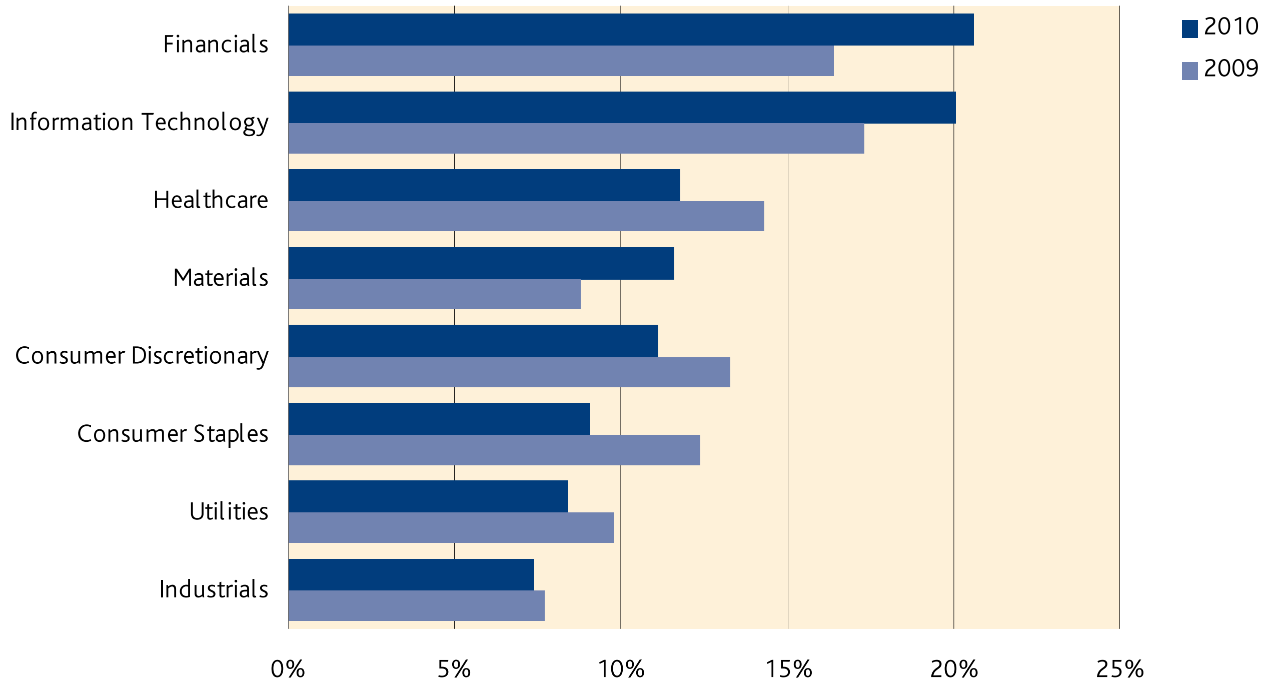
Company	Sector	Valuation 2010 £'000	Net assets 2010 %	Valuation 2009 £'000
HDFC Bank	Financials	4,253	3.3	–
Piramal Healthcare	Healthcare	4,224	3.3	1,804
ITC	Consumer Staples	4,200	3.2	2,758
Ambuja Cements[A]	Materials	4,060	3.1	–
Bharti Airtel	Consumer Discretionary	4,054	3.1	2,457
Bosch	Consumer Discretionary	3,947	3.1	2,234
Container Corporation of India	Industrials	3,827	3.0	1,977
MphasiS	Information Technology	3,601	2.8	998
Gail (India) GDR	Utilities	3,597	2.8	2,614
Sun Pharmaceutical Industries	Healthcare	3,156	2.4	2,583
Top twenty investments		**114,004**	**88.2**	
Aventis Pharma	Healthcare	2,995	2.3	1,502
Hindustan Unilever	Consumer Staples	2,954	2.3	2,743
Tata Power	Utilities	2,925	2.3	1,531
Kansai Nerolac Paints	Materials	2,212	1.7	701
CMC	Information Technology	1,574	1.2	352
Akzo Nobel India	Materials	1,216	0.9	–
Castrol India	Materials	808	0.6	–
Bank of Baroda	Financials	422	0.3	1,592
Total investments		**129,110**	**99.8**	
Net current assets		**210**	**0.2**	
Net assets		**129,320**	**100.0**	

[A] Comprises equity and GDR holdings.

Sector Analysis

As at 31 March 2010

Sector Breakdown



Stock Contribution to NAV Performance

Year to 31 March 2010

Stock name	Weight at 31/03/10 %	Returns %	Contribution to return %	Contribution to NAV return p
Housing Development Finance	9.9	117.5	11.7	16.1
Infosys Technologies	9.4	113.5	11.0	15.2
ICICI Bank	7.1	210.5	10.5	14.4
Tata Consultancy Services	6.6	215.9	9.4	12.9
Grasim Industries	5.1	93.7	5.8	8.0
ABB India	4.5	107.8	5.3	7.3
Hero Honda Motors	4.9	97.0	4.7	6.5
MphasiS	2.8	228.0	4.0	5.5
Godrej Consumer Products	3.6	111.6	4.0	5.5
Piramal Healthcare	3.3	136.2	3.9	5.4
Bank of Baroda	0.3	190.2	3.7	5.1
GlaxoSmithKline	3.7	77.1	3.0	4.2
Gail (India) GDR	2.8	82.1	2.9	4.0
Container Corporation of India	3.0	94.9	2.9	4.0
Gujarat Gas	3.3	121.5	2.8	3.8
Tata Power	2.3	92.8	2.5	3.4
Bosch	3.1	70.1	2.1	2.9
CMC	1.2	358.5	2.0	2.8
Aventis Pharma	2.3	100.9	1.9	2.6
Kansai Nerolac Paints	1.7	218.2	1.9	2.6
Sun Pharmaceutical Industries	2.4	73.9	1.9	2.6
ITC	3.3	54.9	1.9	2.5
HDFC Bank	3.3	0.0	1.7	2.3
Ambuja Cements	3.1	0.0	1.1	1.4
Bharti Airtel	3.1	8.5	1.0	1.4
Akzo Nobel India	0.9	47.8	0.7	1.0
Castrol India	0.6	0.0	0.6	0.8
Hindustan Unilever	2.3	10.4	0.4	0.5
Total (equities at 100%)	99.9		105.3	144.7
Cash	0.1		(0.4)	(0.5)
Total fund return	100.0		104.9	144.2
Management fee & expenses	–		(4.5)	(6.2)
NAV per share return (basic)	100.0		100.4	138.0
Dilution impact on return	–		(15.3)	(27.9)
NAV per share return (diluted)	**100.0**		**85.1**	**110.1**

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 Stock Exchange.

Worldwide, the Aberdeen Group manages a combined £170.9 billion, as at 31 March 2010, 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 336 staff based in the region as at 31 March 2010.

Total funds in the region are over £45.1 billion as at 31 March 2010.

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

The Aberdeen Group manages 31 investment companies and other closed end funds representing £11.2 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.

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.

Flavia Cheong
Investment Director
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.

Chou Chong
Investment Director
Chartered Financial Analyst and Double Masters in Accounting & Finance and Information Systems from the London School of Economics. Joined AAM Asia in 1994.

Andrew Gillan
Senior 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.

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 AAM Asia in 2005 from MSCI Barra where he was an equity research analyst.

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, we 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. Directors' interests in the Company's Ordinary shares and/or warrants is shown as at 14 June 2010, the date of approval of this Report.

William Salomon

Status: Chairman and Independent Non-Executive Chairman
Length of service: 5 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
Last re-elected to the Board: 2008
Remuneration: £25,000 per annum
All other public company directorships: Hansa Trust PLC, Ocean Wilsons Holdings Limited and Wilson Sons Limited
Shared directorships with other Directors: Ocean Wilsons Holdings Limited (Ambassador Andrés Rozental)
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: 5 years, appointed a Director on 9 December 2004
Experience: Former CIO and CEO of Invesco UK and a former director of Invesco India Fund (an offshore Indian mutual fund). Currently adviser to the Royal College of Surgeons and the East Riding Pension Fund, 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 deputy Chairman of the Association of Investment Companies and chairman of its audit committee, chairman of Rutley Russia Property Fund and of the Trustees of the Stena Line (UK) Pension.
Last re-elected to the Board: 2008
Remuneration: £22,500 per annum
All other public company directorships: Witan Pacific Investment Trust PLC, Invesco English and International Trust plc, St. James's Place plc, JPMorgan American Investment Trust plc and Development Securities PLC (Chairman of the Audit Committee)
Shared directorships with other Directors: None
Shareholding in Company: 27,705 Ordinary shares

Professor Victor Bulmer-Thomas CMG OBE

Status: Independent Non-Executive Director
Length of service: 6 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. Currently a non-executive director of JPMorgan Brazil Investment Trust PLC, Emeritus Professor of Economics at London University and an adviser to governments and multinational companies on macroeconomic policy and corporate strategy
Last re-elected to the Board: 2007
Remuneration: £20,000 per annum
All other public company directorships: JPMorgan Brazil Investment Trust PLC
Shared directorships with other Directors: None
Shareholding in Company: 22,020 Ordinary shares

Ambassador Andrés Rozental

Status: Independent Non-Executive Director
Length of service: 12 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
Last re-elected to the Board: 2009
Remuneration: £20,000 per annum
All other public company directorships: Chairman of ArcelorMittal Mexico, a director of ArcelorMittal Brazil, Fumisa S.A de C.V. (Mexico) and Chairman of Grupo Industral Omega (Mexico)

Shared directorships with other Directors: Ocean Wilsons Holdings Limited (William Salomon)
Shareholding in Company: None

Audley Twiston-Davies

Status: Independent Non-Executive Director
Length of service: 6 years, appointed a Director on 5 February 2004
Experience: 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
Last re-elected to the Board: 2009
Remuneration: £20,000 per annum
All other public company directorships: Chairman of TR European Growth Trust PLC
Shared directorships with other Directors: None
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 2010.

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 Report on pages 6 to 9. This includes a review of the business of the Company, its principal activities as well as 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 25 to 29), 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 page 10 of this Report.

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.

Principal Activity

The business of the Company is that of an investment trust investing in India. The investment 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 in England & Wales under company number 2902424, is an investment company as defined in Section 833 of the Companies Act 2006, and is 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 2009. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 March 2010 so as to be able to continue to obtain approval as an investment trust under Section 1158 of the Corporation Tax Act 2010 (formerly 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 Corporation Tax Self Assessment regime.

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

Directors

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

The Directors at the year end and their beneficial interests in the share capital of the Company both at 31 March 2010, and at 1 April 2009, were as follows:

	At 31 March 2010		At 1 April 2009	
	Ordinary shares	Warrants	Ordinary shares	Warrants
W Salomon, Chairman	285,000	-	285,000	-
S Bates	27,247	-	23,712	-
Professor V Bulmer-Thomas	22,020	-	22,020	50,000
Ambassador A Rozental	-	-	-	-
A W Twiston-Davies	-	164,000	-	164,000

Subsequent to the period end, Mrs Bates acquired 458 Ordinary shares as a result of monthly subscriptions to the Aberdeen Investment Share Plan. Save as aforementioned, the Directors' beneficial interests were unchanged at the date of this Report.

Ambassador Rozental has indicated that he shall retire as a Director at the conclusion of the next Annual General Meeting.

As required by the Articles of Association, each Director must retire and seek re-election at every third Annual General Meeting; accordingly, Professor Bulmer-Thomas will retire at the Annual General Meeting and, being eligible, offers himself for re-election. Professor Bulmer-Thomas' biography and experience are disclosed on page 18. The non-retiring Directors have reviewed the contribution to the Board of Professor Bulmer-Thomas and strongly encourage shareholders to vote in favour of his proposed re-election.

No Director has a service contract with the Company. No Directors have any interests in contracts with the Company.

Directors' Insurance and Indemnities

Under the Company's Articles of Association ("the Articles"), adopted at its AGM held on 19 September 2008, the Company has indemnified 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 Company 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 2010, 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 agreement is terminable by either the Company or AAM Asia 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 2010 are shown in note 4 to the financial statements. 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 2010 (2009 - nil).

In monitoring the performance of the Manager, the Board considers the investment approach and investment record of the Manager over shorter and longer-term periods, taking into account the Company's performance against the benchmark index and peer group funds. In the year under review, members of the Board visited 19 companies in India accompanied by representatives of the Manager's investment team. The Board was able, therefore, to observe and assess the research meetings conducted by the Manager. The Board also reviews the management processes, risk control mechanisms and marketing activities of the Manager and, as a result of this review, considers that 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.

Share Capital and Warrants

On 14 August 2009, the Company issued 644,685 new Ordinary shares to Warrant-holders who had exercised their right to subscribe for Ordinary shares, resulting in a total of 46,954,143 Ordinary shares in issue and 12,115,997 Warrants remaining in issue.

The final subscription date of the Company's warrants in issue is 2 August 2010. Warrant-holders will receive a separate letter with the Annual Report setting out how they may exercise the warrants and receive Ordinary shares in the Company for a fixed price of 100p per Ordinary share. In the event that there remain unexercised warrants following the final subscription date, the Company shall arrange for an independent trustee to be appointed who will, provided that the Ordinary share price exceeds 100p, exercise the rights attaching to the warrants, sell the resulting new Ordinary shares created by the Company and remit the net proceeds to warrant-holders, after deducting the fees for the trustee's appointment and related costs.

Environmental Policy

As an investment trust, the Company has no direct social or environmental responsibilities. Its focus is on ensuring that its portfolio is properly managed and invested. The Company has, however, adopted an environmental policy, details of which are set out in the Corporate Governance Report.

Special Business at the Annual General Meeting

Share Repurchases

At the Annual General Meeting held on 21 September 2009, 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. 5 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 14 June 2010, being the nearest practicable date to the signing of this Report, (amounting to 7,038,426 Ordinary shares). Such authority will expire on the date of the next Annual General Meeting. 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. 5.

Issue of Shares

Ordinary resolution No. 6 in the Notice of Annual General Meeting will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £586,926 (equivalent to 2,347,707 Ordinary shares, or 5 per cent of the Company's existing issued share capital on 14 June 2010, being the nearest practicable date to the signing of this Report). Such authority will expire on the date of the next Annual General Meeting which means that the authority will have to be renewed at the next Annual General Meeting or, if earlier, if the authority has been exhausted.

When shares are to be allotted for cash, the Companies Act 2006 (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. 7 will, if passed, give the Directors power to allot for cash equity securities up to an aggregate nominal amount of £586,926 (equivalent to 2,347,707 Ordinary shares, or 5 per cent of the Company's existing issued share capital at 14 June 2010, being the nearest practicable date to the signing of this Report), as if Section 561(1) of the Act did not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to resolution No. 6. This authority will expire on the date of the next Annual General Meeting which means that the authority will have to be renewed at the next Annual General Meeting or, if earlier, if the authority has been exhausted. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authorities given by resolutions 6 and 7 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. 7, if passed, will give the Directors authority to sell Ordinary shares held in treasury on a non pre-emptive basis. 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 No. 6 and No. 7.

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. 8, that the Company continues as an investment trust, and the Directors recommend that shareholders support the continuance of the Company.

Corporate Governance

The Statement of Corporate Governance is shown on pages 25 to 29.

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued share capital of the Company as at 31 May 2010, being the latest practicable date prior to the approval of this Report.

Shareholder	Number of shares held	% held
Clients of Aberdeen Asset Management	10,374,374	22.1
Lazard Asset Management	9,703,324	20.7
City of London Investment Management	7,112,232	15.2
F&C Asset Management	3,180,000	6.8
Aberdeen Investment Trusts – ISA and Share plans	1,678,455	3.6

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.

Going Concern

In accordance with the Financial Reporting Council's guidance on Going Concern and Liquidity Risk issued in October 2009 the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares which in most circumstances are realisable within a very short timescale. The Directors are mindful of the principal risks and uncertainties disclosed on page 3 and in note 17 to the financial statements and have reviewed forecasts detailing revenue and liabilities; accordingly, the Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future and at least 12 months from the date of this Annual Report. This is also 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 as it has been in the years since it was put in place.

Independent Auditors

Ernst & Young LLP have expressed their willingness to continue in office. Resolution No. 4, 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.

Annual General Meeting

The Notice of Annual General Meeting, which will be held on 23 September 2010, is contained on pages 55 to 58.

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 27. 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 date of the approval of this Report are listed on pages 18 and 19. Each of these Directors confirms that:

- to the best of each Director's 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, Secretaries
Bow Bells House, 1 Bread Street
London EC4M 9HH

14 June 2010

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 June 2008 (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; and
- 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 Board has not appointed a Senior Independent Director; further information may be found in 'The Board'.

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 and considers her to have recent and 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 ("Aberdeen"), 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.

During the period under review, a thorough evaluation of the Board was implemented by way of a questionaire developed 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 Board's policy on tenure is set out on page 27.

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 capital 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; and
- 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 Secretaries 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 Secretaries through their 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; and
- 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 2010, the Board met formally 4 times. In addition, there were 3 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 investment report 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 (with eligibility to attend in brackets):

Director	Board Meetings Attended	Audit & Management Engagement Committee Meetings Attended
W H Salomon, Chairman	4 (4)	3 (3)
S C Bates	4 (4)	3 (3)
Professor V G Bulmer-Thomas	4 (4)	3 (3)
Ambassador A Rozental	4 (4)	3 (3)
A W Twiston-Davies	3 (4)	2 (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 ('the Committee'), chaired by Sarah Bates throughout the year, has been established with written terms of reference and comprises the full Board. The terms of reference of the Audit and Management Engagement Committee, which are available on request and via the Company's website, are reviewed and re-assessed for their adequacy on an annual basis. There were three meetings held during the period.

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 half-yearly financial report 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 year under review, no fees (2009 - nil) were paid to the external 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 ('whistleblowing');
- 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 2010 meeting, the Audit and Management Engagement 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 annually reviews matters concerning the Investment Management Agreement which exists between the Company and AAM Asia, details of which are shown in note 4 and 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 31.

Appointments to the Board of Directors are considered by the whole Board which fulfils the role of a nomination committee. 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, in line with the AIC Code, any Director serving for a period longer than nine years is required to stand for annual re-election.

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, 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 22 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 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 Directors' Responsibilities in respect of the Financial Statements is on page 30, and the Statement of Going Concern is included in the Directors' Report on page 23. The Independent Auditors' Report is on page 32.

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 FRC Guidance').

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 maintain its own 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
- twice a year, 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 and Management Engagement 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 each investee company in the portfolio, and for attending investee company meetings, if appropriate. 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 company's management.

By order of the Board
Aberdeen Asset Management PLC, Secretaries
Bow Bells House
1 Bread Street
London EC4M 9HH

14 June 2010

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.

Under company law, the Directors must not approve the Group financial statements unless they are satisfied that they present fairly the financial position of the Group, the financial performance and cash flows of the Group for that period. In preparing the Group 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 Group’s financial position and financial performance;
- state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- make judgments and estimates that are reasonable and prudent.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s financial transactions and 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 2006 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

14 June 2010

Directors' Remuneration Report

The Board has prepared this Report, in accordance with the requirements of Schedule 421 to the Companies Act 2006. 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 March 2010 meeting, and concluded that, with effect from 1 April 2010, the Directors' annual fees would be increased to £25,000 for the Chairman, £22,500 for the Chairman of the Audit & Management Engagement Committee and £20,000 for each other Director.

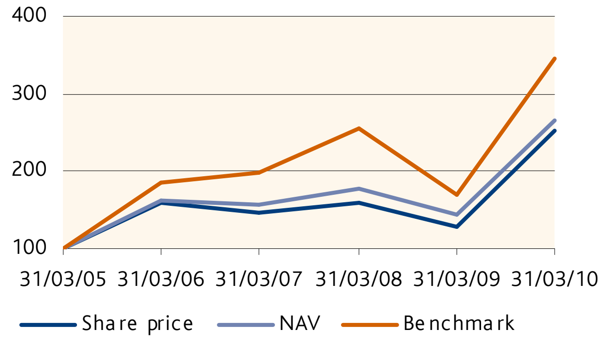
During the year ended 31 March 2010, the Chairman received fees of £20,000, the Audit and Management Engagement Committee Chairman received £17,500 and the other Directors received £15,000. Directors' and Officers' liability insurance cover is held by the Company in respect of the Directors and is neither 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. 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 2005, compared with the total shareholder return on a notional investment made in the MSCI India Index since that date (both in sterling terms). This benchmark has been chosen as it is 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 2010 £	Year ended 31 March 2009 £
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 2010 (2009 – nil).

By order of the Board
Aberdeen Asset Management PLC, Secretaries
Bow Bells House
1 Bread Street, London, EC4M 9HH

14 June 2010

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

We have audited the financial statements of New India Investment Trust PLC for the year ended 31 March 2010 which comprise the Group Statement of Comprehensive Income, Group and Company Balance Sheets, Group Statement of Changes in Equity, Company Statement of Changes in Equity, Group and Company Cash Flow Statements and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 31 March 2010 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulations.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Statement of Corporate Governance set out on pages 25 to 29 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 23, in relation to going concern; and
- the part of the Statement of Corporate Governance on pages 25 to 29 relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Caroline Gulliver (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

14 June 2010

Group Statement of Comprehensive Income

	Notes	Year ended 31 March 2010 Revenue return £'000	Year ended 31 March 2010 Capital return £'000	Year ended 31 March 2010 Total £'000	Year ended 31 March 2009 Revenue return £'000	Year ended 31 March 2009 Capital return £'000	Year ended 31 March 2009 Total £'000
Investment income	3						
Dividend income		1,330	–	1,330	1,322	–	1,322
Interest income		5	–	5	25	–	25
Total revenue		1,335	–	1,335	1,347	–	1,347
Gains/(losses) on investments held at fair value through profit or loss	10(a)	–	65,516	65,516	–	(19,157)	(19,157)
Currency losses		–	(200)	(200)	–	(61)	(61)
		1,335	65,316	66,651	1,347	(19,218)	(17,871)
Expenses							
Investment management fees	4	(996)	–	(996)	(718)	–	(718)
VAT recoverable on investment management fees	20	–	–	–	33	–	33
Other administrative expenses	5	(633)	–	(633)	(563)	(2)	(565)
(Loss)/profit before tax and finance charges		(294)	65,316	65,022	99	(19,220)	(19,121)
Finance costs	6	–	–	–	(6)	–	(6)
(Loss)/profit before tax		(294)	65,316	65,022	93	(19,220)	(19,127)
Taxation	7	(1)	–	(1)	(8)	–	(8)
(Loss)/profit for the year		**(295)**	**65,316**	**65,021**	**85**	**(19,220)**	**(19,135)**
Return per Ordinary share (pence)	9						
Basic		**(0.63)**	**139.82**	**139.19**	**0.18**	**(41.21)**	**(41.03)**
Diluted		**(0.57)**	**126.06**	**125.49**	**0.17**	**(39.18)**	**(39.01)**

The Group does not have any income or expense that is not included in (loss)/profit for the year, and therefore the "(Loss)/profit for the year" is also the "Total comprehensive income for the year", as defined in IAS 1 (revised).

All of the profit/(loss) and total comprehensive income is attributable to the equity holders of the parent company. There are no minority interests.

The total column of this statement represents the Statement of Comprehensive Income of the Group, prepared in accordance with IFRS. The revenue and capital 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.

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

Group and Company Balance Sheets

	Notes	Group As at 31 March 2010 £'000	Company As at 31 March 2010 £'000	Group As at 31 March 2009 £'000	Company As at 31 March 2009 £'000
Non-current assets					
Investments held at fair value through profit or loss	10	129,110	129,269	62,215	62,874
Current assets					
Cash at bank	11	289	82	2,090	803
Other receivables	12	220	40	190	42
Total current assets		509	122	2,280	845
Total assets		129,619	129,391	64,495	63,719
Current liabilities					
Bank overdraft	11	–	–	(623)	–
Other payables	13	(299)	(71)	(219)	(66)
Total current liabilities		(299)	(71)	(842)	(66)
Net assets		**129,320**	**129,320**	**63,653**	**63,653**
Share capital and reserves					
Ordinary share capital	14	11,739	11,739	11,577	11,577
Share premium account		12,290	12,290	11,807	11,807
Special reserve		15,778	15,778	15,778	15,778
Warrant reserve		3,801	3,801	4,003	4,003
Warrant exercise reserve		228	228	26	26
Capital redemption reserve		4,484	4,484	4,484	4,484
Capital reserve	15	80,160	80,182	14,844	14,840
Revenue reserve		840	818	1,134	1,138
Equity shareholders' funds		**129,320**	**129,320**	**63,653**	**63,653**
Net asset value per Ordinary share (pence):	16				
Basic		**275.42**	**275.42**	**137.45**	**137.45**
Diluted		**239.44**	**239.44**	**129.36**	**129.36**

The financial statements were approved by the Board of Directors and authorised for issue on 14 June 2010 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 2010

	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 2009	11,577	11,807	15,778	4,003	26	4,484	14,844	1,134	63,653
Net gain/(loss) on ordinary activities after taxation	–	–	–	–	–	–	65,316	(295)	65,021
Return of unclaimed dividends	–	–	–	–	–	–	–	1	1
Issue of share capital upon exercise of warrants	162	483	–	(202)	202	–	–	–	645
Balance at 31 March 2010	**11,739**	**12,290**	**15,778**	**3,801**	**228**	**4,484**	**80,160**	**840**	**129,320**

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)/gain 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**

Company Statement of Changes in Equity

Year ended 31 March 2010

	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 2009	11,577	11,807	15,778	4,003	26	4,484	14,840	1,138	63,653
Net gain/(loss) on ordinary activities after taxation	–	–	–	–	–	–	65,342	(321)	65,021
Return of unclaimed dividends	–	–	–	–	–	–	–	1	1
Issue of share capital upon exercise of warrants	162	483	–	(202)	202	–	–	–	645
Balance at 31 March 2010	**11,739**	**12,290**	**15,778**	**3,801**	**228**	**4,484**	**80,182**	**818**	**129,320**

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**

Group and Company Cash Flow Statements

	Notes	Year ended 31 March 2010 Group £'000	Year ended 31 March 2010 Company £'000	Year ended 31 March 2009 Group £'000	Year ended 31 March 2009 Company £'000
Operating activities					
Profit/(loss) before tax		65,022	65,021	(19,127)	(19,135)
(Gains)/losses on investments held at fair value through profit or loss		(65,516)	(65,389)	19,157	19,042
Net losses on foreign exchange		200	47	61	20
Net (purchases)/sales of investments held at fair value through profit or loss		(1,379)	(1,006)	3,454	2,860
Decrease in amounts due from brokers		–	–	113	–
(Increase)/decrease in other receivables		(31)	2	(95)	(18)
Decrease in amounts due to brokers		(11)	–	(446)	–
Increase/(decrease) in other payables		91	5	(135)	(43)
Finance costs		–	–	6	6
Net cash (outflow)/inflow from operating activities before interest and corporation tax		(1,624)	(1,320)	2,988	2,732
Corporation tax paid		–	–	(46)	–
Net cash (outflow)/inflow from operating activities		(1,624)	(1,320)	2,942	2,732
Financing activities					
Exercise of warrants		645	645	23	23
Return of unclaimed dividends		1	1	–	–
Purchase of own shares		–	–	(2,203)	(2,203)
Finance costs		–	–	(6)	(6)
Net (decrease)/increase in cash and cash equivalents		(978)	(674)	756	546
Cash and cash equivalents at the start of the year		1,467	803	772	277
Effect of foreign exchange rate changes		(200)	(47)	(61)	(20)
Cash and cash equivalents at the end of the year	11	**289**	**82**	**1,467**	**803**

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

1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010 ("s1158") (formerly Section 842 of the Income and Corporation Taxes Act 1988).

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

2. Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and interpretations issued by the International Reporting Interpretations Committee of the IASB (IFRIC).

(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 2010. 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"): 'Financial Statements of Investment Trust Companies and Venture Capital 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 adopted IAS 1 (revised) during the year.

The Company adopted the extended disclosure requirements within IFRS 7 for accounting periods beginning on or after 1 January 2009. The extended disclosure requirements introduced a fair value hierarchy and this is disclosed in note 19.

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

- IFRS 9 – Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after 1 January 2013). This standard has not yet been adopted by the EU.
- Amendments to IFRS 1 – First-time Adoption of IFRSs and Additional Exemptions for First-time Adopters (effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 respectively).
- Amendments to IFRS 2 – Group Cash-settled Share-based Payments (effective for annual periods beginning on or after 1 January 2010).
- Amendments to IFRS 3 & IAS 27 – Business Combinations (effective for annual periods beginning on or after 1 July 2009).
- Amendments to IAS 24 – Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011).
- Amendments to IAS 32 – Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010).
- Amendments to IAS 39 – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2010).
- IFRIC 17 – Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009).
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2009).
- Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after 1 January 2011).

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 Statement of Comprehensive Income

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Group Statement of Comprehensive Income between items of revenue and capital nature has been presented in the Group Statement of Comprehensive Income. In accordance with the Company's status as a UK investment company under Section 833 of the Companies Act 2006, net capital returns may not be distributed by way of dividend.

(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 Statement of Comprehensive Income 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 Statement of Comprehensive Income. 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 Statement of Comprehensive Income except as follows:

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

3. Income	**Year ended 31 March 2010 £'000**	**Year ended 31 March 2009 £'000**
Income from investments		
Overseas dividends	1,330	1,322
Bond interest	–	2
	1,330	1,324
Other operating income		
Deposit interest	5	23
Total income	**1,335**	**1,347**

4. Investment management fees	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Investment management fees	**996**	**718**

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 £200,000 (2009 – £100,000). All investment management fees are charged 100% to the revenue column of the Group Statement of Comprehensive Income.

There was no performance fee due to the Manager for the year (2009 – £nil).

5. Other administrative expenses – revenue	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Directors' fees	87	88
Marketing contribution	64	58
Auditors' remuneration		
– fees payable to the Group's auditors for the audit of the Group's annual accounts	25	25
– fees payable to the Group's auditors for the audit of the Company's subsidiary annual accounts	6	5
– 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
Legal and advisory fees	53	35
Custodian and overseas agents' charges	220	168
Other	178	179
	633	**563**

Directors' fees include US$7,815 (2009 – US$7,875) paid in respect of the Directors of New India Investment Company (Mauritius) Limited.

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 £64,000 (2009 – £58,000) and no amount was due to AAM PLC at the year end (2009 – £nil).

Other administrative expenses – capital	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Issuance fee relating to a bonus issue on holding in Gail (India) GDR	**–**	**2**

6. Finance costs	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Bank overdraft interest	**–**	**6**

7.	(a)	Tax on ordinary activities	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
		Current tax:		
		Overseas taxation	**1**	**8**

(b) Factors affecting the tax charge for the year

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

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Profit/(loss) before tax	65,022	(19,127)
Corporation tax on profit/(loss) at the standard rate of 28% (2009 – 28%)	18,206	(5,356)
Effects of:		
(Gains)/losses on investments held at fair value through profit or loss not taxable (see note below)	(18,344)	5,365
Currency losses not taxable	56	17
Effect on subsidiary of different tax rate levied in another jurisdiction	83	(18)
Total tax charge	**1**	**8**

The Company is exempt from corporation tax on capital gains provided it obtains agreement from HM Revenue & Customs that the tests within Section 1158 of the Corporation Tax Act 2010 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 2010 (2009 – £nil) as no distributable profit was generated by the Parent Company.

During the year, the subsidiary Company made no dividend payment (2009 – £135,000) to the parent Company, and the net amount due to the parent Company at the year end was £nil (2009 – £nil).

During the year an amount of £1,000 (2009 – £nil) was refunded in respect of unclaimed dividends from previous years.

9. Return per Ordinary share

The basic earnings per Ordinary share is based on the net profit after taxation of £65,021,000 (2009 – net loss after taxation of £19,135,000) and on 46,713,932 (2009 – 46,640,119) 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 5,099,802 (2009 – 2,417,518), to a total of 51,813,734 (2009 – 49,057,637) 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 2010			Year ended 31 March 2009		
Basic	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Net (loss)/profit (£'000)	(295)	65,316	65,021	85	(19,220)	(19,135)
Weighted average number of Ordinary shares in issue			46,713,932			46,640,119
Return per Ordinary share (pence)	(0.63)	139.82	139.19	0.18	(41.21)	(41.03)

	Year ended 31 March 2010			Year ended 31 March 2009		
Diluted	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Net (loss)/profit (£'000)	(295)	65,316	65,021	85	(19,220)	(19,135)
Weighted average number of Ordinary shares in issue			51,813,734			49,057,637
Return per Ordinary share (pence)	(0.57)	126.06	125.49	0.17	(39.18)	(39.01)

10. Investments held at fair value through profit or loss	**Year ended 31 March 2010 £'000**	**Year ended 31 March 2009 £'000**
(a) Group		
Opening book cost	50,515	57,850
Opening investment holdings fair value gains	11,700	26,976
Opening valuation	62,215	84,826
Movements in the year:		
Purchases at cost (see section (c) below)	11,513	12,632
Sales – proceeds	(10,134)	(16,086)
– realised net gains/(losses)	5,853	(3,881)
Increase/(decrease) in investment holdings gains	59,663	(15,276)
Closing valuation	**129,110**	**62,215**

	£'000	**£'000**
Closing book cost	57,747	50,515
Closing investment holdings fair value gains	71,363	11,700
Closing valuation	**129,110**	**62,215**

Gains/(losses) on investments	**£'000**	**£'000**
Realised gains/(losses) on sales of investments	5,853	(3,881)
Increase/(decrease) in investment holdings gains	59,663	(15,276)
	65,516	**(19,157)**

(b) Company

	Year ended 31 March 2010 Investment in subsidiary £'000	Listed overseas £'000	Total £'000	Year ended 31 March 2009 Investment in subsidiary £'000	Listed overseas £'000	Total £'000
Opening book cost	41,150	2,169	43,319	41,545	1,714	43,259
Opening investment holdings fair value gains	18,583	972	19,555	39,948	1,569	41,517
Opening valuation	59,733	3,141	62,874	81,493	3,283	84,776
Movements in the year:						
Purchases	–	1,853	1,853	–	2,932	2,932
Sales – proceeds	–	(847)	(847)	(3,004)	(2,788)	(5,792)
– realised net gains	–	514	514	2,609	311	2,920
Increase/(decrease) in investment holdings fair value gains	62,330	2,545	64,875	(21,365)	(597)	(21,962)
Closing valuation	**122,063**	**7,206**	**129,269**	**59,733**	**3,141**	**62,874**

	Year ended 31 March 2010 Investment in subsidiary £'000	Listed overseas £'000	Total £'000	Year ended 31 March 2009 Investment in subsidiary £'000	Listed overseas £'000	Total £'000
Closing book cost	41,150	3,689	44,839	41,150	2,169	43,319
Closing investment holdings fair value gains	80,913	3,517	84,430	18,583	972	19,555
Closing valuation	**122,063**	**7,206**	**129,269**	**59,733**	**3,141**	**62,874**

Gains/(losses) on investments	As at 31 March 2010 £'000	As at 31 March 2009 £'000
Realised gains on sales of investments	514	2,920
Increase/(decrease) in investment holdings gains	64,875	(21,962)
	65,389	**(19,042)**

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 Statement of Comprehensive Income, and are included within gains/(losses) on investments at fair value through profit or loss in the Statement of Comprehensive Income. The total costs were as follows:

	Year ended 31 March 2010 Group £'000	Year ended 31 March 2010 Company £'000	Year ended 31 March 2009 Group £'000	Year ended 31 March 2009 Company £'000
Purchases	39	–	40	3
Sales	40	–	51	1
	79	**–**	**91**	**4**

11. Cash and cash equivalents	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
Cash at bank	289	82	2,090	803
Bank overdraft	–	–	(623)	–
	289	**82**	**1,467**	**803**

12. Other receivables	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
Prepayments and accrued income	209	40	145	9
VAT recoverable on investment management fees	–	–	33	33
Current tax recoverable	11	–	12	–
	220	**40**	**190**	**42**

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

13. Other payables	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
Amounts due to brokers	–	–	11	–
Other payables	299	71	208	66
	299	**71**	**219**	**66**

14. Ordinary share capital	2010 Number	2010 £'000	2009 Number	2009 £'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	46,309,458	11,577	47,862,750	11,966
Warrants exercised during the year	644,685	162	21,708	6
Purchase of own shares	–	–	(1,575,000)	(395)
Balance carried forward	**46,954,143**	**11,739**	**46,309,458**	**11,577**

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 2010, there were 12,115,997 Warrants in issue (31 March 2009 – 12,760,682), each Warrant carrying the right to subscribe for one new Ordinary share of 25p in the Company on 2 August 2010.

During the year, 644,685 (2009 – 21,708) Warrants were exercised at a price of 100p each, creating 644,685 (2009 – 21,708) new Ordinary shares which were issued for a total consideration of £644,685 (2009 – £21,708). As a result of this, £202,251 (2009 – £6,810) was transferred from the Warrant Reserve to the Warrant Exercise 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 to 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 repurchase 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 were credited to the capital reserve of the Company.

As at 31 March 2010, there was one warrant in issue (2009 – 1) carrying the right for the Company to subscribe for 37,945,000 (2009 – 37,945,000) new Ordinary shares of 10p in the subsidiary 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 2009.

15. Capital reserves	**2010 £'000**	**2009 £'000**
Group		
At 1 April 2009	14,844	34,064
Currency loss	(200)	(61)
Movement in investment holdings fair value gains/(losses)	59,663	(15,276)
Gain/(loss) on sales of investments	5,853	(3,881)
Issuance fee relating to a bonus issue	–	(2)
At 31 March 2010	**80,160**	**14,844**

The capital reserve includes gains of £71,363,000 (31 March 2009 – £11,700,000) which relate to the revaluation of investments held at the reporting date.

Company	2010 £'000	2009 £'000
At 1 April 2009	14,840	33,904
Currency loss	(47)	(20)
Movement in investment holdings fair value gains/(losses)	64,875	(21,962)
Gain on sales of investments	514	311
Gain on redemption of Warrant	–	2,609
Issuance fee relating to a bonus issue	–	(2)
At 31 March 2010	**80,182**	**14,840**

The capital reserve includes gains of £84,430,000 (31 March 2009 – £19,555,000) which relate to the revaluation of investments held at the reporting date.

16. Net asset value per Ordinary share

The basic net asset value per Ordinary share is based on a net asset value of £129,320,000 (2009 – £63,653,000) and on 46,954,143 (2009 – 46,309,458) 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 12,115,997 (2009 – 12,760,682) Warrants, were exercised on the first day of the financial year at 100p per share, giving a total of 59,070,140 (2009 – 59,070,140) 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 2010 and 31 March 2009 was as follows:

	Total (per Balance Sheet)		Floating rate	
Type	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Cash at bank – Sterling	288	314	288	314
Cash at bank – US Dollar	1	489	1	489
Cash at bank – Indian Rupee	–	1,287	–	1,287
Total	**289**	**2,090**	**289**	**2,090**

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 2010 and 31 March 2009 was as follows:

	Total (per Balance Sheet)		Floating rate	
Type	2010 £'000	2009 £'000	2010 £'000	2009 £'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 2010			31 March 2009		
	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000
US Dollar	7,206	1	7,207	3,141	489	3,630
Indian Rupee	121,904	–	121,904	59,074	1,407	60,481
	129,110	**1**	**129,111**	**62,215**	**1,896**	**64,111**

At 31 March 2010, the exchange rate of the Indian Rupee against the reporting currency Sterling was £1: INR 68.101 compared with an exchange rate of £1: INR 72.721 at 31 March 2009. Based on continuing to hold the same investments in the same quantities from 1 April 2009 to 31 March 2010, 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 £4,007,000 (2009 – £7,869,000).

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, whose primary exchange is London, and Grasim Industries GDR and Ambuja Cements GDR, whose primary exchange is Luxembourg.

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 2010 would have increased /(decreased) by £32,278,000 (2009 – increased/(decreased) by £15,554,000) 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 considered to be 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; and
- 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:

	2010 £'000	2009 £'000
Debt		
Bank overdraft	**–**	**623**
Equity		
Equity share capital	11,739	11,577
Retained earnings and other reserves	117,581	52,076
	129,320	**63,653**
Debt as a % of net assets	**0.0%**	**1.0%**

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 (2009 – nil).

19. Fair value hierarchy

The Company adopted the amendments to IFRS 7 'Financial Instruments: Disclosures' effective from 1 January 2009. These amendments require an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie as prices) or indirectly (ie derived from prices); and

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy at 31 March 2010 as follows:

Group	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	129,110	–	–	129,110
Net fair value		**129,110**	**–**	**–**	**129,110**

Company	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	7,206	–	–	7,206
Investment in Subsidiary	b)	–	122,063	–	122,063
Net fair value		**7,206**	**122,063**	**–**	**129,269**

a) Quoted equities

The fair value of the Group's investments in quoted equities have been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) Investment in Subsidiary

The fair value of the Company's investment in its Subsidiary has been determined by reference to the Subsidiary company's net asset value at the reporting date and hence are categorised in Fair Value Level 2.

20. VAT recoverable

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.

In 2009 the Company's former Manager, DWS Investment Trust Managers Limited, refunded £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 may 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 £10,200 in New India Investment Trust PLC can be made through Aberdeen's Stocks and Shares ISA in the tax year 2010/2011.

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.

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

The Ordinary share price and Warrant price for New India Investment Trust PLC appear under the heading 'Investment Companies' in the Financial Times.

For internet users, detailed information on New India Investment Trust PLC, including the latest Ordinary share price, warrant price and daily net asset value, as well as performance information and a monthly fact sheet, is available on the Company's website (www.newindia-trust.co.uk).

Contact Us

For information on New India Investment Trust PLC, or for any administrative queries relating to the Investment Trust Share Plan, Investment Plan for Children, Investment Trust ISA or ISA Transfer, please visit www.invtrusts.co.uk or 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 direct shareholding, in New India Investment Trust PLC, please contact the Registrar, as follows:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 1153
Website: www.investorcentre.co.uk
Email: Select 'Contact Us' via the above website

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 Bow Bells House, 1 Bread Street, Cheapside, London EC4M 9HH, at 11.00 a.m. on 23 September 2010 for the following purposes:

To consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 4 inclusive, and resolutions 6 and 8 will be proposed as Ordinary resolutions, and resolutions 5 and 7 will be proposed as Special resolutions:

1. To receive the Directors' Report and Financial Statements for the year ended 31 March 2010, together with the auditors' report thereon.
2. To receive and adopt the Directors' Remuneration Report.
3. To re-elect Professor Bulmer-Thomas as a Director.
4. To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to determine their remuneration.
5. THAT, in substitution for any existing authority under Section 166 of the Companies Act 1985 but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares"), and to cancel or hold these shares in treasury provided that:
   (i) the maximum number of Ordinary shares hereby authorised to be purchased is 7,038,426, being 14.99 per cent. of the issued share capital of the Company on 14 June 2010;
   (ii) the minimum price which may be paid for an Ordinary share is 25p (exclusive of expenses);
   (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; and
   (iv) unless renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2011, 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.

6. THAT, in substitution for any existing authority under Section 80 of the Companies Act 1985 but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and they are hereby generally and unconditionally authorised, in accordance with Sections 551 of the Companies Act 2006 to allot equity securities (within the meaning of the said Section 551) up to an aggregate nominal amount of £586,926 (representing approximately 5 per cent. of the Company's issued share capital at 14 June 2010) 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 2011 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.

7. THAT subject to the passing of resolution numbered 6 above ("the Section 551 resolution") and in substitution for any existing authority under Section 95(1) of the Companies Act 1985 but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors of the Company be empowered in accordance with Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 (1), (2) and (3) of the Act) either pursuant to the Section 551 resolution or by way of a sale of treasury shares, in each case as if Section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:

   (a) the allotment of equity securities (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £586,926 (representing approximately 5 per cent. of the Company's issued share capital at 14 June 2010); and

   (b) in connection with or the subject of an offer or invitation, open for acceptance for a period fixed by the Directors, to holders of Ordinary shares and such other equity securities of the Company as the Directors may determine on the register of members on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities, (but subject to such exclusions, limits or restrictions or other arrangements as the Directors of the Company may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of, or requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever); and such power shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2011, but so that this power shall enable the Company to make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement as if such expiry had not occurred.

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

Bow Bells House
1 Bread Street, London EC4M 9HH
14 June 2010

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 or 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 48 hours (excluding non-working days) 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 21 September 2010 (or, if the meeting is adjourned, 48 hours (excluding non-working days) 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) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

(vi) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (3RA50) by 11.00am on 21 September 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

(vii) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(viii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(ix) 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.

(x) 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.

(xi) 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 until the conclusion of the Meeting.

(xii) 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.

(xiii) 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.

(xiv) Further information regarding the meeting is available from www.newindia-trust.co.uk

(xv) Under Section 338 of the Companies Act 2006, members may require the Company to give, to members of the company entitled to receive this notice of meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting. Under Section 338A of that Act, members may request the company to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business.

(xvi) It is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting: or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

(xvii) As at 14 June 2010 (being the last practicable date prior to publication of this notice) the Company's issued share capital comprised 46,954,143 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 14 June 2010 was 46,954,143.

(xviii) There are special arrangements for holders of shares through Aberdeen's Investment Plan for Children, Investment Trust Share Plan and Investment Trust Individual Savings Account ('ISA'). These are explained in the separate 'Letter of Direction' which such holders will have received with this Annual Report.

Corporate Information

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

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Cannon Bridge
25 Dowgate Hill
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Independent Auditors
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1 More London Place
London SE1 2AF

Your Company's History

Issued Share Capital at 31 March and 14 June 2010

46,954,143	Ordinary shares of 25p
12,115,997	Warrants to subscribe for Ordinary shares at a price of 100p per Ordinary share on 2 August 2010

Capital History

5 August 2009	644,685 Ordinary shares issued following the exercise of Warrants
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