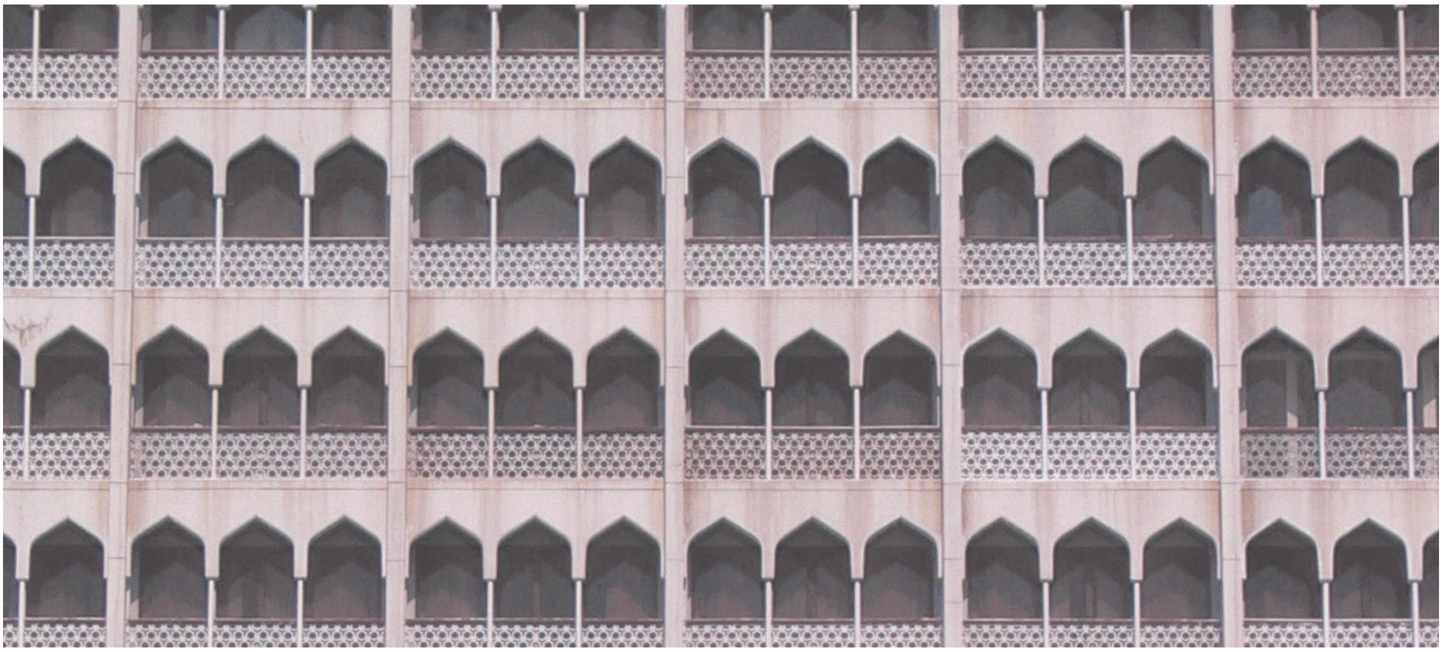
New India Investment Trust PLC

Annual Report and Accounts
31 March 2014



Aberdeen

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If you have sold or otherwise transferred all your Ordinary shares in New India Investment Trust PLC, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Strategic Report – Company Summary and Financial Highlights

The Company
The Company is an investment trust and its Ordinary shares are listed on the London Stock Exchange. The Company aims to attract long term private and institutional investors wanting to benefit from the growth prospects of Indian companies.

What is an Investment Trust?
Investment trusts are a way to make a single investment that gives you a share in a much larger portfolio. A type of collective investment, they let you spread your risk and access investment opportunities you might not find on your own.

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.

Company Benchmark
MSCI India Index (Sterling-adjusted).

Manager
The Company is managed by Aberdeen Asset Management Asia Limited ("AAM" or the "Manager").

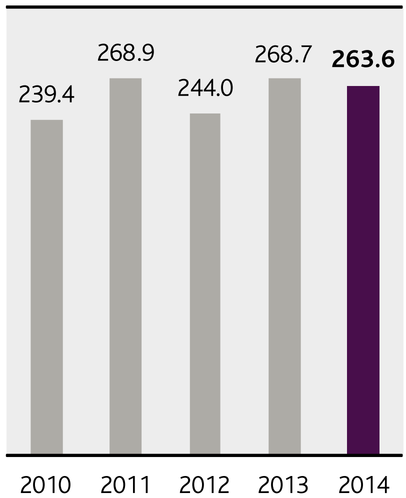
Website
Up-to-date information can be found on the Company's website - www.newindia-trust.co.uk

Financial Highlights

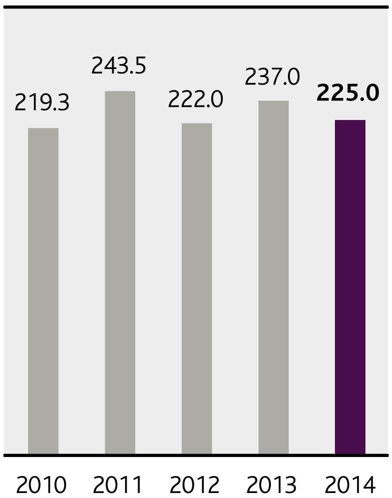
	2014	**2013**
Share price total return	–5.1%	+6.8%
Net asset value total return	–1.9%	+10.1%
Benchmark total return	–2.8%	+7.6%

Source: Aberdeen Asset Managers Limited, Fundamental Data, Factset.

Net asset value* per share
At 31 March – pence



Mid-market price per share
At 31 March – pence



* Diluted value used for 2010.

Strategic Report – Overview of Strategy

Introduction

The Company aims to attract long term private and institutional investors wanting to benefit from the growth prospects of Indian companies.

The business of the Company is that of an investment trust and the Directors do not envisage any change in this activity in the foreseeable future. The Company's overall objective and financial highlights are shown on page 1. A review of the Company's activities is given in the Chairman's Statement on pages 4 to 6 and the Manager's Report on pages 7 to 10. This includes a review of the business of the Company and its principal activities, likely future developments of the business and details of any acquisition of its own shares by the Company.

Key Performance Indicators (KPIs)

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The KPIs identified for the Company are the performance of both the Net Asset Value and the Share Price as compared to the performance of the MSCI India Index return (Sterling-adjusted). A record of these measures is disclosed on page 11.

Business Model and Investment Policy

The Company is overseen by a Board of independent non-executive directors and its present business model is to outsource the majority of its activities as opposed to employing personnel directly. The Company has engaged Aberdeen Asset Management Asia Limited ("the Manager") to undertake investment management and other key functions.

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'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. The Company may also, where appropriate, invest in open-ended collective investment schemes and closed-end funds which invest in India and are listed on the Indian stock exchanges. The Company is free to invest in any particular market segment or geographical region of India or 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 Company from holding a more or less concentrated portfolio) but with due consideration given to spreading investment risk.

Borrowing policy

The Company is permitted to borrow up to 25% of its net assets (measured when new borrowings are incurred). It is intended that this power should be used to leverage the Company's portfolio in order to enhance returns when and to the extent that it 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 flexibility of investment policy. As at 31 March 2014, the Company had no borrowing facility in place.

Currency and Hedging Policy

The Company's financial statements are maintained in Sterling while, because of its investment focus, many of the Company's investments are denominated and quoted in currencies other than Sterling, including in particular, the Indian Rupee. Although it is not the Company's present intention to do so, the Company 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 appropriate, although it is expected that this would primarily be the Indian Rupee.

Investment Restrictions

It is the investment policy of the Company to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts). The Company does not have any investments in other listed investment companies at 31 March 2014.

Principal Risks and Uncertainties

The Board has identified the principal risks and uncertainties affecting its business. 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 the Company.

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 overall value of the portfolio;

- a lack of appropriate stock selection by the Company's Manager;
- factors which affect the discount to net asset value at which the Ordinary shares of the Company 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 Company's Ordinary shares can be traded on the London Stock Exchange;
- insolvency of a custodian or sub-custodian combined with a shortfall in the assets held by that custodian or sub-custodian arising from fraud, operational errors or settlement difficulties resulting in a loss of assets owned by the Company; and
- changes in or breaches of the complicated set of statutory, tax and regulatory rules within which the Company seeks to conduct its business.

Some of these risks can be mitigated or managed to a greater or lesser extent by the actions of the Board in appointing competent investment 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.

Other financial risks are detailed in note 16 to the Financial Statements.

Alternative Investment Fund Managers Directive

Shareholders may be aware of the Alternative Investment Fund Managers Directive (the "AIFMD"), which creates a European-wide framework for regulating managers of alternative investment funds ("AIF"s). The AIFMD is intended to reduce systemic risk created by the financial sector and aims to improve regulation, enhance transparency and investor protection, develop a single EU market for AIFs and implement effective mechanisms for micro- and macroprudential oversight. The AIFMD came into force in July 2013 but a transitional period means that investment companies have until July 2014 to comply with the relevant regulations.

Listed investment companies such as New India Investment Trust PLC fall within the definition of an AIF. After consideration, the Board has agreed in principle to appoint a subsidiary of Aberdeen Asset Management PLC as the Company's AIFM.

The Board is currently in the process of finalising the appointment of a depositary as well as revising the investment management agreement, both consequences of implementing the AIFMD, and expects to be able to conclude these agreements prior to July 2014.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge in order to allow the Board to fulfill its obligations. At 31 March 2014, there were four male Directors and one female Director.

Environmental, Social and Human Rights Issues

The Company has no employees as it is managed by Aberdeen Asset Managers Limited. There are therefore no disclosures to be made in respect of employees. The Company's socially and environmentally responsible investment policy is outlined on page 28.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from the operations of its Company, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Duration

The Company does not have a fixed life but an Ordinary resolution to continue the Company is put to shareholders at each AGM.

William Salomon
Chairman

30 May 2014

Strategic Report - Chairman's Statement

William Salomon
Chairman

Highlights

• Share Price Total Return -5.1%
• Net Asset Value Total Return -1.9%
• Benchmark Total Return -2.8%

During the year ended 31 March 2014, your Company's net asset value fell by 1.9% to 263.55p. The Ordinary share price fell by 5.1% to 225.0p. The discount to net asset value rose from 11.8% to 14.6%. By comparison, the benchmark MSCI India Index declined 2.8%.

In local currency terms, Indian equities made healthy gains over the review period; however, your Company's absolute returns were hampered by the weak Indian Rupee which fell 21% against Sterling over the year ended 31 March 2014. Nevertheless, your Company outperformed the benchmark, benefiting from a disciplined, long-term approach to stock-picking.

At first, investors were undeterred by India's lumbering economy, which was beset by slowing growth, current account and fiscal deficits, and persistently high inflation. However, when the US Federal Reserve (Fed) hinted it would begin to trim asset purchases because of an improving economy, emerging markets quickly shed their lustre, with India proving more vulnerable than most. Its equities and currency tumbled on the back of a capital flight, leaving authorities scrambling for short-term fixes, such as restricting gold imports, to support markets and improve its trade balance.

Economist Raghuram Rajan's appointment as the head of the Reserve Bank of India (RBI) in September heralded a turning point in sentiment. He moved quickly to shore up the beleaguered Rupee and announced a raft of reforms to liberalise the financial sector and encourage capital inflows. Investors were cheered by his decisiveness and sense of urgency; characteristics that India's policy-makers had been sorely lacking. However, the three interest rate hikes under his watch proved more contentious, as the RBI's unwavering focus on fighting inflation appeared unsupportive of economic growth. Markets also wobbled on the news that the Fed would finally begin winding up its asset purchases in January, after months of speculation.

More recently, pre-election exuberance had propelled equities to new heights. Many Indians lost patience with the incumbent Congress Party which had lost its way, prioritising grand and expensive populist policies over growth-generating reforms and much-needed investment in infrastructure development. A sizeable chunk of the population have pinned their hopes on the pro-business Bharatiya Janata Party (BJP), helmed by Narendra Modi. The BJP and its allies have won 330 seats giving them a clear victory the likes of which has not been seen in India in several decades. Such was the extent of Modi's landslide win that he will be able to govern without the impediments of a coalition partner. The hope now is that the BJP will begin implementing decisive change and start an investment cycle which will improve domestic infrastructure and create new jobs for the growing workforce.

For most of the year under review, investors favoured defensive businesses, such as pharmaceuticals, and those with offshore earnings, including many in the IT sector, unencumbered by the sluggish local economy and currency weakness. Meanwhile, the recent pre-election run-up has particularly favoured cyclical stocks, on expectations of increased infrastructure spending under a new government. This has seen the beginnings of a rebound in the materials and industrials sectors. Your Company's outperformance was particularly helped by its exposure to the IT and healthcare sectors. It also benefited from its financial holdings. Private-sector lenders, such as ICICI Bank, held up well, while state-owned banks, none of which your Company owns (with exception of Jammu and Kashmir Bank) suffered on the back of questionable asset quality. A more thorough discussion follows in the Manager's Report.

As testament to India's array of compelling investment opportunities, the number of stocks in the portfolio has more than doubled from 18 to 37 in the decade since your Company moved to the current India mandate from its previous Latin America focus. Among the most notable additions were ICICI Bank, Infosys and ITC as well as ACC, Ambuja Cements, Bharti Airtel, Castrol, Gruh Finance, HDFC Bank, Hindustan Unilever, ING Vysya, Jammu & Kashmir Bank, Kansai Nerolac Paints, Linde India, Lupin, Mphasis, Nestle India, Piramal Enterprises, and Ultratech Cement.

The portfolio's composition has also evolved: exposure to cement stocks doubled to 9%, reflecting their excellent long-term growth drivers, while the weighting to oil and gas stocks shrank from 14% to less than 2% given the challenging operating environment, in which these businesses are required to subsidise energy prices. We held Bharat Petroleum and Oil & Natural Gas Corporation for a period. However, the regulator often required these companies to work for the national interest at the expense of minority shareholders, which eventually persuaded us to sell. Elsewhere, the portfolio's exposure to government-linked corporations fell from 20% to under 5% due to their divided interests, which diminished the focus on shareholder value.

Several holdings have performed exceptionally well over the last ten years, rewarding your Company with excellent returns. Godrej Consumer Products rose over 750% as its M&A strategy, emerging markets focus and investment in new products and brand building paid off handsomely. ITC gained 350%, supported by its dominance in the domestic market and consistent investment in its core markets throughout the economic cycle. Bosch also rose 350%, a reflection of its robust product portfolio and profitable returns to capital, while Tata Consultancy Services benefited from its world-class management team and successful global expansion.

Unsurprisingly, some holdings fared less well over the period. Bharti Airtel struggled in the highly-regulated and intensely competitive domestic telecommunications market, while its expansion into Africa added further pressure. Meanwhile, ING Vysya Bank failed to keep pace with its larger Pan-Indian competitors. That said, your Manager remains confident that both firms will turn around in the long term and believes their valuations are reasonable.

From a sectoral perspective, our IT and FMCG holdings did particularly well over the decade, benefiting from an operating environment relatively free from government interference. On the other hand, our energy stocks performed poorly, principally as a result of price controls.

Our Manager also fell victim to the fraud at Satyam, a company which had, until then, demonstrated consistent profitability, operational cash flow with a balance sheet backed by cash. Ironically, it was the strength of the business and its accumulated cash pile that led to the fraud as its cash was illegally syphoned off to heavily indebted sister companies controlled by the key shareholder and his family. A timely and humbling reminder that there can be no guarantee against fraud.

Continuation of Company and Manager

Your Board has carefully considered the continued appointment of your Manager. The Manager's recent performance and long-term track record as well as their expertise and well-understood investment style make a good case for their continued appointment. Accordingly, your Board recommends that Shareholders vote in favour of resolution 12 at the Annual General Meeting, to allow the Company to continue as an investment trust.

Alternative Investment Fund Managers Directive

Listed investment companies such as New India Investment Trust PLC are considered alternative investment funds under the Alternative Investment Fund Managers Directive. The Board has agreed in principle to appoint a subsidiary of Aberdeen Asset Management PLC as the Company's Alternative Investment Fund Manager and expects to be able to finalise arrangements prior to the final implementation date of July 2014.

Annual General Meeting

The Annual General Meeting ("AGM") will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Thursday 11 September 2014 at 11.30 a.m.

I shall be retiring from the Board at the AGM. Hasan Askari succeeds me as Chairman of the Company while Stephen

White takes over from Hasan as Chairman of the Audit Committee.

Rachel Beagles and Stephen White, who were appointed Directors on 26 September 2013, retire and are seeking formal election to the Board at the AGM. Professor Bulmer-Thomas retires as a Director and seeks re-election at the AGM further to the AIC guidance for Directors with tenure in excess of 9 years to retire and seek annual re-election. The Company has decided that, with effect from the next AGM, all Directors shall retire and seek annual re-election and Hasan Askari therefore also retires and seeks re-election. Your Board, having reviewed the reasons for the elections of each of Rachel Beagles and Stephen White and the re-elections of each of Professor Bulmer-Thomas and Hasan Askari, strongly recommends Shareholders to vote in favour of the relevant resolutions.

In addition, Shareholders will be asked to authorise the Board:- to buy back up to 14.99% of the Company's issued share capital; issue new shares representing up to 5% of the present issued share capital; issue new 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 approve the continuation of the Company as an investment trust. The Board would only expect to issue new Ordinary shares, or sell Ordinary shares from treasury, at a price per Ordinary share above the prevailing net asset value per Ordinary share. Your Board recommends that Shareholders vote in favour of these resolutions, and intends to do so in respect of its own shareholdings. There will be a presentation by the Manager at the AGM as well as an opportunity to meet the Directors informally following the meeting.

As in previous years, the Company is not paying a dividend for the year ended 31 March 2014.

Outlook

The last few months have seen Indian business distracted by electioneering. Buoyed by pre-election zeal, the markets anticipated a victory for the BJP, but not on the scale which has unfolded which will likely extend the celebratory mood. However, the new administration faces the same challenges as the departing Congress party. Growth is anaemic, the key industrial sector lacks momentum and the potential for a drier-than-usual monsoon season could put pressure on food prices. A revival in much-needed infrastructure spending would certainly help and expectations are that this will be high on the new government's agenda. Expectations of an economic recovery are high but the challenges remain given the Congress party remain in control of the Upper House for at least another year and as there is no guarantee that Modi's success in his home state of Gujarat can be replicated on a national level. Change in a country as large and diverse as India must necessarily take place over many years.

Indian equities are at all-time highs this calendar year, on the back of election euphoria while, at 28 May 2014, the Company's net asset value per share and share price were 278.80p and 241.75p, respectively, up 5.8% and 7.4% as compared to the year end while the Rupee was also 1.3% higher against Sterling.

At the corporate level, many companies are beginning to look expensive following the rally. While the IT sector has suffered some profit-taking after a long run-up, it still looks costly, and the same goes for many consumer stocks. As such, there is potential for some volatility ahead. However, a revival in economic growth would likely support earnings in cyclical sectors, which should underpin valuations there.

Regardless, India's long-term attraction as an investment destination remains undiminished. With excellent demographics and a multitude of well-run, shareholder-friendly companies, disciplined stock-pickers with a longer investment horizon should be well rewarded.

William Salomon
Chairman

30 May 2014

Strategic Report - Manager's Report

Portfolio Overview

The Company's net asset value fell by 1.9% in Sterling terms in the 12 months ended 31 March 2014, compared to the benchmark MSCI India Index's decline of 2.8%, in total return terms.

Adverse currency fluctuations had a twofold impact on the absolute performance of the portfolio. In the year under review, the Rupee fell more than 20% against Sterling, overshadowing the decent advance by the market. In addition, the falling Rupee aggravated inflation, as imports became costlier. This affected local companies that relied on foreign imports and in general, eroded profit margins, a common theme in corporate results across the economy.

For stock selection, financials were the largest contributor to performance overall. State-owned banks, such as the State Bank of India, were sold off due to concerns over deteriorating asset quality, in the context of higher interest rates and a slowing economy. Our holding ICICI Bank outperformed as its loan book is seen as relatively more resilient with 70% provisioning coverage and over 12% tier one capital. Not holding Axis Bank also benefited the Company, as the government sold half of its stake, which weighed on the share price. We do not own the state-owned banks (other than Jammu and Kashmir Bank) due to concerns over credit-lending policies and interests of minority shareholders potentially being sacrificed for that of the state. Also, we see private banks as better managed, with stricter quality controls over lending.

In the consumer sector, Hero Motocorp and GlaxoSmithKline Pharmaceuticals (GSK India) performed particularly well for us. Hero Motocorp saw robust demand for its motorcycles, and since it split with Honda a few years ago, our continuing confidence in the firm has been well rewarded. Meanwhile, GSK India rose as its parent made an offer at an attractive premium. We tendered most of our shares, but retain a reduced position in light of the underlying growth that supports GSK India's business model longer term.

In comparison, our holding in IT stocks proved costly. Overall, the sector did well, earning most of its revenues in US dollars, as it mostly provides services to overseas firms. However, not holding HCL Technologies cost the Company, as we prefer Infosys, which remains a core holding as it continues to aim for market leadership and is reporting improving margins on the back of stricter cost controls, despite the senior management changes. Mphasis also detracted, as its parent Hewlett-Packard (HP), continued to wean the firm from depending on its business and encouraged it to further diversify its customer base. We see this as a transition phase and feel reassured by Mphasis' new client wins.

Our cement holdings, in particular Grasim Industries, suffered from margin pressures as the cost of imports rose, and the reduction in fuel subsidies bloated transportation costs. We remain confident in our cement holdings, as we see long-term demand from India's continued urbanisation and infrastructure development, plus they have capable management and resilient balance sheets to withstand near-term pressures. Furthermore, the proposed consolidation of ACC and Ambuja by their Swiss parent Holcim, will bring raw material and logistics savings to support margins in a highly competitive industry.

Our underweight position to the infrastructure and power generation sector helped performance. For instance, our lack of exposure to the lender IDFC, which fell on worries over its infrastructure-related assets, and the electricity utility firm NTPC, which was hit by rising input costs. The slowing economy exacerbated concerns over its profitability, as revenue growth was subdued.

In contrast, some infrastructure-related stocks with government ownership were buoyed by election euphoria, with hopes that the new leadership will invest heavily to upgrade India's energy and transportation network. Our holding Container Corp of India, which provides railway cargo transportation services and is controlled by the government, was among the top contributors to performance as a result. Not holding another infrastructure group Larsen & Toubro, however cost the Company. We do not hold the conglomerate, which derives the bulk of its revenues from engineering and construction. Instead, we prefer ABB India and our cement holdings, which we believe are more focused and have better balance sheets.

Economic News

Over the period, economic growth slowed and this combined with external headwinds, exposed longer-term structural flaws that need to be addressed. Twin deficits of the government budget and current account meant that the local currency was prone to weakness. Hence, the panic outflow of funds from emerging markets, triggered by the US Fed's impending taper, saw the Rupee bear the brunt of the sell-off. Investors who had borrowed US dollars to invest in higher-yielding assets overseas in the 'carry trade', feared rising borrowing costs and a strengthening US dollar. A negative feedback cycle ensued as the Rupee fell, pushing up import costs and inflation, further widening the current account deficit, and leading to greater depreciation of the currency.

The central bank intervened by raising interest rates, purchasing government bonds and also sold US dollars to local oil companies. The government also limited gold imports. Furthermore, the introduction of the former IMF chief economist Raghuram Rajan as the new Reserve Bank of

India governor, helped to shore up investor confidence. He raised interest rates aggressively soon after taking the helm, and established from the outset that he would not compromise the Rupee for growth. Furthermore, Rajan announced reforms to open up the financial sector to be friendlier to foreign capital.

Stability in the local market later in the period due to policy intervention, gave way to exuberance as Narendra Modi, who is seen as business friendly and preferred by international investors, was declared as the main opposition's prime ministerial candidate for elections to commence in April 2014. His party also performed well in state elections towards the end of 2013, further developing the narrative that India was heading down a more progressive path.

Sector Views

Information Technology

We continue to like the sector despite the relative weakness in software outsourcing growth, which has been an unsurprising outcome of the uncertainty in the global macroeconomic environment. The major Indian IT outsourcing companies are leaders in their field; they have attractive cost structures, qualified management and competitive software engineering skills. Our core positions are in Infosys and Tata Consultancy Services, both of which generate healthy cash flows and have diversified global presences; complemented by smaller holdings in CMC and MphasiS.

Infosys saw the return of its co-founder and ex-CEO Narayana Murthy as chairman, with a mandate to renew the organisation, after lagging the pace of growth set by TCS. As part of Murthy's restructuring plans, we have seen a number of senior level exits, including V. Balakrishnan, who was widely expected to take over as CEO. A search has been initiated to ensure a credible succession strategy is in place at the company. In quarterly results, Infosys and TCS delivered robust revenues and profits, but Infosys remained a lower-margin player. We have taken profits off Infosys and retain our large position in the IT companies albeit underweight the benchmark given the strength of the sector over the year.

Energy

Over the past decade, India has failed to meet the challenge of providing its public reliable and reasonably priced energy. From April, natural gas prices will rise, which ended speculation about the introduction of caps on gas prices. The price was set using a published, albeit complex, formula in an effort to make price adjustments more transparent and predictable. We do not plan to invest in this sector until there is a comprehensive and transparent regulatory framework that will allow companies (and their investors) to project earnings with a reasonable amount of certainty.

We do not have exposure to index heavyweight Reliance Industries as we are uncomfortable with its aggressive expansion plans into upstream resource exploration, telecommunications and possibly financial services. These often require extensive capital outlay in areas where the company has neither a proven track record nor a clear competitive advantage. We also continue to remain absent from the public sector energy companies who still have to absorb the surge in input prices, which has worsened in tandem with the Rupee weakness.

Financials

Although fragmented and competitive, we have a substantial position in the banking sector, which is poised to benefit in the long term from wealth expansion in the middle class. The environment is increasingly challenging, as loan growth slows and levels of restructured loans rise. Our holdings are among the most resilient in the local banking system. We like banks that can manage risks throughout the credit cycle and have a strong deposit-collecting franchise.

HDFC Bank's loan book and profits grew, supported by operational efficiency and solid asset quality which has remained steady. Our most aggressively managed bank investment is ICICI Bank where, despite delivering good loan and profit growth, asset quality has deteriorated. We will continue to scrutinise its financials for signs of distress, as the insight from our recent trip to India was that the corporate credit cycle would lag the macroeconomic cycle by up to two quarters, and as such, we expect more loans to turn bad over the coming months.

Consumer Discretionary

We like the automotive story in India, as the sector also stands to benefit from rising disposable incomes. We especially favour the two-wheeler segment due to its relative affordability. Since motorcycles are seen as a necessity rather than a luxury, the segment is more resilient in difficult times compared to four-wheelers. We are shareholders in the re-branded Hero MotoCorp, the biggest domestic motorcycle maker, as well as Bosch Ltd. The automotive market has been weak for some time and this is reflected in the results and cautious outlook of Bosch.

Hero MotoCorp's growth outpaced the industry but its operating margin was squeezed by cost inflation. However, we are hopeful that its new pipeline will boost sales, while it pursues its cost reduction programme. Furthermore, the firm announced a joint venture with Italian auto-components manufacturer, Magneti Marelli, which marks the fourth technology partnership for Hero since its split with Honda two and a half years ago.

Consumer Staples

We hold both local and multinational brands in the competitive fast-moving consumer goods landscape. Home-grown brands have the advantage in catering to local tastes and regional preferences, while the multinationals have strong brands and more aspirational products. We select the best from both worlds – Hindustan Unilever has the widest portfolio of household and personal products; ITC, an associate of British American Tobacco, has a thriving tobacco business; and Godrej Consumer Products is a leader in the personal care, hair, and household segments both locally and in emerging markets.

We saw some moderation in growth at Hindustan Unilever, Nestle India and ITC, but these companies still enjoyed decent revenue and earnings growth in a challenging business environment. Hindustan Unilever benefited from festive-season buying and increasing rural sales. Consumer staples conglomerate ITC saw earnings resilience as cigarette sales remained strong, while the group continued to narrow its losses in fast-moving consumer goods. Godrej Consumer Products maintained its growth momentum as earnings still rose at a healthy pace with new launches in hair colouring, boosting domestic sales while international sales were driven by Africa.

Materials

The most attractive businesses in this sector are cement companies. We hold Grasim Industries, the flagship company of the Aditya Birla Group, and complement this with its pure cement subsidiary UltraTech Cement, as well as Ambuja Cements and ACC Ltd, which are owned by Swiss group Holcim. We continue to hold a sizable position in cement companies despite short-term pressures arising from weak demand and pricing, as we believe our companies are poised for long-term growth that will be underpinned by the country's increasing housing needs and infrastructure spending. In December, independent shareholders of Ambuja Cements and ACC Ltd voted to approve organisational restructuring that will strengthen both companies within the competitive cement industry. Overall, we took the opportunity of share price weakness to build up our positions in the sector.

We are also invested in well-run and financially stable companies such as the paint maker, Kansai Nerolac, and more recently the industrial gases and engineering firm Linde India, given its good pedigree as part of the Linde Group and its diversified customer base, will benefit when the investment cycle starts again. In other results, automotive and industrial lubricant producer Castrol India managed its margins well with good cost controls, enabling it to reduce capital, on top of its dividend payment that will further enhance shareholder returns.

Healthcare

India has a vibrant healthcare industry given the operational strength of its pharmaceutical companies and access to a substantial scientific talent pool. Our holdings include a mix of multinational subsidiaries (GlaxoSmithKline Pharmaceuticals and Sanofi India, previously Aventis Pharma India) that channel their product pipelines into the Indian market, as well as a local company, Piramal Enterprises, which takes advantage of its low-cost manufacturing base to penetrate overseas markets.

GlaxoSmithKline Pharmaceuticals surged on the announcement of its parent GlaxoSmithKline Plc's offer to increase its stake in the Indian subsidiary to 75%, at a 26% premium to the pre-announcement price. We took advantage of the offer, which valued the company at more than 40 times price-to-earnings. The news coincided with the parent company's decision to increase investments in India by setting up a manufacturing facility that will double its existing capacity.

Industrials

The sector remains dogged by challenges, including a slowdown in industrial activity and infrastructure bottlenecks ranging from the state electricity boards, land acquisition issues and coal shortages. Our exposure in this sector is limited to ABB India, a manufacturer and distributor of power and automation equipment, and Container Corporation, a rail-freight operator.

December earnings showed that ABB is strengthening its cost competitiveness to combat delays in large infrastructure and industrial projects, while Container Corp's results met expectations, showing modest earnings growth despite aggressive pricing to win market share. Overall, capital expenditure remained soft in India, held back by a combination of restrictive regulation and bureaucracy, as well as slowing growth coupled with persistent inflation.

Utilities

This sector, made up of power and gas utilities, has also been hamstrung by shortages of key inputs, as well as regulatory uncertainty. Some progress has been made in the power sector, with tariff hikes across most of the financially troubled states, which should help improve the financial position of the state electricity boards. However, coal shortages remain difficult to resolve. Although the government has agreed to gas-price hikes, it is being protested by the power and fertiliser companies, who are the largest consumers. There is also the uncertainty of who will bear the cost of new subsidies. We have limited our exposure to companies with well-positioned assets and run by credible management, but returns remained constrained by regulations and an ineffective policy framework.

Gujarat Gas announced that its board has been given in-principle approval to merge with its sister company GSPC Gas. While details have not yet been announced, we believe this will be part of the broader strategic plan when GSPC acquired British Gas' stake in Gujarat Gas last June, and we expect synergies from merging these two businesses together. Meanwhile, Tata Power was granted a full pass-through of fuel costs by the regulator for its struggling Mundra power plant, retrospective from the start of the project. This is positive for Tata Power's earnings, although we remain cautious as the ruling may yet be challenged by the state electricity boards in court.

Telecommunication Services

The local telecommunications market is one of the most competitive in the world, and the large players such as our holding Bharti Airtel, and non-holdings Reliance Communications, Vodafone and Idea, continue to battle hard for market share. The latest spectrum auction in February generated lots of interest and raised close to US$10 billion, which exceeded the government's expectations. Bharti Airtel paid US$3 billion to strengthen its data footprint in the premium 900MHz band. Vodafone bought a similar amount, while cash-rich Reliance Industries also participated, but in the less efficient 1800 MHz spectrum band. The government will receive US$3 billion upfront, which will help the budget deficit, while the remainder will have to be paid by 2026.

The Indian government approved a new M&A policy for the telecoms sector which is intended to encourage industry consolidation, currently suffering from fragmentation and aggressive tariff pricing. Bharti Airtel raised US$1 billion in euro-denominated bonds in December to refinance its debt, as well as support the spectrum auction and potential domestic acquisitions. Its India mobile business continued to improve thanks to higher traffic and strong data usage, which offset weaker numbers out of Africa. At the end of February, Bharti Airtel announced the acquisition of Loop Mobile for an undisclosed sum that is subject to regulatory approvals. With 3 million subscribers in Mumbai, this deal would put Bharti Airtel ahead of the current leader Vodafone, within this lucrative market. However, Bharti remains one of the most highly-geared holdings in the portfolio with foreign currency debt exposure. Hence, we will continue to monitor it closely.

Strategy

After the turbulent last 12 months, there are signs that the domestic economy is picking up but recovery is likely to be slow. The rupee has rebounded and the trade deficit has narrowed, but is driven by a steep fall in imports, masking a more concerning decline in exports. With the elections now concluded, it remains unclear if new prime minister Modi will be able to implement reform effectively. Meanwhile, the US and European recoveries remain tepid, and the threat of bad debts in China will cast a pall on growth.

Within the context of a challenging operating environment, we will continue to focus on the quality and long-term growth potential of the companies we meet. As a market, we believe India remains an attractive investment location with favourable demographics, and an abundance of well-managed companies - with solid balance sheets and healthy cash-flow profiles. Our holdings have the ability to withstand near-term cost pressures and are well positioned for growth. If volatility picks up again, we see good opportunities as disciplined stock pickers to capture attractive value.

Aberdeen Asset Management Asia Limited
Manager

30 May 2014

Strategic Report - Results

Financial Highlights

	31 March 2014	31 March 2013	% change
Total equity shareholders' funds (net assets)	£155,680,000	£158,726,000	–1.9
Market capitalisation	£132,907,815	£139,996,232	–5.1
Share price (mid market)	225.00p	237.00p	–5.1
Net asset value per share	263.55p	268.71p	–1.9
Discount to net asset value	14.6%	11.8%	
Total (loss)/return per share	(5.16p)	24.75p	
Revenue return per share	0.05p	0.20p	
Revenue reserves per share	2.43p	2.37p	
Prospective gross portfolio yield[A]	1.5%	1.5%	
MSCI India portfolio yield[A]	1.5%	1.4%	
Prospective portfolio P/E ratio[B]	20.3x	19.6x	
Ongoing charges			
Ongoing charges ratio[C]	1.60%	1.56%	

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

[B] Consensus broker views.

[C] Ongoing charges ratio is calculated in accordance with recent guidance issued by the AIC as the total of the investment management fee and administrative expenses divided by the average cum income net asset value throughout the year.

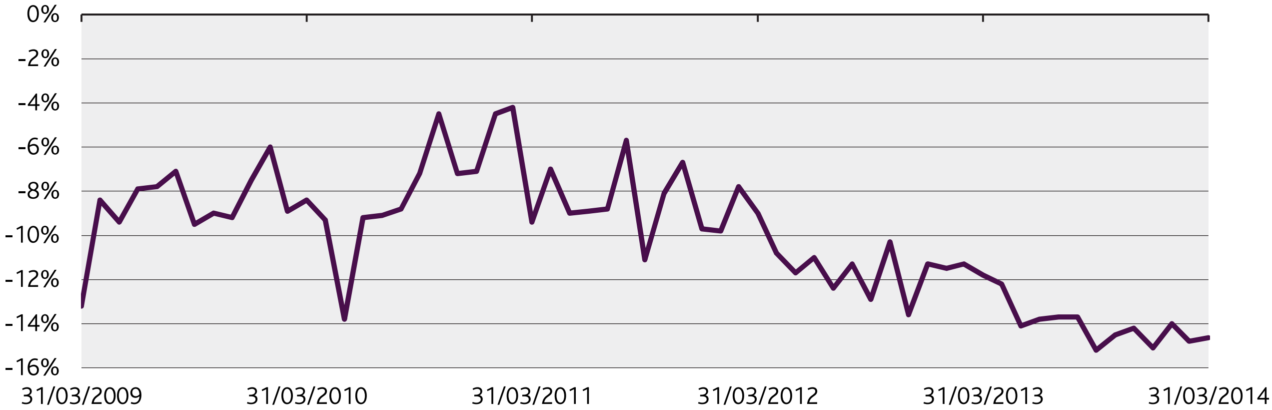
Performance (total return)

	1 year % return	3 year % return	5 year % return
Share price	–5.1	–7.6	+100.4
Net asset value per Ordinary share	–1.9	–2.0	+103.8
MSCI India Index (sterling adjusted)	–2.8	–16.6	+76.3

Strategic Report - Performance

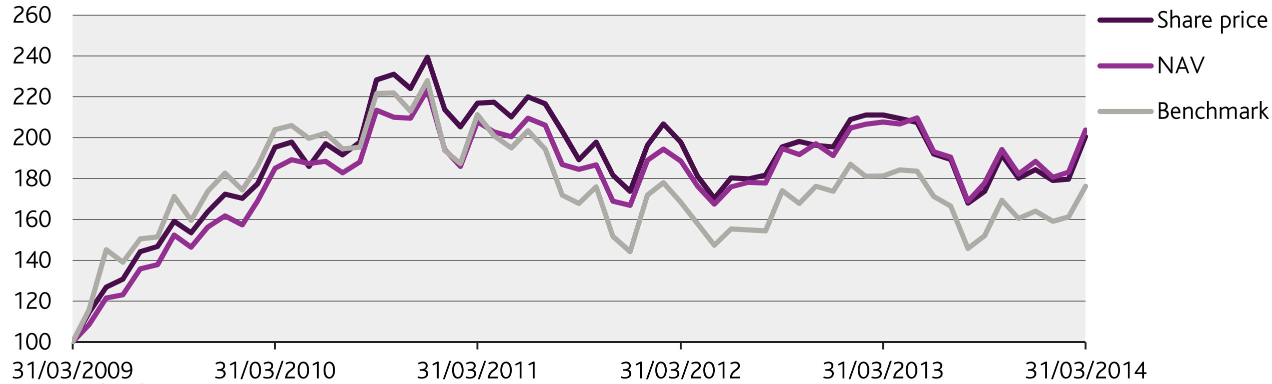
Share Price Discount to NAV

Five years ended 31 March 2014



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

Five years ended 31 March 2014 (rebased to 100 at 31 March 2009)



Source: Aberdeen Asset Management, Morningstar & Lipper

* Diluted NAV's used for the period to 4 August 2010, being the date that the Company's outstanding Warrants were exercised.

Ten Year Financial Record

Year to 31 March	2005[A]	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total income (£'000)	1,857	1,175	1,212	1,073	1,347	1,335	2,338	2,702	2,414	2,420
Per share (p)										
Net revenue return	0.84	(0.03)	0.04	(0.89)	0.18	(0.63)	0.15	0.61	0.20	0.05
Total return	9.29	65.47	(5.75)	24.85	(41.03)	139.19	31.71	(24.95)	24.75	(5.16)
Net dividends paid/proposed[B]	0.70	–	–	–	–	–	–	–	–	–
Net asset value per share (p)										
Basic	93.70	158.47	152.71	177.52	137.45	275.42	268.90	243.96	268.71	263.55
Diluted	n/a	146.12	141.58	161.18	129.36	239.44	n/a	n/a	n/a	n/a
Shareholders' funds (£'000)	**44,800**	**75,797**	**73,054**	**84,968**	**63,653**	**129,320**	**158,842**	**144,105**	**158,726**	**155,680**

The figures for 2005 are for the year to 28 February. The figures for 2006 are for the period 1 March 2005 to 31 March 2006. The figures for 2007 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).

[B] Following the introduction of IFRS, it should be noted that dividends are the amounts payable in respect of the associated financial year or period.

Investment Portfolio – Ten Largest Investments

As at 31 March 2014

Company	Sector	Valuation 2014 £'000	Net assets 2014 %	Valuation 2013 £'000
Housing Development Finance Corporation Leading domestic mortgage provider with a leading distribution network, cost structure and balance sheet quality.	Financials	13,434	8.6	15,447
Tata Consultancy Services A major information technology and software service provider.	Information Technology	12,749	8.2	15,034
Infosys[A] One of the leading information technology companies in India.	Information Technology	12,592	8.1	15,152
ICICI Bank Leading commercial bank group with a strong presence in insurance, brokerage and asset management activities.	Financials	11,280	7.2	12,470
Hero MotoCorp A former joint venture between Honda of Japan and the local Munjal family, it is the world's largest producer of motorcycles.	Consumer Discretionary	6,390	4.1	5,228
ITC The leading manufacturer and distributor of cigarettes in India. It supplements this by selling other consumer products through its extensive distribution network. An associate of British American Tobacco.	Consumer Staples	6,324	4.1	7,241
Ambuja Cements[A] A manufacturer of cement and owner of specially designed ships and terminals built for transportation of its goods.	Materials	6,140	3.9	5,103
Bosch The listed subsidiary of Bosch in India, it manufacturers and supplies automotive components for passenger vehicles and trucks.	Consumer Discretionary	5,610	3.6	5,707
Godrej Consumer Products A leader among India's Fast Moving Consumer Goods (FMCG) companies, with leading Household and Personal Care products.	Consumer Staples	5,599	3.6	7,324
HDFC Bank An associate of HDFC, this is the largest private sector bank in India with a strong retail franchise and asset quality track record.	Financials	5,488	3.4	5,319
Top ten investments		**85,606**	**54.8**	

[A] Comprises equity and listed or tradeable ADR and GDR holdings.

Investment Portfolio – Other Investments

As at 31 March 2014

Company	Sector	Valuation 2014 £'000	Net assets 2014 %	Valuation 2013 £'000
Hindustan Unilever	Consumer Staples	5,050	3.2	5,988
Grasim Industries[A]	Materials	4,665	3.0	5,469
Container Corporation of India	Industrials	4,533	2.9	3,872
MphasiS	Information Technology	4,303	2.8	5,044
Nestlé India	Consumer Staples	4,038	2.6	3,810
Ultratech Cement[A]	Materials	3,559	2.3	2,400
Kansai Nerolac Paints	Materials	3,214	2.1	4,074
Jammu & Kashmir Bank	Financials	3,103	2.0	2,869
Piramal Enterprises	Healthcare	3,051	2.0	4,787
ACC	Materials	2,951	1.9	1,684
Top twenty investments		**124,073**	**79.6**	
Sanofi India	Healthcare	2,934	1.9	3,648
GAIL (India) GDR	Utilities	2,530	1.7	2,635
Gujarat Gas	Utilities	2,413	1.5	2,656
ABB	Industrials	2,394	1.5	1,632
Linde India	Materials	2,358	1.5	–
Lupin	Healthcare	2,336	1.5	–
Bharti Airtel	Telecommunication Services	2,286	1.5	2,547
ING Vysya Bank	Financials	1,761	1.1	–
Tata Power	Utilities	1,733	1.1	2,268
Gruh Finance	Financials	1,695	1.1	–
Top thirty investments		**146,513**	**94.0**	
CMC	Information Technology	1,661	1.1	1,974
GlaxoSmithKline Pharmaceuticals	Healthcare	1,388	0.9	4,720
Castrol India	Materials	1,211	0.8	1,494
Total investments		**150,773**	**96.8**	
Net current assets		**4,907**	**3.2**	
Net assets		**155,680**	**100.0**	

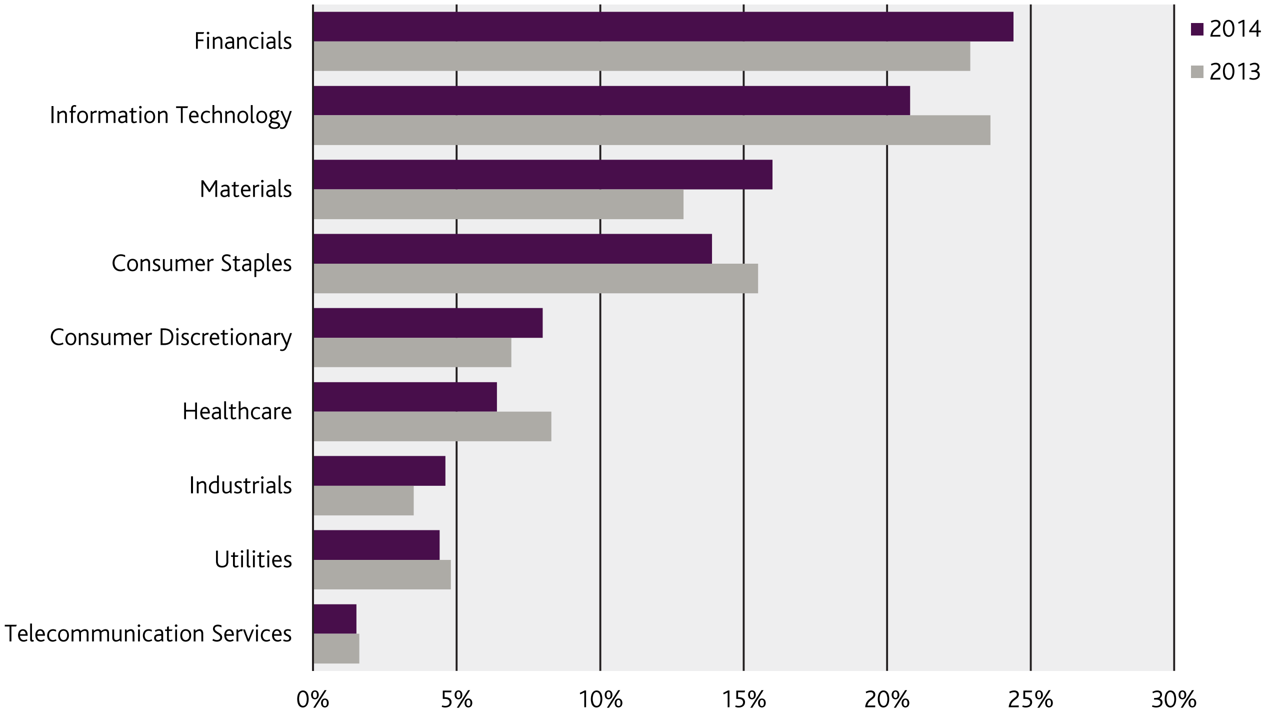
Unless otherwise stated, investments are in common stock.

[A] Comprises equity and listed or tradeable ADR and GDR holdings.

Sector Analysis

As at 31 March 2014

Sector Breakdown



Stock Contribution to NAV Performance

Year ended 31 March 2014

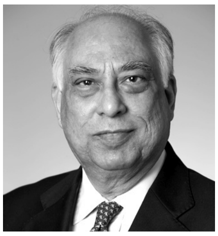
Stock name	Weight at 31/03/14 %	Returns %	Contribution to return %	Contribution to NAV return p
Tata Consultancy Services	8.2	13.42	0.99	2.67
Hero MotoCorp	4.1	25.94	0.90	2.42
ABB	1.5	45.64	0.51	1.36
Container Corporation of India	2.9	19.32	0.50	1.34
GlaxoSmithKline Pharmaceuticals	0.9	16.28	0.44	1.19
Hindustan Unilever	3.2	9.86	0.39	1.05
Jammu & Kashmir Bank	2.0	11.29	0.21	0.57
Ultratech Cement	2.1	(2.75)	0.17	0.45
ACC	1.9	1.78	0.16	0.43
Linde India	1.5	–	0.14	–
Gujarat Gas	1.5	(1.77)	0.13	0.34
Gruh Finance	1.1	–	0.12	–
Lupin	1.5	8.69	0.10	–
ICICI Bank	7.3	0.57	0.10	0.27
Bosch	3.7	1.17	0.05	0.13
HDFC Bank	3.5	0.14	0.01	0.04
Ultratech Cement GDR	0.2	(2.91)	(0.01)	(0.02)
Aventis Pharma	1.9	(0.39)	(0.01)	(0.02)
Gail (India) GDR	1.6	(1.82)	(0.02)	(0.05)
Infosys Technologies ADR	0.8	(6.84)	(0.05)	(0.12)
Gujarat Gas	1.6	(6.22)	(0.05)	(0.12)
ING Vysya Bank	1.1	–	(0.05)	–
Grasim Industries GDR	0.5	(14.74)	(0.08)	(0.22)
Ambuja Cements GDR	2.5	(3.65)	(0.11)	(0.28)
CMC	1.1	(13.68)	(0.17)	(0.45)
Castrol India	0.8	(15.47)	(0.17)	(0.45)
Infosys	7.3	(4.33)	(0.17)	(0.47)
Bharti Airtel	1.5	(9.43)	(0.18)	(0.49)
ITC	4.1	(4.11)	(0.20)	(0.53)
Nestlé India	2.6	(7.99)	(0.28)	(0.76)
Godrej Consumer Products	3.5	(7.72)	(0.29)	(0.77)
Tata Power	1.1	(22.82)	(0.35)	(0.94)
MphasiS	2.8	(10.66)	(0.38)	(1.03)
Grasim Industries	2.5	(14.20)	(0.44)	(1.19)
Kansai Nerolac Paints	2.1	(19.79)	(0.53)	(1.44)
Piramal Enterprises	2.0	(22.34)	(0.66)	(1.76)
Housing Development Finance Corporation	8.7	(9.86)	(0.99)	(2.65)
Total	97.0		(0.23)	(0.64)
Cash	3.0		(0.01)	(0.02)
Total fund return	100.0		(0.24)	(0.66)
Bid price adjustment			(0.04)	(0.11)
Admin expenses			(0.59)	(1.62)
Management fees			(0.99)	(2.66)
Tax charge			(0.04)	(0.10)
Technical differences			(0.01)	(0.01)
NAV per share return			**(1.91)**	**(5.16)**

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 Committee. The Directors' interests in the Company's Ordinary shares are shown as at the date of approval of this Report.

William Salomon

Status: Independent Non-Executive Chairman
Length of service: 9 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: 2011
Current annual remuneration:£30,000
All other public company directorships: Hansa Trust PLC, Ocean Wilsons Holdings Limited and Wilson Sons Limited
Shared directorships with other Directors: None
Shareholding in Company: 285,000 Ordinary shares



Hasan Askari

Status: Independent Non-Executive Director and Chairman of the Audit Committee
Length of service: 1 year, 8 months, appointed a Director on 21 September 2012
Experience: Currently an adviser to the Kotak Mahindra Group, one of India's leading banking groups and on the Board of Sun Life of Canada (UK) Limited. He is Chairman of Aqua Resources Fund Limited. Formerly an investment banker, from 1975, initially with SG Warburg & Co. Ltd. (now UBS Ltd.) and subsequently, with JP Morgan Chase Investment Bank in Hong Kong and Barclays Capital in Tokyo and London. Formerly at Old Mutual plc, London as a member of the Executive Committee responsible for the United Kingdom and Europe and later, for Asia-Pacific.
Elected to the Board: 2013
Current annual remuneration:£27,000
All other public company directorships: None
Shared directorships with other Directors: None
Shareholding in Company: 4,300 Ordinary shares

Professor Victor Bulmer-Thomas CMG OBE

Status: Independent Non-Executive Director
Length of service: 10 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: 2013
Current annual remuneration:£24,000
All other public company directorships: JPMorgan Brazil Investment Trust PLC
Shared directorships with other Directors: None
Shareholding in Company: 22,020 Ordinary shares

Rachel Beagles

Status: Independent Non-Executive Director
Length of service: 8 months, appointed a Director on 26 September 2013
Experience: Formerly worked in financial markets, primarily in equity research and sales from 1990 until 2003. She was co-head of the Pan European Banks Equity Research and Sales Team and a Managing Director of Corporate and Investment Banking Group Division at Deutsche Bank AG from 2000 to 2003. She is currently a non-executive director of a number of investment companies across different markets.
Last re-elected to the Board: n/a
Current annual remuneration:£24,000
All other public company directorships: Blackrock Emerging Europe plc, Crown Place VCT plc, Schroder UK Mid Cap Fund plc and Securities Trust of Scotland plc.
Shared directorships with other Directors: None
Shareholding in Company: 10,000 Ordinary shares

Stephen White

Status: Independent Non-Executive Director
Length of service: 8 months, appointed a Director on 26 September 2013
Experience: Currently Head of European and US equities at British Steel Pension Fund, responsible for the day to day management of the Fund's Europe ex-UK and US equity portfolios. He is a Chartered Accountant. Formerly a non-executive director of Global Special Opportunities Trust Plc and was formerly Director and Head of European Equities at Foreign & Colonial Investment Management, Manager of Foreign & Colonial Eurotrust PLC and Deputy Manager of the Foreign & Colonial Investment Trust Plc. Prior to joining Foreign & Colonial in 1985, he held positions at Hill Samuel Asset Management, Phillips & Drew and Price Waterhouse.
Last re-elected to the Board: n/a
Current annual remuneration:£24,000
All other public company directorships: JP Morgan European Smaller Companies Trust plc.
Shared directorships with other Directors: None
Shareholding in Company: 12,500 Ordinary shares

Directors' Report

Status

The Company is registered as a public limited company in England & Wales under company number 02902424. The Company is an investment company as defined by Section 833 of the Companies Act 2006 and is a member of the Association of Investment Companies.

The Company has been approved by HM Revenue and Customs as an investment trust under Sections 1158 – 1159 of Corporation Tax Act 2010 and Part 2 Chapter 1 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 April 2012, subject to the Company continuing to meet the relevant eligibility criteria.

The Company intends to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account and it is the Directors' intention that the Company should continue to qualify.

Results and Dividend

The Company's results and performance for the year are detailed on pages 11 and 12. The Company is not paying a dividend for the year ended 31 March 2014 (2013 – nil).

Strategic Report

The Strategic Report, including the Chairman's Statement and the Manager's Report, is intended to provide shareholders with the information and measures that the Directors use to assess, direct and oversee the Manager in the management of the Company's portfolio.

The Company's investment objective and investment policy are set out on pages 1 and 2, respectively.

The portfolio at the year end, which contained 33 companies, is set out on pages 13 and 14, with further sector analysis on page 15.

Performance

During the year ended 31 March 2014, the Company's net asset value per share fell by 1.9%, which was marginally ahead of the benchmark, the MSCI India (Sterling-adjusted), which fell 2.8% over the same period (all figures in Sterling total return terms).

Oversight and Review of Performance

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, the Board receives, for each meeting, a detailed portfolio report and an analysis of economic indicators. The Board discusses performance and strategy, including economic conditions, and using such measures as attribution analysis against the benchmark to assess the Company's success in achieving its objectives.

Capital Structure

There have been no changes to the Company's issued share capital during the year. The issued Ordinary share capital at 31 March 2014, and at the date of approval of this Report, consisted of 59,070,140 Ordinary shares of 25p. Each Ordinary share of the Company carries one vote at a general meeting of the Company.

Directors

Details of the Directors are provided on pages 17 and 18.

The Articles of Association require that Directors retire and are subject to election at the first AGM following their appointment and thereafter at the AGM held in the third calendar year following the year in which the Director was elected or last re-elected, and, (except in the case of the Chairman) at each AGM following the ninth anniversary of the date on which the Director was first elected (as opposed to re-elected). Rachel Beagles and Stephen White, who were appointed as non-executive Directors on 26 September 2013, will both stand for election at the forthcoming AGM. William Salomon has indicated that he will retire as a Director and not seek re-election at the AGM. With effect from the year ended 31 March 2014, the Board has adopted a policy that all Directors will normally retire at each AGM and stand for re-election, commencing with the AGM on 11 September 2014.

The elections of Rachel Beagles and Stephen White as Directors and the re-elections of Hasan Askari and Victor Bulmer-Thomas as Directors were considered and approved by the Board, with each relevant Director abstaining. The reasons for the Board's recommendations for their respective elections and re-elections are set out in the Statement of Corporate Governance.

Directors' Insurances and Indemnities

The Company purchases liability insurance covering the Directors and Officers of the Company which was maintained throughout the year at the Company's expense. The Directors also have the benefit of the indemnity provision contained in the Company's Articles of Association and the Directors of the Company have been granted a qualifying third party indemnity provision, which remains in force.

Corporate Governance

The Statement of Corporate Governance, which forms part of the Directors' Report, is on pages 23 to 29.

Manager and Company Secretary

The Company has entered into an Investment Management Agreement ("IMA") with AAM Asia, a wholly owned subsidiary of Aberdeen Asset Management PLC, for the provision of investment management and other services.

Under the terms of the IMA, investment management fees payable to the Manager have been calculated and charged on the following basis:

- a monthly fee, payable in arrears, calculated on an annual rate of 1.0% of total assets less current liabilities, with a rebate to the Company for any fees received in respect of any investments by the Company in investment vehicles managed by the Aberdeen group; and
- a performance fee, payable in arrears, calculated in respect of each financial year to 31 March (the "measurement period"). 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 exercise of the Warrants in August 2010), 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, this net asset value per share to be increased by the percentage (if any) by which the Company's benchmark index has increased over the current measurement period, multiplied by the number of Ordinary shares in issue at the start of the measurement period. When aggregated, the management fee and performance fee, for any financial year, are capped at 1.75% of the gross assets of the Company as at the end of the relevant measurement period.

  Further details may be found in note 4 to the Financial Statements and in the Appendix on page 66.

In accordance with the basis of calculation described above, no performance fee was payable to the Manager in respect of the year ended 31 March 2014 (2013 - nil) as the achieved net asset value for the year is less than the benchmark net asset value per share, currently 271.2p, as at 31 March 2011.

The investment management fees are chargeable 100% to revenue and details of payments made to the Manager during the period ended 31 March 2014 are shown in note 4 to the Financial Statements.

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. 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.

Going Concern

In accordance with the Financial Reporting Council's 2012 guidance on Going Concern and Liquidity Risk, the Directors have reviewed 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 short timescale. The Directors are mindful of the principal risks and uncertainties disclosed on pages 2 and 3 and in note 16 to the financial statements and have reviewed cashflow 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 for at least 12 months from the date of this Report.

This is also based on the assumption that Ordinary resolution 12, that the Company continues as an investment trust, which will be proposed at the AGM of the Company on 11 September 2014, is passed as it has been in the years since it was put in place. The Directors consult annually with major shareholders and, as at the date of approval of this Report, had no reason to believe that this assumption was incorrect.

Substantial Interests

The Company was aware of the following share interests in the Company, above 3%, as at 31 March 2014:

Shareholder	Number of shares held	% held
Lazard Asset Management	14,452,205	24.5
Clients of Aberdeen Asset Management	11,144,178	18.9
City of London Investment Management	6,497,386	11.0
Aberdeen Investment Trusts – ISA and Share plans	2,405,257	4.1
Legal & General	1,794,790	3.1

Accountability and Audit

The Directors who held office at the date of this Report each confirm that, so far as he or she is aware, there is no relevant audit information of which the Company's Auditor is unaware, and he or she has taken all the steps that he or she could reasonably be expected to have taken as a Director in order to make him or her aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

EY (formerly Ernst & Young LLP) have expressed their willingness to continue in office. Resolution 8 to re-appoint EY as Independent Auditor of the Company for the ensuing year and to authorise the Directors to fix their remuneration, will be put to shareholders at the forthcoming AGM.

Special Business at the AGM

Share Repurchases

At the AGM held on 20 September 2013, shareholders approved the renewal of the authority for the Company to repurchase its Ordinary shares, which was unused at the date of approval of this Report.

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 AGM. 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 9 in the Notice of AGM will, if passed, renew the authority to purchase in the market a maximum of 14.99% of shares in issue on 30 May 2014, being the nearest practicable date to the approval of this Report (equivalent to approximately 8.8m Ordinary shares). Such authority will expire on the date of the next AGM or on 30 September 2015, whichever is earlier. This means in effect that the authority will have to be renewed at the next AGM or earlier if the authority has been exhausted. The Directors recommend that shareholders vote in favour of resolution 9.

Issue of Shares

Ordinary resolution 10 in the Notice of AGM will, if passed, renew the authority to allot unissued share capital up to an aggregate nominal amount of £738,376 (equivalent to approximately 3.0 million Ordinary shares, or 5% of the Company's existing issued share capital on 30 May 2014, being the nearest practicable date to the approval of this Report). Such authority will expire on the date of the next AGM or on 30 September 2015, whichever is earlier, which means that the authority will have to be renewed at the next AGM 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 11 will, if passed, give the Directors power to allot for cash equity securities up to an aggregate nominal amount of £738,376 (equivalent to approximately 3.0 million Ordinary shares, or 5% of the Company's existing issued share capital at 30 May 2014, being the nearest practicable date to the approval 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 11. This authority will expire on the date of the next AGM or on 30 September 2015, whichever is earlier, which means that the authority will have to be renewed at the next AGM 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 10 and 11 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 11, 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. The Board would only expect to issue new Ordinary shares or sell Ordinary shares from treasury at a price per Ordinary share which represented a premium to the net asset value per share. 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 10 and 11.

Continuance of the Company

In accordance with Article 160 of the Articles of Association of the Company adopted on 22 September 2011, the Directors are required to propose an Ordinary resolution at each AGM of the Company that the Company continue as an investment trust. Accordingly, the Directors are proposing Ordinary resolution 12, that the Company continues as an investment trust. The Directors recommend that shareholders support the continuance of the Company by voting in favour of resolution 12.

Additional Information

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 transfer of securities and/or voting rights.

The rules governing the appointment of Directors are set out in the Statement of Corporate Governance. 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 IMA with the Manager, further details of which are set out on page 20, 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.

William Salomon
Chairman

30 May 2014

Statement of Corporate Governance

Corporate Governance

This Statement of Corporate Governance forms part of the Directors' Report which may be found on pages 19 to 22.

Introduction

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and, as required by the Listing Rules of the UK Listing Authority, this statement describes how the Company applies the principles identified in the UK Corporate Governance Code ("Code") published in September 2012 and which is effective for financial years commencing on or after 1 October 2012. The Governance Code covers the re-appointment of Directors, Board diversity, external evaluation, the Board's responsibilities in relation to risk, and a clear explanation of the business model and strategy. The Code is available on the Financial Reporting Council's ("the FRC") website: www.frc.org.uk.

The Association of Investment Companies ("AIC") also published, in February 2013, a Code of Corporate Governance ("AIC Code") and a Corporate Governance Guide for Investment Companies ("AIC Guide"), both of which are available on the AIC's website: www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all of the principles set out in Section 1 of the Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts.

The Board considers that reporting in line with the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Governance Code) will provide better information to shareholders. The Board confirms that the Company has complied throughout the accounting period with the relevant provisions contained within the Code, unless otherwise indicated below.

The Code includes provisions relating to:
- the role of the chief executive (A.1.2)
- executive directors' remuneration (D.2.1 and D.2.2)
- the need for an internal audit function (C.3.6);
- the requirement to appoint a senior independent director (A.4.1)

With the exception of the senior independent director (see reference under "Directors"), for the reasons set out in the Preamble to the Code, the Board considers these provisions are not relevant to the Company, being an externally-managed investment company with no direct employees and the Company has therefore not reported further in respect of these provisions.

Directors

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 biographies of the Directors appear on pages 17 and 18 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. The Board has formally adopted a Schedule of Matters Reserved for the Board 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. The requirement for Board approval on these matters is communicated directly to the senior staff of the Manager.

The Schedule of Matters Reserved for the Board includes:
- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company including investment performance and revenue budgets;
- approval of the periodic financial statements and approval and recommendation of any dividends;
- major changes relating to the Company's structure, including share buybacks and share issuance;
- Board appointments, the related terms and removals;
- appointment and removal of the Manager and the terms and conditions of the investment management agreement relating thereto;
- terms of reference and membership of the Audit Committee; and
- 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 part of this process, the Directors prepare a list of other positions held and all other conflict situations which 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 which will require authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

Statement of Corporate Governance continued

The Company has a policy of conducting its business in an honest and ethical manner. The Company and the Manager each have procedures in place that are proportionate to their circumstances to prevent bribery or corruption.

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 the Audit Committee, as well as facilitating induction for Directors and assisting with their individual professional development as required; and
- for advising through the Chairman on all corporate governance matters.

The Chairman of the Company is a non-executive Director. A senior independent director has not been appointed (required by provision A.4.1 of the Governance 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.

During the period under review, a thorough evaluation of the Board was implemented by way of a self-assessment questionnaire. The evaluation confirmed that the Directors are all independent and that each displays a significant range of business, financial, marketing or fund management skills relevant to the future direction of the Company. The Chairman was appraised using a similar process by the Chairman of the Audit Committee. The other 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 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, independence will be determined on a case by case basis and in line with the AIC Code. The Board takes the view that Professor Victor Bulmer-Thomas remains independent notwithstanding his appointment as a Director for over 9 years.

In accordance with Governance Code B.4.2, the Chairman reviews regularly and agrees with each Director, their individual training and development needs.

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.

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.

Rachel Beagles and Stephen White were appointed Directors on 26 September 2013 and are required to retire at the first AGM and, being eligible, each seeks election to the Board.

The Articles of Association require each Director to retire not less than at every third AGM. The Board has, however, decided that in accordance with best practice in corporate governance, all Directors shall retire and stand for annual re-election at each AGM with effect from the next AGM.

During the year ended 31 March 2014, the Directors met on 4 occasions, excluding those meetings of a Committee of the Board where not all Directors were required nor were present. Between meetings the Board maintains regular contact with the Manager. Directors attended Board and Audit Committee meetings during the year ended 31 March 2014 as set out in the following table (with their eligibility to attend the relevant meeting shown in brackets):

Director	Board Meetings	Audit Committee Meetings
W. Salomon, Chairman	4 (4)	3 (3)
H. Askari	4 (4)	3 (3)
R. Beagles*	2 (2)	1 (1)
Professor V. Bulmer-Thomas	4 (4)	3 (3)
S. White*	1 (2)	0 (1)

* Appointed a Director on 26 September 2013.

Led by the Chairman, the other Directors consider that Rachel Beagles, Stephen White, Hasan Askari and Professor Victor Bulmer-Thomas each possess the requisite high level and range of business and financial experience which enables the Board to provide clear and effective leadership and stewardship of the Company. Biographies of all of the Directors may be found on pages 17 and 18. Accordingly, the Directors recommend to shareholders the individual election of each of Rachel Beagles and Stephen White and the individual re-elections of Hasan Askari and Professor Victor Bulmer-Thomas.

Review of the Investment Management Agreement
A separate management engagement committee has not been established. The Board is responsible for reviewing matters concerning the Investment Management Agreement ("IMA") which exists between the Company and AAM Asia, details of which are shown in note 4 and on page 20 of this Report. The terms and conditions of the Manager's appointment, including an evaluation of performance and fees, are reviewed annually and were last approved at the meeting of the Board in May 2014. The Board remains satisfied that the continuing appointment of the Manager, on the terms agreed, is in the interests of shareholders as a whole. The key factors taken into account in reaching this decision are the long-term performance of the portfolio and the investment skills, experience and commitment of the Manager. The IMA is terminable on not less than one year's notice by either party.

Appointments to the Board
The Company has not established a separate nomination committee and appointments to the Board are considered by the Board as a whole. In this regard, the Board is required to:

- regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board;
- undertake succession planning, taking into account the challenges and opportunities facing the Company and identify candidates to fill vacancies;
- recruit new Directors by undertaking open advertising or engagement of external advisers to facilitate the search, as appropriate, with a view to considering candidates from a wide range of backgrounds, on merit, and with due regard for the benefits of diversity on the Board, including gender, taking care to ensure that appointees have enough time available to devote to the position;
- ensure that new appointees receive a formal letter of appointment and suitable induction and ongoing training;
- arrange for annual Board performance evaluation to ensure that Directors are able to commit the time required to properly discharge their duties;
- consider appointments to the position of Chairman of the Board and Chairman of the Audit Committee;
- assess, on an annual basis, the independence of each Director; and
- review the re-appointment of any Director or the re-election, subject to the Governance Code or the Articles of Association, of any Director at the AGM, having due regard to their performance, ability to continue to contribute to the Board in light of the knowledge, skills and experience required and the need for progressive refreshing of the Board.

As part of the plans for Board succession a search was initiated for two additional Directors using the services of an external recruitment consultant, Trust Associates, which has no other connection with the Company. Role specifications were created for each new Director including the requisite skills and experience which would complement the existing Board and having due regard for the benefits of gender diversity on the Board. The Committee met with and considered several high quality applicants. Rachel Beagles and Stephen White were identified as the preferred candidates and were appointed Directors on 26 September 2013.

Directors' Remuneration
Under the UK Listing Authority's Listing Rules, where an investment trust has only non-executive directors, the Governance Code principles relating to Directors' remuneration do not apply. The full Board fulfils the role of the remuneration Committee.

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 pages 30 and 31.

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 share 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 each service provider, including the Manager, on a regular basis. In addition, ad hoc reports and information are supplied to the Board as requested.

Audit Committee
The Audit Committee consists of all of the Directors of the Company and was chaired by Sarah Bates until 20 September 2013 and, thereafter, by Hasan Askari. The Terms of Reference of the Committee are reviewed annually and are available for download from the 'Trust Profile' section of the Company's website.
In line with the "Guidance on Audit Committees", issued by the Financial Reporting Council in September 2012, a summary of the Committee's main duties is shown below:

- to review and monitor the effectiveness of the Company's internal controls and risk management systems;

- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the interim management statements, half-yearly reports and annual Financial Statements of the Company by reviewing and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's Financial Statements, half-yearly reports, announcements and related formal statements;
- to review the content of the Annual Report and Financial Statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- to meet, if required, with the independent Auditor to review their proposed audit programme and the findings of the Auditor.
- to monitor the effectiveness of the external audit process;
- to develop and implement policy on the engagement of the external auditor to supply non-audit services. During the year under review, £21,000 (2013 - £15,000) was paid to the external auditor in respect of non-audit services (all figures are plus applicable VAT). Of this total, the majority related to tax advice provided by EY in relation to the Company's Mauritian subsidiary; EY advised the Company at the time of its restructuring in November 2004 when the Mauritian Subsidiary was created.
- to review an annual statement from the Manager detailing the arrangements in place whereby the Manager's staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ("whistle-blowing");
- to review the Manager's procedures for detecting fraud and the Manager's systems and controls for the prevention of bribery;
- to make recommendations in relation to the appointment of the independent Auditor, EY, and to approve their remuneration and terms of engagement; and
- to monitor and review annually the Auditor's independence, objectivity, resources and qualifications. At its May 2014 meeting the Committee confirmed its view that the independent Auditor remained independent and objective.

The Company does not have an internal audit function, as specified in Code Provision C.3.6. The Committee has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Manager, has decided to place reliance on the Manager's systems and internal audit procedures.

Significant Issues for the Audit Committee

During its review of the Company's financial statements for the year ended 31 March 2014, the Audit Committee considered the following significant issues:

Valuation, Existence and Ownership of Investments

How the issue was addressed - The valuation of investments is undertaken in accordance with the accounting policies, disclosed in notes 2(a) and 2(c) to the Financial Statements on pages 40 and 41. All investments are considered liquid and quoted in active markets and have been categorised as Level 1 within the IFRS 7 fair value hierarchy and can be verified against daily market prices. The portfolio is reviewed and verified by the Manager on a regular basis and management accounts including a full portfolio listing are prepared each month and circulated to the Directors. The Company uses the services of an independent Custodian (BNP Paribas) to hold the assets of the Company and reviews annual assurance reports prepared by the Custodian. The investment portfolio is reconciled regularly by the Manager.

Recognition of Investment Income

How the issue was addressed - The recognition of investment income is undertaken in accordance with accounting policy note 2(e) to the Financial Statements on page 41. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the intention of the underlying company. The Manager prepares monthly income forecast which are reviewed by the Directors.

Compliance with Sections 1158 and 1159

How the issue was addressed - Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1 April 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager and reported to the Directors.

Review of Auditor

The Audit Committee has reviewed the effectiveness of the Auditor including:

- independence - the Auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards;
- quality of audit work including the ability to resolve issues in a timely manner - identified issues are satisfactorily and promptly resolved;
- communications/presentation of outputs - the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible;

- working relationship with management- the Auditor has a constructive working relationship with the Manager; and
- quality of people and service including continuity and succession plans - the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and retention on rotation of the partner.

EY has held office as auditor of the Company for 9 years. In accordance with EY's professional guidelines the senior statutory auditor is rotated after at most five years and the year ended 31 March 2014 is the third year of service for the current audit partner. The Committee considers EY to be independent of the Company and is satisfied with the auditor's service and effectiveness. The Committee is mindful of the evolving requirements on the length of auditor tenure and considers annually the need to tender for auditor services.

Shareholders have the opportunity at each AGM to vote on the reappointment of the Auditor for the forthcoming year.

Risk and Internal Control

The Board is ultimately responsible for the Company's system of internal control and risk management and for reviewing its effectiveness. Following publication of the Financial Reporting Council's "Internal Control: Revised Guidance for Directors on the Combined Code" ("the FRC Guidance") the Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Report, is regularly reviewed by the Board and accords with the FRC Guidance. The Board has reviewed the effectiveness of the system of internal control and risk management. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed, and has concluded that no significant control weaknesses exist.

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 the Manager's 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 Board 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 are outlined below:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Manager have agreed clearly defined investment criteria and specified levels of authority. Reports on these criteria, including performance statistics and investment valuations, are regularly submitted to the Board and meetings are held with the Manager as appropriate;
- as a matter of course the Manager's compliance department continually 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;
- the Board has considered the need for an internal audit function but, due to the compliance and internal control systems in place at the Manager, has decided to place reliance on the Manager's systems and internal audit procedures; and
- at its May 2014 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 March 2014 by considering documentation from the Manager, including the internal audit and compliance functions, and taking account of events since 31 March 2014.

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 Manager's Global Head of Internal Audit reports six-monthly to the Audit Committee and has direct access to the Directors at any time.

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 objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

Statement of Corporate Governance continued

Proxy Voting and Stewardship

The purpose of the UK Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors with the efficient exercise of their governance responsibilities. The FRC is encouraging institutional investors to make a statement of their commitment to the UK Stewardship Code.

The Board has delegated to the Manager responsibility for actively monitoring the activities of portfolio companies. The Board has reviewed and accepts the Manager's Corporate Governance Principles ("the Principles"), which may be found on the Manager's website, at http://www.aberdeen-asset.com/aam.nsf/AboutUs/governance.

These Principles set out the Manager's framework on corporate governance, proxy voting and shareholder engagement in relation to the companies in which the Manager has invested or is considering investing. The Board has also reviewed the Manager's Statement of Compliance with the UK Stewardship Code, which appears on the Manager's website, at the web-address given above.

The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the portfolio company and for attending portfolio company meetings. The Manager, in the absence of explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights.

The Board recognises and supports the Manager's policy of active engagement with investee companies and the voting of all of the shares held by the Company. The Board receives from the Manager regular reports on the exercise by the Manager of the Company's voting rights and discusses with the Manager any issues arising. It is the Board's view that having an active voting policy and a process for the monitoring by the Board of the Manager's exercise of those votes, especially in relation to controversial issues, aids the efficient exercise of the Company's governance responsibilities.

Socially and Environmentally Responsible Investment

The Board is aware of its duty to act in the best interests of the Company and its shareholders. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a responsible manner. The Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Company's ultimate objective however is to deliver superior investment returns for its shareholders.

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.

Shareholders and investors may obtain up to date information on the Company through the Manager's call centre service (see page 67 for contact details) and the Company's website (www.newindia-trust.co.uk). The Company responds to correspondence from shareholders on a wide range of issues and usually a representative from the Board is available to meet with major shareholders on an annual basis to gauge their views.

The Notice of the AGM included within this Annual Report (see pages 62 to 65) is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or Manager, either formally at the AGM or at the subsequent buffet lunch for shareholders. The Secretaries and Registrars are available to answer general shareholder queries at any time throughout the year and contact details may be found on page 67. Separate resolutions are proposed for each substantive issue. Shareholders are encouraged to attend, and participate in, the AGM. The Manager makes a presentation to the meeting outlining the key investment issues that affect the Company. The number of proxy votes is relayed to shareholders at the AGM.

Disclosure and Transparency Rules

Shareholders' attention is drawn to the Additional Information on page 22 which is disclosed in accordance with the Companies Act 2006 and Rule 7.2.6 of the Disclosure and Transparency Rules.

Declaration

The Directors listed on pages 17 and 18, being the persons responsible, hereby confirm to the best of their knowledge:

- that the financial statements have been prepared in accordance with applicable accounting standards and give a

true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- that in the opinion of the Directors, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Group's performance, business model and strategy; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Group faces.

William Salomon
Chairman

30 May 2014

Directors' Remuneration Report

The Board has prepared this report in accordance with the new regulations governing the disclosure and approval of Directors' remuneration. This Remuneration Report comprises two parts:

(i) a Remuneration Policy, which will be subject to a binding shareholder vote to be put to the members at the forthcoming AGM in the first instance and then every three years thereafter. Should the Remuneration Policy be varied during this interval, then shareholder approval for the new Remuneration Policy will be sought; and
(ii) an annual report on the implementation of remuneration, which provides information on how the policy has been applied during the year and which will be subject to an advisory vote on the level of remuneration paid during the year as set out in the Implementation Report.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 33 and 34.

The fact that the Remuneration Policy will now be subject to a binding vote does not imply any change on the part of the Company. The principles remain the same as for previous years. There have been no changes to the Directors' Remuneration Policy during the period of this Report nor are there any proposals for the foreseeable future.

Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. This policy takes into consideration the principles of UK Corporate Governance.

As the Company has no employees and the Board is comprised wholly of non-executive Directors and, given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole.

The Directors are non-executive and their fees are set out within the Company's Articles of Association. The Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective:

	31 Mar. 2014 £	31 Mar. 2013 £
Chairman	30,000	25,000
Chairman of Audit Committee	27,000	22,500
Director	24,000	20,000

No shareholder views were sought in setting the remuneration policy although any comments received from shareholders would be considered on an ongoing basis.

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment, and at least every three years thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £24,000 per annum).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance-related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or to any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

It is intended that, if approved, the Remuneration Policy will take effect at the conclusion of the next AGM.

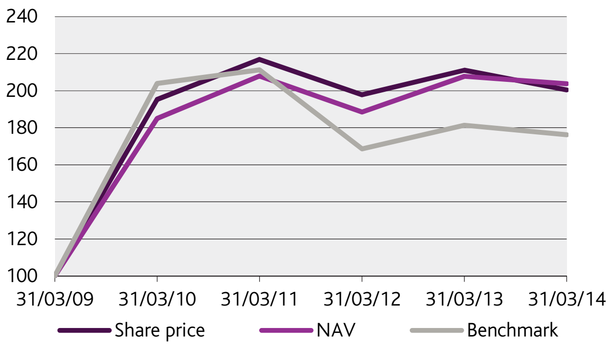
Implementation Report

Directors' Fees

The Board carried out a review of Directors' annual fees during the year and concluded that these should remain unchanged for the year to 31 March 2015, at £30,000, £27,000 and £24,000 for the Chairman, Audit Committee Chairman and other Directors, respectively. There are no further fees to disclose as the Company has no employees, Chief Executive or Executive Directors.

Company Performance

During the year the Board carried out a review of investment performance. The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from the MSCI India Index (Sterling-adjusted) for the five year period to 31 March 2014 (rebased to 100 at 31 March 2009). This index was chosen for comparison purposes, as it is the benchmark used for investment performance measurement purposes.



Statement of Voting at General Meeting

At the Company's last AGM, held on 20 September 2013, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 March 2013. If a poll had been called, 99.8% of votes would have been in favour of the resolution or had given the Chairman discretion, 0.2% would have voted against with less than 0.1% abstaining.

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown below.

Audited Information

Fees Payable

The Directors who served in the year received the following fees which exclude employers' NI and any VAT payable:

	2014	2013	Taxable Benefits	
Director	£	£	2014	2013
W. Salomon	30,000	25,000	-	-
H. Askari*	25,584	10,556	-	-
V. Bulmer-Thomas	24,000	20,000	-	-
R. Beagles~	12,333	n/a	-	-
S. White~	12,333	n/a	-	-
S. Bates#	12,750	22,500	-	-
A. Twiston-Davies@	n/a	9,444		-
Total	**117,000**	**87,500**	**-**	**-**

Notes to Fees Payable Table:

*Appointed Chairman of the Audit Committee on 20 September 2013

~Appointed a Director on 26 September 2013

#Retired as a Director on 20 September 2013

@ Retired as a Director on 20 September 2012

Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties from the fees referred to in the table above.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company.

The Directors (including connected persons) at 31 March 2014, and 1 April 2013, had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below:

	31 March 2014 Ord 25p	1 April 2013 Ord 25p
W. Salomon	285,000	285,000
H. Askari	4,300	4,300
V. Bulmer-Thomas	22,020	22,020
R. Beagles	10,000	n/a
S. White	12,500	n/a
S. Bates	n/a	35,214

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year ended 31 March 2014:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and in which decisions have been taken.

William Salomon
Chairman

30 May 2014

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards (''IFRSs'') 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, 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 transactions and disclose with reasonable accuracy at any time the financial position 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.

The maintenance and integrity of the website maintained for the Group is the responsibility of the Directors; the work carried out by the Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom 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 Group; and
- that in the opinion of the Directors, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Group's performance, business model and strategy; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

On behalf of the Board
William Salomon
Chairman

30 May 2014

Independent Auditor's 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 2014 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Balance Sheets, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated and Parent Company Cash Flow Statement and the related notes 1 to 19. 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 32, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2014 and of the Group's loss for the year then ended;
- the Group's 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 provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Our assessment of risks of material misstatement

We identified the following risks of material misstatement that had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team:

- Incorrect valuation and ownership of the investment portfolio; and
- Management and performance fees are not calculated correctly in accordance with the investment management agreement.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatements on the audit and of uncorrected misstatements, if any, on financial statements and in forming our audit opinion.

We determined materiality for the Group to be £1.56 million, which is 1% of total Equity Shareholders' funds. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Group should be 75% of materiality, namely £1.17 million. Our objective in adopting this approach was to ensure that total uncorrected and undetected audit differences in all accounts did not exceed our materiality level.

We have reported to the Audit Committee any audit differences in excess of £0.08 million, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

The group audit performed a full scope audit on 100% of the Group equity. Our response to the risks identified above was as follows:

- We agreed the year end prices to an independent source and the investment holdings to the independent custodian report; and
- We independently recalculated management fee and performance fee calculations for the year with reference to contractual arrangements and agreed the calculation inputs to source data.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following:
Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

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

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements 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.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 20, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Group's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Susan Dawe (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

30 May 2014

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 March 2014 Revenue return £'000	Capital return £'000	Total £'000	Year ended 31 March 2013 Revenue return £'000	Capital return £'000	Total £'000
Revenue							
Income	3	2,420	–	2,420	2,414	–	2,414
(Losses)/gains on investments held at fair value through profit or loss	9(a)	–	(3,093)	(3,093)	–	14,494	14,494
Currency gains		–	16	16	–	10	10
Total revenue		2,420	(3,077)	(657)	2,414	14,504	16,918
Expenses							
Investment management fees	4	(1,452)	–	(1,452)	(1,446)	–	(1,446)
Other administrative expenses	5	(879)	–	(879)	(791)	–	(791)
Profit/(loss) before tax		89	(3,077)	(2,988)	177	14,504	14,681
Taxation	6	(58)	–	(58)	(60)	–	(60)
Profit/(loss) for the year		**31**	**(3,077)**	**(3,046)**	**117**	**14,504**	**14,621**
Return/(loss) per Ordinary share (pence)	8	**0.05**	**(5.21)**	**(5.16)**	**0.20**	**24.55**	**24.75**

The Group does not have any income or expense that is not included in profit/(loss) for the year, and therefore the "Profit/(loss) 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.

Consolidated and Company Balance Sheets

	Notes	Group As at 31 March 2014 £'000	Company As at 31 March 2014 £'000	Group As at 31 March 2013 £'000	Company As at 31 March 2013 £'000
Non-current assets					
Investments held at fair value through profit or loss	9	150,773	155,440	157,596	158,273
Current assets					
Cash at bank	10	4,700	354	1,183	558
Receivables	11	591	52	612	60
Total current assets		5,291	406	1,795	618
Total assets		156,064	155,846	159,391	158,891
Current liabilities					
Payables	12	(384)	(166)	(665)	(165)
Total current liabilities		(384)	(166)	(665)	(165)
Net assets		**155,680**	**155,680**	**158,726**	**158,726**
Share capital and reserves					
Ordinary share capital	13	14,768	14,768	14,768	14,768
Share premium account		25,406	25,406	25,406	25,406
Special reserve		15,778	15,778	15,778	15,778
Capital redemption reserve		4,484	4,484	4,484	4,484
Capital reserve	14	93,811	94,695	96,888	97,528
Revenue reserve		1,433	549	1,402	762
Equity shareholders' funds		**155,680**	**155,680**	**158,726**	**158,726**
Net asset value per Ordinary share (pence)	15	**263.55**	**263.55**	**268.71**	**268.71**

The financial statements were approved by the Board of Directors and authorised for issue on 30 May 2014 and were signed on its behalf by:

William Salomon
Chairman

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

Consolidated Statement of Changes in Equity

Year ended 31 March 2014

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 April 2013	14,768	25,406	15,778	4,484	96,888	1,402	158,726
Net (loss)/profit on ordinary activities after taxation	–	–	–	–	(3,077)	31	(3,046)
Balance at 31 March 2014	**14,768**	**25,406**	**15,778**	**4,484**	**93,811**	**1,433**	**155,680**

Year ended 31 March 2013

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 April 2012	14,768	25,406	15,778	4,484	82,384	1,285	144,105
Net profit on ordinary activities after taxation	–	–	–	–	14,504	117	14,621
Balance at 31 March 2013	**14,768**	**25,406**	**15,778**	**4,484**	**96,888**	**1,402**	**158,726**

Company Statement of Changes in Equity

Year ended 31 March 2014

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 April 2013	14,768	25,406	15,778	4,484	97,528	762	158,726
Net (loss)/profit on ordinary activities after taxation	–	–	–	–	(2,833)	(213)	(3,046)
Balance at 31 March 2014	**14,768**	**25,406**	**15,778**	**4,484**	**94,695**	**549**	**155,680**

Year ended 31 March 2013

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 April 2012	14,768	25,406	15,778	4,484	82,988	681	144,105
Net profit on ordinary activities after taxation	–	–	–	–	14,540	81	14,621
Balance at 31 March 2013	**14,768**	**25,406**	**15,778**	**4,484**	**97,528**	**762**	**158,726**

Consolidated and Company Cash Flow Statements

		Year ended 31 March 2014		Year ended 31 March 2013	
		Group	Company	Group	Company
	Notes	£'000	£'000	£'000	£'000
Operating activities					
(Loss)/profit before tax		(2,988)	(3,046)	14,681	14,621
Loss/(gain) on investments held at fair value through profit or loss		3,093	2,833	(14,494)	(14,540)
Net gains on foreign exchange		(16)	–	(10)	–
Purchases of investments held at fair value through profit or loss		(12,968)	–	(6,086)	–
Sales of investments held at fair value through profit or loss		16,586	–	5,123	–
(Increase)/decrease in other receivables		(25)	8	233	(5)
(Decrease)/increase in other payables		(126)	1	240	67
Net cash inflow/(outflow) from operating activities before tax		3,556	(204)	(313)	143
Taxation paid		(55)	–	(89)	–
Net cash inflow/(outflow) from operating activities		3,501	(204)	(402)	143
Cash and cash equivalents at the start of the year		1,183	558	1,575	415
Effect of foreign exchange rate changes		16	–	10	–
Cash and cash equivalents at the end of the year	10	**4,700**	**354**	**1,183**	**558**

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").

The principal activity of its active 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 Financial 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 2014. There are no differences between the accounting policies applied with respect to the Group and those applied with respect to the Company.

The Company has taken advantage of the exemption provided under Section 408 of the Companies Act 2006 not to publish its individual Statement of Comprehensive Income and related notes.

The Group and Company financial statements are presented in Sterling, which is also the functional currency as it is the basis upon which shareholders operate and expenses are generally paid. 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"), is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

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 (effective 1 January 2015);
- Investment Entities – Amendments to IFRS 10, IFRS 12 & IAS 27 – (effective 1 January 2014).
- Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32 – (effective 1 January 2014).

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.

The Subsidiary has been fully consolidated from the date of its inception, being the date on which the Group obtained control, and will 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 Consolidated 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 Consolidated Statement of Comprehensive Income between items of revenue and capital nature has been presented in the Consolidated Statement of Comprehensive Income.

(d) Segmental reporting

The Board has considered the requirements of IFRS 8 'Operating Segments' and is of the view that the Group is engaged in a single segment business, of investing in Indian quoted equities and that therefore the Group has only a single operating segment. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Group. The key measure of performance used by the Board to assess the Group's performance is the total return on the Group's net asset value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

(e) Income

Dividends receivable on equity shares are recognised in the Consolidated Statement of Comprehensive Income on the ex-dividend date, and gross of any applicable withholding tax. 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. Special dividends are credited to capital or revenue, according to their circumstances. 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 foregone is recognised in the Consolidated 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 Consolidated 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 Consolidated Statement of Comprehensive Income and separately identified and disclosed in note 9 (c); and
- expenses are charged to the capital column of the Consolidated Statement of Comprehensive Income where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

(g) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax

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, using tax rates that are expected to apply at the date the deferred tax position is unwound.

(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 investments is provided internally on that basis. Purchases of investments are recognised on a trade date basis at the value of the consideration payable excluding transaction costs 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 are 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 Consolidated 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 at 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) Receivables and payables

Other receivables and prepayments do not carry any interest and are short-term in nature, and are, accordingly, stated at their recoverable amount. Payables are non-interest bearing and are stated at their payable amount.

(k) Dividends payable

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

(l) Nature and purpose of reserves

Special reserve

The special reserve arose following Court approval in 1998 to transfer £30m from the share premium account. This reserve is distributable and its function is to fund any share buy-backs by the Company.

Capital redemption reserve

The capital redemption reserve arose when Ordinary shares were redeemed, and subsequently cancelled by the Company, at which point an amount equal to the par value of the Ordinary share capital was transferred from the Ordinary share capital to the capital redemption reserve.

Capital reserve

This reserve reflects any gains or losses on investments realised in the period along with any increases and decreases in the fair value of investments held that have been recognised in the Statement of Comprehensive Income.

Revenue reserve

This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(m) 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.

	Year ended 31 March 2014			Year ended 31 March 2013		
	Revenue	Capital	Total	Revenue	Capital	Total
3. Income	£'000	£'000	£'000	£'000	£'000	£'000
Income from investments						
Overseas dividends	2,419	–	2,419	2,412	–	2,412
Other operating income						
Deposit interest	1	–	1	2	–	2
	2,420	–	**2,420**	**2,414**	–	**2,414**

	Year ended 31 March 2014			Year ended 31 March 2013		
	Revenue	Capital	Total	Revenue	Capital	Total
4. Investment management fees	£'000	£'000	£'000	£'000	£'000	£'000
Investment management fees	**1,452**	–	**1,452**	**1,446**	–	**1,446**

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 management agreement is terminable by either the Company or AAM Asia on 12 months' notice. The balance due to AAM Asia at the year end was £132,000 (2013 – £256,000). All investment management fees are charged 100% to the revenue column of the Consolidated Statement of Comprehensive Income.

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), 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, this net asset value per share to be increased by the percentage (if any) by which the Company's benchmark index has increased over the current measurement period, multiplied by the number of Ordinary shares in issue at the start of the measurement period. When aggregated, the management fee and performance fee, for any financial year, are capped at 1.75% of the gross assets of the Company as at the end of the relevant measurement period. Further details may be found on page 20 and in the Appendix on page 66.

In accordance with the basis of calculation described above, no performance fee was payable to the Manager in respect of the year ended 31 March 2014 (2013 – nil) as the achieved net asset value for the year is less than the benchmark net asset value.

5. Other administrative expenses – revenue	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Directors' fees	129	94
Marketing contribution	99	95
Auditor's remuneration:		
• fees payable to the Group's auditor for the audit of the Group's annual accounts	27	27
• fees payable to the Group's auditor for the audit of the Company's subsidiary annual accounts	7	7
• for other services relating to taxation provided to the Group	21	15
Legal and advisory fees	40	86
Custodian and overseas agents' charges	311	304
Other	245	163
	879	**791**

Directors' fees include £12,000 (2013 – £6,000) paid in respect of the Directors of New India Investment Company (Mauritius) Limited.

During the year under review, £21,000 (2013 – £15,000) was paid to the external auditor for other services relating to taxation; the majority of these fees consist of tax advice provided by EY in relation to the Company's Mauritian subsidiary. EY also advised the Company at the time of its restructuring in November 2004 when the Mauritian Subsidiary was created. The amounts disclosed above for Auditor's remuneration are all shown net of VAT.

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 £99,000 (2013 – £95,000) and £26,000 (2013 – £24,000) was due to AAM PLC at the year end.

6. (a) Tax on ordinary activities	Year ended 31 March 2014 Revenue £'000	Capital £'000	Total £'000	Year ended 31 March 2013 Revenue £'000	Capital £'000	Total £'000
Current tax:						
Overseas taxation	**58**	**–**	**58**	**60**	**–**	**60**

(b) Factors affecting the tax charge for the year

The tax charged for the year can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:

	Year ended 31 March 2014			Year ended 31 March 2013		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before tax	89	(3,077)	(2,988)	177	14,504	14,681
Corporation tax on profit/(loss) at the standard rate of 23% (2013 – 24%)	21	(708)	(687)	42	3,481	3,523
Effects of:						
Losses/(gains) on investments held at fair value through profit or loss not taxable (see note below)	–	711	711	–	(3,479)	(3,479)
Currency gains not taxable	–	(3)	(3)	–	(2)	(2)
Movement in excess expenses	135	–	135	121	–	121
Income not taxable in the UK	(70)	–	(70)	(23)	–	(23)
Non-taxable dividend income	(86)	–	(86)	(140)	–	(140)
Overseas tax	58	–	58	46	–	46
Prior year adjustment	–	–	–	14	–	14
Total tax charge	**58**	**–**	**58**	**60**	**–**	**60**

The prior year disclosure has been amended to accord with current year disclosures.

The Company has excess expenses of £3,134,000 (2013 – £2,545,000) carried forward. This sum has arisen due to cumulative deductible expenses having exceeded taxable income over the life of the Company. It is considered too uncertain that there will be sufficient taxable profits against which these expenses can be offset and, therefore, in accordance with IAS 12, a deferred tax asset of £627,000 (2013 – £585,000) has not been recognised, based on the current tax rate of 20% (2013 – 23%). Any excess management expenses will be utilised against any taxable income that may arise in the future.

The Company is exempt from corporation tax on capital gains provided it obtains agreement from HM Revenue & Customs that the tests within Section 1158 and 1159 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.

7. Dividends on equity shares

No final dividend is being proposed for the year ended 31 March 2014 (2013 – £nil).

During the year, the subsidiary company made a dividend payment of £215,000 (2013 – £400,000) to the parent company, and the net amount due to the parent company at the year end was £nil (2013 – £nil).

8. Return/(loss) per Ordinary share

The basic earnings per Ordinary share is based on the net loss after taxation of £3,046,000 (2013 – profit of £14,621,000) and on 59,070,140 (2013 – 59,070,140) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

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

	Year ended 31 March 2014 Revenue	Capital	Total	Year ended 31 March 2013 Revenue	Capital	Total
Net profit/(loss) (£'000)	31	(3,077)	(3,046)	117	14,504	14,621
Weighted average number of Ordinary shares in issue			59,070,140			59,070,140
Return/(loss) per Ordinary share (pence)	0.05	(5.21)	(5.16)	0.20	24.55	24.75

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

(a) **Group**

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Opening book cost	85,022	81,246
Opening investment holdings fair value gains	72,574	61,418
Opening valuation	157,596	142,664
Movements in the year:		
Purchases at cost	12,810	6,077
Sales – proceeds	(16,540)	(5,639)
Sales – realised net gains	9,565	3,338
(Decrease)/increase in investment holdings gains	(12,658)	11,156
Closing valuation	**150,773**	**157,596**

	£'000	£'000
Closing book cost	90,857	85,022
Closing investment holdings fair value gains	59,916	72,574
Closing valuation	**150,773**	**157,596**

(Losses)/gains on investments	£'000	£'000
Realised gains on sales of investments	9,565	3,338
(Decrease)/increase in investment holdings gains	(12,658)	11,156
	(3,093)	**14,494**

(b) **Company**

	Year ended 31 March 2014 Investments In subsidiary £'000	Overseas £'000	Total £'000	Year ended 31 March 2013 Investments In subsidiary £'000	Overseas £'000	Total £'000
Opening book cost	50,150	6,717	56,867	50,150	6,717	56,867
Opening investment holdings fair value gains	99,010	2,396	101,406	84,044	2,822	86,866
Opening valuation	149,160	9,113	158,273	134,194	9,539	143,733
Movements in the year:						
(Decrease)/increase in investment holdings fair value gains	(2,298)	(535)	(2,833)	14,966	(426)	14,540
Closing valuation	**146,862**	**8,578**	**155,440**	**149,160**	**9,113**	**158,273**

	Year ended 31 March 2014 Investments In subsidiary £'000	Overseas £'000	Total £'000	Year ended 31 March 2013 Investments In subsidiary £'000	Overseas £'000	Total £'000
Closing book cost	50,150	6,717	56,867	50,150	6,717	56,867
Closing investment holdings fair value gains	96,712	1,861	98,573	99,010	2,396	101,406
Closing valuation	**146,862**	**8,578**	**155,440**	**149,160**	**9,113**	**158,273**

(Losses)/gains on investments	As at 31 March 2014 £'000	As at 31 March 2013 £'000
(Decrease)/increase in investment holdings fair value gains	**(2,833)**	**14,540**

As at 31 March 2014, all of the overseas investments held are in listed stocks (2013 – same).

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.

(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 (losses)/gains 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 2014 Group £'000	Company £'000	Year ended 31 March 2013 Group £'000	Company £'000
Purchases	27	–	21	–
Sales	27	–	16	–
	54	**–**	**37**	**–**

10. Cash and cash equivalents	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Cash at bank	**4,700**	**354**	**1,183**	**558**

11. Receivables	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Prepayments and accrued income	121	52	96	60
Other receivables	470	–	516	–
	591	**52**	**612**	**60**

Included in other receivables is an amount of USD783,000, equivalent to £470,000 (2013 – £516,000), being the estimated recovery of funds following the settlement between Aberdeen Asset Managers Limited and Satyam Computer Services in relation to a claim made following the discovery of a financial fraud, which led to the sale of the stock at a weakened price.

None of the above amounts are past their due date or impaired (2013 – nil).

12. Payables	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Amounts due to brokers	–	–	158	–
Other payables	372	166	498	165
Current tax	12	–	9	–
	384	**166**	**665**	**165**

13. Ordinary share capital	2014 Number	2014 £'000	2013 Number	2013 £'000
Issued and fully paid				
Ordinary shares of 25p each	**59,070,140**	**14,768**	**59,070,140**	**14,768**

The Ordinary shares give shareholders voting rights, 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.

Ownership of Subsidiaries

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 (2013 – 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 2015 Warrant'). The 2015 Warrant is exercisable for 10 years from 14 January 2005.

In August 2010, the Subsidiary issued a further Warrant instrument to the Company for a consideration of £9,000,000, giving the Company the right to purchase up to 1,321,417 Preference shares, at an exercise price per share of £40 per share ('the 2020 Warrant'). The 2020 Warrant is exercisable for 10 years from 26 August 2010.

Following the above, there are two separate Warrants issued by the Subsidiary. The Subsidiary has the right to repurchase both Warrants in part or in whole.

The Company incorporated a wholly-owned subsidiary, registered in Singapore, on 27 November 2013 which is considered by the Directors to be dormant as at the year end.

Partial repurchase of Subsidiary Warrant

On 15 May 2008, the Subsidiary repurchased part of the 2015 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.

At the year end there were two (2013 – two) Warrants in issue carrying the right for the Company to subscribe for 37,945,000 (2013 – 37,945,000) and 1,321,417 (2013 – 1,321,417) new Preference shares of 10p in the Subsidiary at £20 and £40 per share respectively.

14. Capital reserves

Group	2014 £'000	2013 £'000
At 1 April 2013	96,888	82,384
Currency gains	16	10
Movement in investment holdings fair value gains	(12,658)	11,156
Gains on sales of investments	9,565	3,338
At 31 March 2014	**93,811**	**96,888**

The capital reserve includes gains of £59,916,000 (2013 – gains of £72,574,000) which relate to the revaluation of investments held at the reporting date.

Company	2014 £'000	2013 £'000
At 1 April 2013	97,528	82,988
Movement in investment holdings fair value gains	(2,833)	14,540
At 31 March 2014	**94,695**	**97,528**

The capital reserve includes gains of £98,573,000 (2013 – gains of £101,406,000) which relate to the revaluation of investments held at the reporting date.

15. Net asset value per Ordinary share

The net asset value per Ordinary share is based on a net asset value of £155,680,000 (2013 – £158,726,000) and on 59,070,140 (2013 – 59,070,140) Ordinary shares, being the number of Ordinary shares in issue at the year end.

16. 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.

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 & Investment Risk 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 its findings to the Manager's Risk Management Committee and to the Board of the Company.

The main financial risks arising from the Group's financial instruments are: (i) market 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 and payables approximates to their fair values.

(i) Market 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 and short-term debtors which are non-interest bearing, as at 31 March 2014 and 31 March 2013 was as follows:

	Total (per Balance Sheet)		Floating rate	
Type	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Cash at bank – Sterling	**4,700**	**1,183**	**4,700**	**1,183**

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 Group had no financial liabilities as at 31 March 2014 and 31 March 2013 which were exposed to interest rate risk.

Interest rate sensitivity

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

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 2014			31 March 2013		
	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000
US Dollar	8,578	470	9,048	9,113	516	9,629
Indian Rupee	142,195	–	142,195	148,483	(158)	148,325
	150,773	**470**	**151,243**	**157,596**	**358**	**157,954**

At 31 March 2014, the exchange rate of the Indian Rupee against the reporting currency Sterling was £1: INR 99.566 compared with an exchange rate of £1: INR 82.528 at 31 March 2013. Based on continuing to hold the same investments in the same quantities from 1 April 2013 to 31 March 2014, all other things being equal, the impact of the exchange rate movement over the year would be to decrease the value of the investments by £25,409,000 (2013 – £1,824,000).

At 31 March 2014, the exchange rate of the US Dollar against the reporting currency Sterling was £1: US$1.6672 compared with an exchange rate of £1: US$1.5185 at 31 March 2013. Based on continuing to hold the same investments in the same quantities from 1 April 2013 to 31 March 2014, all other things being equal, the impact of the exchange rate movement over the year would be to decrease the value of the investments by £813,000 (2013 – increase by £488,000).

The exposure noted in the above table is representative of the exposure across the year as a whole.

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. The exposure to market risk, from movements in the value of equity investments has 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, Grasim Industries GDR, Ultratech Cement GDR and Ambuja Cements GDR, whose primary exchange is Luxembourg and Infosys Technologies ADR, whose primary exchange is the NASDAQ GS.

Other price risk sensitivity

If market prices at the Balance Sheet date had been 15% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 March 2014 would have increased /(decreased) by £22,616,000 (2013 – increased/(decreased) by £23,639,000) 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. All liabilities are payable on demand for a cash consideration equivalent to the balances shown in note 12, and therefore liquidity risk is not considered to be significant, as the Group's assets mainly comprise readily realisable securities which can, in normal circumstances, 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 by the Manager on a daily basis. In addition, both stock and cash reconciliations to

custodians' records are performed on a daily basis by the Manager to ensure discrepancies are investigated 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 and to the Board of the Company. 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.

Credit risk exposure

In summary, compared to the amounts included in the Balance Sheet, the maximum exposure to credit risk at 31 March was as follows:

	2014 Balance Sheet £'000	2014 Maximum exposure £'000	2013 Balance Sheet £'000	2013 Maximum exposure £'000
Non-current assets				
Investments designated at fair value through profit or loss	150,773	–	157,596	–
Current assets[A]				
Cash at bank	4,700	4,700	1,183	1,183
	155,473	**4,700**	**158,779**	**1,183**

[A] Excluding short-term debtors.

The exposure noted in the above table is representative of the exposure across the year as a whole.

None of the Company's financial assets are past due or impaired (2013 – same).

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.

17. 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.

	2014 £'000	2013 £'000
Debt	–	–
Equity		
Equity share capital	14,768	14,768
Retained earnings and other reserves	140,912	143,958
	155,680	**158,726**
Debt as a % of net assets	**0.0%**	**0.0%**

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 (2013 – nil).

18. Fair value hierarchy

IFRS 7 'Financial Instruments: Disclosures' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making measurements. The fair value hierarchy has the following levels:

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

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The financial assets and liabilities measured at fair value in the Balance Sheet are grouped into the fair value hierarchy at the Balance Sheet date are as follows:

Group

As at 31 March 2014	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	150,773	–	–	150,773
Net fair value		**150,773**	–	–	**150,773**

As at 31 March 2013	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	157,596	–	–	157,596
Net fair value		**157,596**	–	–	**157,596**

Company

As at 31 March 2014	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	8,578	–	–	8,578
Investment in Subsidiary	b)	–	146,862	–	146,862
Net fair value		**8,578**	**146,862**	**–**	**155,440**

As at 31 March 2013	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	9,113	–	–	9,113
Investment in Subsidiary	b)	–	149,160	–	149,160
Net fair value		**9,113**	**149,160**	**–**	**158,273**

a) **Quoted equities**

The fair value of the Group's investments in quoted equities has 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 Company's investment in its Subsidiary is categorised in Fair Value Level 2 as its fair value has been determined by reference to the Subsidiary company's net asset value at the reporting date. The net asset value is predominantly made up of quoted equities traded on recognised stock exchanges.

19. Controlling party

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

Information about the Manager

The investment management of the Company has been delegated to Aberdeen Asset Management Asia Limited ("AAM Asia"). 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 £324.5 billion (as at 31 March 2014) 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 employed 411 staff in the region as at 31 March 2014.

Total funds in the region, which are also managed from Sydney, Kuala Lumpur, Hong Kong and Bangkok, are £64.1 billion as at 31 March 2014. The Aberdeen Group has its headquarters in Aberdeen with principal offices in Bangkok, Edinburgh, Hong Kong, Kuala Lumpur, Jersey, London, Philadelphia, Singapore, Stockholm, Sydney and Tokyo.

The Aberdeen Group manages 54 closed-ended funds representing £12.4 billion under management as at 31 March 2014. They adhere closely to the Group's investment style which is that of fundamental investors with an emphasis on company visits and original research.

Investment Philosophy

The Investment Manager's investment process is robust and characterised by its discipline, consistency and independence. The Investment Manager is not benchmark-driven and, accordingly, its fund managers do not invest in stocks that fail to meet its investment criteria.

The Investment Manager believes that markets are inefficient and that companies may not be priced correctly. By doing all its own research and undertaking substantial due diligence before initiating any investment, the Investment Manager's fund management team aims to identify good quality companies that are trading too cheaply, defined in terms of company fundamentals that, in the Investment Manager's opinion, drive share prices over the long term. The Investment Manager therefore manages its portfolios actively and little attention is paid to benchmarks at the portfolio construction level. Companies are held, moreover, for the long term, resulting in the turnover in the Investment Manager's portfolios being relatively low.

At the heart of the Investment Manager's approach is a disciplined investment process, with stock selection being a major source of added value. It estimates a company's worth in two stages, quality then price. Quality is defined by reference to management, business focus, the balance sheet and corporate governance. Price is calculated by reference to key financial ratios, the market, the peer group and business prospects.

Top-down investment factors are secondary in the Investment Manager's portfolio construction, with diversification rather than formal controls guiding stock, sector and country weightings. Little regard is paid to market capitalisation, other than to ensure liquidity. The Investment Manager's portfolios are generally conservatively run, with an emphasis on traditional buy-and-hold. However, the Investment Manager takes opportunities offered by what it sees as anomalous price movements within stockmarkets to either top up or top slice positions, which typically accounts for the bulk of the activity in the portfolios. Accordingly, turnover of positions in the Investment Manager's portfolios is low.

The Investment Manager will not invest in a company without first having met its management team. Having invested in a company, the Investment Manager typically meets the management team twice a year. Over the years, the Investment Manager's fund managers have visited many thousands of companies, and more than 1,000 meetings are held annually with companies' management teams.

Portfolios are managed by the Investment Manager on a team basis, with individual fund managers doing their own research and analysis. Each asset class has a model portfolio that contains the team's best ideas for that asset class and forms the basis for constructing individual portfolios focused on that asset class.

Risk Controls

Aberdeen seeks to minimise risk by its in depth research. Divergence from an index is not seen as risk – the Manager views investment in poorly run expensive companies that are not fully understood as risk. In fact where risk parameters are expressed in index relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides the Investment Manager’s 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 Investment Manager primarily to check the portfolio is behaving as expected, not as a predictive tool.

The Investment Management Team

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.

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.

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

Kristy Fong
Senior Investment Manager
Chartered Financial Analyst, B.Acc from Nanyang Technological University (Singapore). Before joining Aberdeen Kristy worked as an analyst at UOB KayHian Pte Ltd.

Pruksa Iamthongthong
Investment Manager
Chartered Financial Analyst, BA in Business Administration, Chulalongkorn University, Thailand. Joined AAM Asia in 2007.

Marketing Strategy

New India Investment Trust PLC contributes to the Marketing Programme run by Aberdeen Asset Managers Limited ("AAM"), on behalf of a number of investment trusts under its management. The Company's contribution, which is matched by AAM, is £102,000 (plus VAT) per annum for the year ending 31 December 2014 and was £97,200 (plus VAT) for the year ending 31 December 2013. The marketing arrangements are reviewed on an annual basis by the Board.

The purpose of the Programme is to communicate effectively with existing shareholders and gain more new shareholders, thus improving liquidity and thereby enhancing the value and rating of the Company's shares. AAM's experience has also shown that well-targeted marketing of the Company's investment merits through packaged products, whether individually, or in conjunction with other trusts run by AAM, can be a cost-effective way of gaining new investors.

The Marketing Programme includes the following:

Investor Relations Programme

AAM runs an investor relations programme to existing and prospective institutional investors in investment trusts. Each month, institutional investors and prospects receive a Manager's report on the Company that includes detailed performance analysis.

Direct Response Advertising

The Manager advertises the packaged product availability of the Company in selected national press as well as the specialist financial titles.

Direct Mail

Periodic mailshots of information packs inviting named addressees to respond is a low-cost method of building awareness and investor databases. Target groups include existing holders of other AAM investment trusts as well as known buyers of investment trusts.

Newsletter

The "Bulletin" newsletter, an informed commentary on markets and investment trusts managed by AAM, is distributed free of charge.

Public Relations

The Manager undertakes to brief journalists, write regularly through placed articles and ensure Company results and any corporate activity are brought to public attention.

Shareholder Services

AAM runs an investment help desk for retail enquirers and investors (see page 67 for details). Enquirers or investors will be sent any relevant literature on request and have queries answered immediately. The Marketing Programme is under the direction of AAM's Group Head of Brand who has extensive experience in the marketing and communications of investment products. He is supported by a team of marketing professionals.

Internet

New India Investment Trust PLC has a dedicated website: www.newindia-trust.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports. The site is continuously being evaluated for improvement.

Investors in the Share Plan and ISA can now use AAM's secure system to view their valuations and transact on their Plan accounts.

The Board is committed to a close monitoring of the Marketing Programme. The Aberdeen Group Head of Brand provides a written summary quarterly to the Board.

If you have any questions about the Company, the Manager or performance, please telephone our Investor Services Department on 0500 00 00 40 (free when dialling from a UK landline). Alternatively, internet users may e-mail us on inv.trusts@aberdeen-asset.com or write to us at 10 Queen's Terrace, Aberdeen AB10 1YG.

How to Invest in New India Investment Trust PLC

Direct

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly from Aberdeen through the Investment Plan for Children, Investment Trust Share Plan and Investment Trust Individual Savings Account ("ISA").

Suitable for Retail/NMPI Status

The Company's securities are intended for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who are seeking long term capital appreciation from investment in global markets, via an investment company, and who understand and are willing to accept the risks of exposure to equities within a single emerging country fund. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products ("NMPIs") and intends to continue to do so for the foreseeable future.

The Company's securities are excluded from the FCA's restrictions which apply to NMPIs because they are securities issued by an investment trust.

Aberdeen's Investment Trust Share Plan

Aberdeen Asset Managers Limited ("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 the Company. Anyone can invest in the Children's Plan (subject to the eligibility criteria as stated within the terms and conditions), 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 £11,880 in the Company may be made in the tax year 2013/2014; this limit will increase to £15,000 in each tax year with effect from 1 July 2014.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can 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 annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. 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 the Company 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 go online at www.invtrusts.co.uk or please contact:

Telephone: 0500 00 40 00
Email: aam@lit-request.com

Or write to:-

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Keeping You informed

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

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

Alternatively, please call 0500 00 00 40 (Freephone) or email inv.trusts@aberdeen-asset.com or write to the address for Aberdeen Investment Trusts above.

If you have an administrative query which relates to a direct shareholding in New India Investment Trust PLC, please contact the Registrar (see page 67 for details).

The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services and Markets Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Risk

As the market value of the listed Ordinary shares in investment companies is determined by demand and supply in the stock market for those shares, the market value of the shares may fluctuate and may not always reflect the underlying net asset value per share. It should be remembered that the price of the shares 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 may be relatively illiquid. There may be a limited number of shareholders and/or market-makers and this fact may contribute to infrequent trading on the London Stock Exchange and volatile price movements.

The Company'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 Company's investments will be realisable in the event of a sale.

Investor warning

AAM is aware that some investors have received telephone calls from people purporting to work for AAM, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for AAM and any third party making such offers has no link with AAM. AAM never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact Aberdeen's investor services centre using the details provided.

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

Glossary of Terms and Definitions

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	The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value divided by the number of shares presently in issue produces the net asset value per share, which has been calculated in accordance with guidelines issued by the Association of Investment Companies and excludes accrued income.
Net Gearing/(Cash)	Net gearing/(cash) is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.
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, long 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.
Redemption Yield	The measure of the annualised total return on the current price of a security up to the date of its repayment. The calculation is based on aggregated income and capital returns, no account being taken of taxation.
Total Assets	Total assets as per the balance sheet less current liabilities (before deducting prior charges as defined above).
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.
Voting Rights	In accordance with the Articles of Association of the Company, on a show of hands or on a poll, every member (or duly appointed proxy) present at a general meeting of the Company has one vote.

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, London EC4M 9HH, at 11.30 a.m. on 11 September 2014 for the following purposes:

Ordinary Business

As ordinary business to consider and, if thought fit, pass the following Resolutions 1 to 8 inclusive, as Ordinary Resolutions:

1. To receive the Directors' Report and Financial Statements for the year ended 31 March 2014, together with the Independent Auditor's report thereon.
2. To receive and adopt the Directors' Remuneration Report for the year ended 31 March 2014 (other than the Directors' Remuneration Policy).
3. To receive and adopt the Directors' Remuneration Policy.
4. To elect Rachel Beagles as a Director of the Company.
5. To elect Stephen White as a Director of the Company.
6. To re-elect Hasan Askari as a Director of the Company.
7. To re-elect Professor Victor Bulmer-Thomas as a Director of the Company.
8. To re-appoint Ernst & Young LLP as Independent Auditor of the Company and to authorise the Directors to determine their remuneration for the year to 31 March 2015.

Special Business

As special business to consider and, if thought fit, pass the following Resolutions in the case of Resolutions 9 and 11 as Special Resolutions and in the case of Resolutions 10 and 12 as Ordinary Resolutions:

Authority to Make Market Purchases of Shares

9. THAT, 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"), but without prejudice to the exercise of any such authority prior to the date of this resolution, 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 Ordinary shares in treasury provided that:
   (i) the maximum aggregate number of Ordinary shares hereby authorised to be purchased shall be an aggregate of 8,854,613 Ordinary shares, being 14.99 per cent. of the issued Ordinary share capital of the Company as the date of approval of this notice;
   (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 next Annual General Meeting of the Company in 2015 or on 30 September 2015, whichever is earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary shares which will or may be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

Authority to Allot Shares

10. THAT, in substitution for any existing authority under section 551 of the Companies Act 2006 (the "Act"), 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 Section 551 of the Companies Act 2006, to allot equity securities (within the meaning of the section 551 of the Act) up to an aggregate nominal amount of £738,376 (representing approximately 5 per cent. of the Company's issued Ordinary share capital as at the date of approval of this notice) during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the next Annual General Meeting of the Company in 2015 or on 30 September 2015, whichever is earlier, but so that this authority shall allow the Company to make, before the expiry of this authority, offers or agreements which would or might

require relevant securities to be allotted after such expiry and notwithstanding such expiry, the Directors may allot relevant securities in pursuance of any such offers or agreements.

Disapplication of Pre-emption Rights

11. THAT, subject to the passing of resolution numbered 10 above ("the Section 551 resolution") and in substitution for any existing authority under sections 570 and 573 of the Companies Act 2006 (the "Act") 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 Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) either pursuant to the Section 551 resolution or by way of a sale of treasury shares, in each case for cash as if Section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities:

    (a) (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £738,376 (representing approximately 5 per cent. of the Company's issued Ordinary share capital as at the date of approval of this notice); 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

    (c) at a price per Ordinary share which represents a premium to the prevailing net asset value per Ordinary share from time to time (as determined by the Directors and excluding treasury shares).

    such power shall expire at the conclusion of the next Annual General Meeting of the Company in 2015 or on 30 September 2015, whichever is earlier, 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.

Continuation Vote

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

Bow Bells House
1 Bread Street, London EC4M 9HH

By order of the Board
Aberdeen Asset Management PLC
Secretaries

24 June 2014

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 not later than 6pm on the date two days (excluding non-working days) before the time fixed for the meeting (or, if the meeting is adjourned, registered in the register of members not later than 6pm on the date two days (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) no later than 48 hours before the time of the meeting or any adjournment. 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 for 15 minutes prior to, and at, 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 30 May 2014 (being the last practicable date prior to publication of this notice) the Company's issued share capital comprised 59,070,140 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 30 May 2014 was 59,070,140.

(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.

Appendix – Performance fee

At an Extraordinary General Meeting ("EGM") on 9 November 2004, shareholders passed a special resolution approving the Company to enter into an investment management agreement with Aberdeen Asset Management Asia Limited ("the Manager"). The following is an extract from Part 4 of the Prospectus published on 16 November 2004 which sets out, among other matters, the new management arrangements adopted at the EGM:

The Manager will be entitled to receive from each of the Company and the New India Investment Company (Mauritius) Limited (collectively "the Group") a basic management fee and, if applicable, a performance fee.

Together, the basic and performance fees will not exceed 1.75 per cent. of the gross assets of the Group as at the end of the accounting period in question.

The aggregate basic management fees will be payable quarterly in arrears at the annual rate of 1.0 per cent. of the value of the Group's net assets, together with any applicable VAT. To the extent that investments are made by the Manager on behalf of the Group in investment trusts, open-ended and closed-end funds or investment companies managed or advised by the Aberdeen Group and from which the Aberdeen Group receives management fees, the value of those investments will be disregarded in calculating the basic management fee under each of the investment management agreements.

The amount of any performance fee payable by the Group will be determined as follows:

$$P = \frac{(A - B) \times N}{10}$$

where:

P = the amount of the performance fee;
A = Achieved Value;
B = Benchmark Net Asset Value ("NAV") per Ordinary 25p share ("Share"); and
N = the number of Shares in issue at the start of a Relevant Period.

For the purpose of calculating the performance fee:

"Achieved Value" means (i) the NAV per Share as at the end of the Relevant Period but adjusted to add back any performance fees paid or accrued during such Relevant Period and (ii) in the case where the Company is being wound up, the NAV per Share after taking into account the costs of liquidation of the Company (other than the performance fee, if any, for the final Relevant Period);
"Base NAV per Share" means the highest of (i) the NAV per Share as at the close of business on the date on which the Manager's appointment as the Company's investment manager becomes effective, (ii) the NAV per Share as at the first business day of the Relevant Period in question and (iii) the NAV per Share as at the end of the most recent Relevant Period in respect of which a performance fee has been paid;
"Benchmark NAV per Share" means the Base NAV per Share increased by the percentage (if any) by which the Company's benchmark index has increased over the Relevant Period;
"Relevant Period" means each accounting period of the Company or, if less than a year, the final period for which the management arrangements subsist; and
"NAV per Share" means the net asset value per Share (diluted, if appropriate, by the deemed exercise of all the outstanding Warrants) calculated on a consolidated basis for the Company and the Mauritian Subsidiary.

Corporate Information

Directors

William Salomon, Chairman
Hasan Askari, Audit Committee Chairman
Professor Victor Bulmer-Thomas
Rachel Beagles (appointed 26 September 2013)
Stephen White (appointed 26 September 2013)

Manager

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

Customer Services Department and Share Plan/ISA enquiries

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

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

Registered Office & Secretaries

Aberdeen Asset Management PLC
Bow Bells House
1 Bread Street
London EC4M 9HH

Company Registration (England & Wales) Number

02902424

United States Internal Revenue Service FATCA Registration Number (GIIN)

U2I09D.9999.SL.826

Website

www.newindia-trust.co.uk

Points of Contact

The Chairman or Company Secretaries at the Registered Office of the Company.

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Telephone: 0870 707 1153
(Calls to the above number are charged at 8 pence per minute from a BT landline. Other telephony providers' costs may vary.)

Email via website: www-uk.computershare.com/investor

Stockbrokers

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

Independent Auditor

EY (formerly Ernst & Young LLP)
Ten George Street
Edinburgh EH2 2DZ

Custodian

BNP Paribas Securities S.A.
55 Moorgate
London EC2R 6PA

Financial Calendar

30 May 2014	Announcement of Annual Financial Report for the year ended 31 March 2014
11 September 2014	Annual General Meeting (11.30am), Bow Bells House, 1 Bread Street, London, EC4M 9HH
November 2014	Announcement of Half-Yearly Financial Report for the six months ending 30 September 2014

Your Company's History

Issued Share Capital at 31 March 2014 and 30 May 2014

59,070,140	Ordinary shares of 25p

Capital History

Year ended 31 March 2011	12,115,997 Ordinary shares issued following the final exercise of Warrants
Year ended 31 March 2010	644,685 Ordinary shares issued following the exercise of Warrants
Year ended 31 March 2009	21,708 Ordinary shares issued following the exercise of Warrants
	1,575,000 Ordinary shares purchased by Company for cancellation
Year ended 31 March 2008	22,900 Ordinary shares issued following the exercise of Warrants
Year ended 31 March 2007	9,100 Ordinary shares issued following the exercise of Warrants
Year ended 31 March 2006	18,700 Ordinary shares issued following the exercise of Warrants
Year ended 28 February 2005	Accounting Reference Date changed from 28 February to 31 March
	Name changed from Deutsche Latin American Companies Trust PLC to New India Investment Trust PLC
	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
Year ended 28 February 2002	450,000 Ordinary shares purchased by the Company for cancellation 1,000 Ordinary shares issued following the exercise of Warrants
Year ended 28 February 2001	Name changed from Morgan Grenfell Latin American Companies Trust PLC to Deutsche Latin American Companies Trust PLC 11,915,000 Ordinary shares purchased by the Company for cancellation
Year ended 28 February 2000	3,110,000 Ordinary shares purchased by the Company for cancellation
Year ended 28 February 1999	885,000 Ordinary shares purchased by the Company for cancellation
Year ended 28 February 1996	100 Ordinary shares issued following the exercise of Warrants
31 March 1994	64,170,950 Ordinary shares and 12,834,190 Warrants issued (representing one Warrant for every five Ordinary shares)
21 February 1994	Company incorporated as Morgan Grenfell Latin American Companies Trust PLC