

New India Investment Trust PLC

Annual Report and Accounts
31 March 2013

2013



Contents

1	Financial Highlights
---	----------------------

Annual Report

2	Corporate Summary
4	Chairman's Statement
6	Manager's Report
10	Results
11	Performance
12	Investment Portfolio – Ten Largest Investments
13	Investment Portfolio – Other Investments
14	Sector Analysis
15	Stock Contribution to NAV Performance
16	Information about the Manager
17	The Investment Process

Directors' Reports and Financial Statements

18	Your Board of Directors
20	Directors' Report
24	Statement of Corporate Governance
29	Statement of Directors' Responsibilities
30	Directors' Remuneration Report
31	Independent Auditor's Report
32	Consolidated Statement of Comprehensive Income
33	Consolidated and Company Balance Sheets
34	Consolidated Statement of Changes in Equity
35	Company Statement of Changes in Equity
36	Consolidated and Company Cash Flow Statements
37	Notes to the Financial Statements

General Information

52	How to Invest in New India Investment Trust PLC
54	Marketing Strategy
55	Glossary of Terms and Definitions
56	Notice of Annual General Meeting
60	Appendix – Performance fee
61	Corporate Information
62	Your Company's History

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. 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.

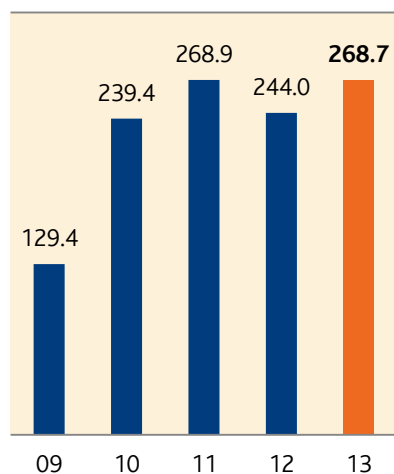
Financial Highlights

	2013	2012
Share price total return	+6.8%	–8.8%
Net asset value total return	+10.1%	–9.3%
Benchmark total return	+7.6%	–20.2%

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

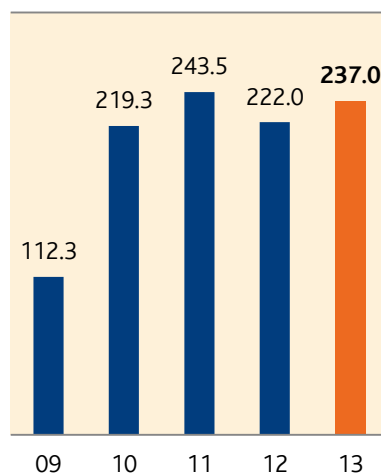
Net asset value* per share

At 31 March – pence



Mid-market price per share

At 31 March – pence



* Diluted values used for 2009-2010.

Financial Calendar

31 May 2013	Announcement of Annual Financial Report for the year ended 31 March 2013
20 September 2013	Annual General Meeting (11.30 am)
November 2013	Announcement of Half-Yearly Financial Report for the six months ending 30 September 2013

Corporate Summary

The Company

New India Investment Trust PLC ("New India" or the "Company") is an investment trust whose Ordinary shares are admitted to trade on the Official List in the premium segment and are traded on the main market of the London Stock Exchange. The Company is a member of the Association of Investment Companies.

Investment Manager

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

Investment Objective

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

Investment Policy

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

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

The Manager continues to expect the portfolio to comprise in the region of 25 to 30 holdings (but without restricting the Group from holding a more or less concentrated portfolio).

Currency and Hedging Policy

The Group's financial statements are maintained in sterling while, because of its investment focus, many of the Group's investments are denominated and quoted in currencies other than sterling, in particular, the Indian rupee. Although it is not the Group's present intention to do so, the Group may, where appropriate and economic to do so, employ a policy of

hedging against fluctuations in the rate of exchange between sterling and other currencies in which its investments are denominated. Cash balances are held in such currency or currencies as the Manager considers it to be appropriate, although it is expected that this would generally be the Indian rupee.

Borrowing Policy and Gearing

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

Investment Restrictions

It is the investment policy of the Group to invest no more than 15 per cent of its gross assets in other listed investment companies (including listed investment trusts). The Group does not have any investments in other listed investment companies at 31 March 2013.

Benchmark

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

Capital Structure

As at 31 March 2013 and the date of approval of this Report, the Company had a capital structure comprising 59,070,140 (2012: 59,070,140) Ordinary shares of 25p with voting rights).

Net Asset Value

At 31 March 2013, the Company had total shareholders' funds of £158.7m and a net asset value of 268.71p per Ordinary share.

Websites

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

Company Secretary

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

Principal Risks and Uncertainties

The Board seeks to set out below its view of the principal key risks affecting its business; further information on financial risks may be found in note 16 to the financial statements. The Board is aware that, apart from those issues it can identify, there are likely to be matters about which it does not or cannot know which may also affect 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 skill by the Company's investment management team;
- 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; the Alternative Investment Fund Managers Directive ("the Directive") will begin to be implemented from July 2013 with full implementation in the UK by July 2014. The Directive may have significant consequences for the Company (and all similar investment companies) which might materially increase compliance and regulatory costs. The Directive is subject to further implementation guidance, and the Board will continue to monitor the progress and likely implications for the Company of the Directive.

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.

Duration

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

Management Agreement

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

Investor Warning

The Board has been made aware by the Manager that some investors have received telephone calls from people purporting to work for the Manager, or third parties, who have offered to buy their investment company 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 the Manager and any third party making such offers has no link with the Manager. The Manager 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, they should not offer any personal information, end the call and contact the Manager's Customer Services using the details provided below.

Customer Services

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

Chairman's Statement



William Salomon
Chairman

Highlights

- Share Price Total Return +6.8%
- Net Asset Value Total Return +10.1%
- Benchmark Total Return +7.6%

During the year ended 31 March 2013, your Company's net asset value rose by 10.1% to 268.7p. By comparison, the benchmark MSCI India Index rose by 7.6% in total return terms. The Ordinary share price gained 6.8% to reach 237.00p, reflecting a widening of the discount to net asset value from 9.0% to 11.8%.

The outperformance of the net asset value relative to the benchmark demonstrated once again the strength of your Manager's bottom-up, stock-picking approach, in particular, its focus on companies with strong finances, sustainable business models, market leadership, long-term growth prospects and prudent management.

In part, the market gains were due to the flood of liquidity resulting from asset purchases by major central banks in Europe and the US. These attempts to reflate the global economy buoyed equities worldwide and India was no exception. However, the uptick in share prices belied the problems on the ground. The frustrating combination of high inflation, slowing GDP growth and the twin fiscal and current account deficits, coupled with endemic corruption, continued to vex investors early on, as it did in the previous reporting period.

The turnaround began in September when Delhi announced a series of reforms that ended the policy paralysis of the last two-and-a-half years. Several sectors, including retail and aviation, were opened to greater foreign participation. The divestment of state-run assets and deregulation in fuel markets recommenced after being stalled. The proposed tax avoidance rule was postponed to 2016, allowing foreign institutional investors more time to relocate from current tax-treaty destinations. Markets responded positively to the measures, which came on the heels of Mr P Chidambaram's reappointment as finance minister. In a series of international road shows clearly aimed at reassuring investors, the veteran politician pledged to cap expenditure, reduce the budget shortfall and expedite the approval of the controversial goods and services tax, which is expected to bolster growth if implemented.

The government's new-found resolve is encouraging. However, it may be a while before the investment cycle turns. Capital goods and infrastructure spending remains muted. At the same time, the Manager would caution against overenthusiasm for the recent reform drive despite Chidambaram's strong track record. As long-term investors in India, we have witnessed Delhi's frequent backpedalling. With national elections due in 2014, we would not be surprised if policymakers succumbed to populist pressures yet again.

The economic slowdown, meanwhile, weighed on corporates in the consumer discretionary, industrials and materials

sectors during the year. Conversely, defensive sectors such as consumer staples and healthcare remained resilient. Financials also did well as loan growth remained steady despite the more challenging backdrop. Your Company's outperformance is the result of its holdings in several of these businesses, including homegrown consumer goods producer Godrej, leading private-sector bank ICICI and mortgage provider HDFC. All are characterised by strong management teams, well-regarded brands and local reach, coupled with expanding regional presence. A more thorough discussion follows in the Manager's Report.

Further to a settlement reached with Satyam Computer Services, the Company has included an amount in these financial statements which is equivalent to £516,000. This is the estimated recovery of funds in relation to a claim made following the discovery of financial fraud which led to the sale of the stock at a weakened price.

Continuation of Company and Manager

Your Board has carefully considered the reappointment 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 No. 9 at the Annual General Meeting, to allow the Company to continue as an investment trust.

Annual General Meeting

The Annual General Meeting ("AGM") will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Friday, 20 September 2013 at 11.30 a.m.

Hasan Askari, who was appointed a Director on 21 September 2012, retires and is 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.

Your Board, having reviewed the reasons for the election of Hasan Askari and the re-election of Professor Bulmer-Thomas, strongly recommends Shareholders to vote in favour of the relevant resolutions.

Sarah Bates is retiring from the Board at the AGM. Sarah has served as a Director since the reconstruction of the Company in November 2004; her wise counsel, experience and contributions, in particular her chairing of the Audit Committee, are appreciated by myself and my colleagues on the Board. Hasan Askari will succeed her as Chairman of the Audit Committee.

In addition to the ordinary business of the meeting, 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.

As in previous years, the Company is not paying a dividend for the year ended 31 March 2013.

There will be a presentation by the Manager at the AGM as well as an opportunity to meet the Directors over coffee following the meeting.

Outlook

Economic headwinds remain. Domestic demand for discretionary items has eased somewhat while exports could stay sluggish in the near term given the debt problems in the West. To stave off a credit-rating downgrade, the government needs to prevent any disruption to its reforms. However, policy-making may be complicated by shifting alliances within the ruling coalition, which has lost the support of a handful of key allies recently. On a positive note, falling commodity prices could provide the Reserve Bank of India some leeway to loosen monetary policy further, following the three rate cuts during the review period.

At the corporate level, profit margins remain under pressure. Companies are facing softer demand and increasing competition. Further, royalty payments have increased. Within the Company's portfolio, Hindustan Unilever, Ambuja Cements, ACC and Nestle India have hiked fees to their European parents. These firms are financially robust, cash generative and conservatively managed, attributes that will help certain of them tap rising middle-class consumption despite the challenging backdrop. Indeed, it is at the corporate level where India stands out. The country remains home to some of Asia's best-run companies. While valuations have risen, earnings growth, albeit in the single-digits, appears well-supported by positive long-term prospects.

William Salomon
Chairman

31 May 2013

Manager's Report

Portfolio Overview

The Company's net asset value rose by 10.1% in sterling terms in the 12 months ended 31 March 2013 compared to the benchmark MSCI India Index's gain of 7.6%, in total return terms.

Among our holdings, Godrej Consumer Products and Tata Consultancy Services were key contributors to relative performance. Godrej, whose products include insecticides, hair colouring, soaps and liquid detergents, was supported by healthy domestic demand. With a presence in Indonesia, Latin America and Africa, the company has diverse revenue streams and is positioned to benefit from rising disposable incomes in other emerging markets. Tata Consultancy Services, which also has a diversified global presence, was buttressed by its UK and American clients, which compensated for a relatively soft European market. Elsewhere, financial companies ICICI Bank and HDFC benefited from continued loan growth.

Conversely, Gujarat Gas and Hero MotoCorp were the biggest detractors. Rising gas prices dampened Gujarat Gas' sales volumes. Also weighing on the gas distributor's share price was the conclusion of BG Group's sale of its majority stake to state-owned Gujarat State Petroleum Corporation. Investors worried that coming under government control would affect the company's ability to pass on rising costs to its customers. Elsewhere, Hero MotoCorp experienced a cyclical slowdown in its motorbike segment. That said, the company retains its leading position in the domestic market, and continues to invest in capacity expansion.

At the sector level, our overweight to consumer staples added to relative return. Against the muted economic backdrop, investors were attracted to the defensive sector, with its companies boasting stable cash flows and poised to benefit from the nation's expanding middle class. Against this, our overweight to materials pared gains, as our cement holdings fared poorly due to a slower-than-forecast revival in construction. High inflation has also deterred potential homebuyers. Nonetheless, we continue to like the cement sector for its localised nature, meaning it is immune to fluctuations in cement prices overseas. We see long-term potential in the industry, given India's massive infrastructure needs.

Over the year, Indian equities' sharp gains were underpinned by optimism over the government's reform push, as well as easing measures by central banks in developed markets. However, renewed domestic political uncertainty and worries over Europe's debt crisis and budget issues in the US spurred profit-taking towards the end of the review period.

Economic News

Economic expansion slowed, with fourth-quarter growth at a relatively subdued 4.5%. GDP growth for the fiscal year is forecast to reach a decade-low at about 5%. High borrowing costs affected investments and consumer spending, while faltering demand from Europe and the US hurt exports. This contributed to widening current account and fiscal deficits, which in turn put pressure on the rupee, causing it to reach a record low against the US dollar in June.

Inflation was persistent, with the wholesale price index hovering above 7% for most of the year. However, growth concerns outweighed inflationary ones, and the central bank cut interest rates thrice, bringing the repo rate and reverse repo rate to 7.5% and 6.5% respectively.

It was an eventful year in politics, with Mr P Chidambaram reprising his role as finance minister. He took over from Pranab Mukherjee, who assumed the essentially non-political role of president. Following this, the government pushed through a series of market-friendly reforms. To narrow the fiscal deficit, diesel subsidies were reduced, and the government sold minority stakes in state-owned companies. In addition, limits on foreign investment were relaxed in the aviation, pension funds, and retail sectors. The central bank will also be allowed to issue new bank licenses.

Later in the year, the government unveiled its annual budget, which drew a tepid response from investors as it was thought to lack sufficient incentives to attract the investments necessary to reignite growth. Nevertheless, tax hikes on large companies and wealthy individuals demonstrated improved fiscal discipline. The absence of major populist measures also showed the government's intent to control spending.

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 ("TCS"), both of which generate healthy cash flows and have diversified global presences. TCS and its subsidiary CMC, which we also hold, delivered robust earnings. Infosys has struggled to maintain its high margin growth in light of increased competition and softer demand from the developed world - the company is restructuring its business to re-focus on its clients' needs. We hold the stock as we value the company's professional management team, strong cash flows and solid balance sheet. As valuations look

reasonable, we are comfortable maintaining our exposure to these holdings.

Energy

Over the past decade, little has changed in this sector as the ongoing challenge of providing the public with reliable and reasonably-priced supply remains incomplete, unpredictable and politicised. While the recent partial deregulation in diesel prices is a welcome development, this does not fully cover the high costs sustained by energy companies and more needs to be done for the sector to operate profitably. We do not plan to invest in this sector until there is a comprehensive, 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 new areas like resource exploration, retail and industrial park activities. These often require extensive capital outlay in areas where the company has neither a proven track record nor a clear competitive advantage.

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. We like banks that can manage risks throughout the credit cycle while focusing on meeting customers' financial needs. The environment is increasingly challenging, as loan growth slows and levels of restructured loans rise. Affected segments include real estate, mining, infrastructure and telecommunications. At the same time, we stay clear of banks that do a lot of investment banking work or aggressively manage their proprietary investment activities.

Our core holdings ICICI Bank, HDFC and its associate HDFC Bank, as well as the more recent addition Jammu & Kashmir Bank, continue to demonstrate robust loan growth and asset quality compared to their public-sector peers. While we have not seen a large increase in the amount of non-performing loans among our holdings, we continue to scrutinise their financials for signs of distress.

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 invested in Hero MotoCorp, the country's largest motorcycle maker.

In the December quarter, Hero MotoCorp's results were muted on the back of increased competition and elevating costs. Nevertheless, the company retains its competitive advantage given its dominance in the semi-urban and rural areas. It also remains committed to capacity expansion, while maintaining a net cash position. The company has yet to deliver on its technology tie-up with US-based Erik Buell Racing, with new products only expected to arrive next year.

Consumer Staples

We hold both local and multinational brands in the competitive fast-moving consumer goods landscape. Homegrown 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.

Our holdings continued to deliver double-digit earnings growth. But in spite of Hindustan Unilever's strong underlying performance, its share price took a beating when the Indonesian sister company announced higher royalty payments to Anglo-Dutch parent Unilever. As expected, Hindustan Unilever will also raise royalty fees, from 1.4% of sales to 3.15% in a phased manner over the next four years. Management has justified the increase as the company had been paying a lower royalty rate than many of its global counterparts. As the parent provides brand, know-how and technology support, we are supportive of the staged implementation, but have communicated our concerns about further hikes.

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, which is owned by Swiss group Holcim. In February, we introduced Holcim's other local cement subsidiary ACC, which trades at a discount to its peers and has potential to improve productivity as it upgrades existing plants and introduces new capacity using Holcim's operational expertise. We believe our companies are well-positioned for long-term growth that will be driven by the country's increasing housing needs and infrastructure spending.

Our holdings reported relatively sluggish sales in the last quarter of 2012, as the recovery in construction was slower than expected. Earnings were further pressured by the hike in diesel prices. Nevertheless, we are confident that they will be

able to weather the near-term cyclical slowdown. In other developments, the resolution to increase ACC and Ambuja's royalty payments to Holcim to 1% of net sales was approved, despite some opposition from minority shareholders.

Healthcare

India has a vibrant health care 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 drug 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.

Despite inflationary pressures and the ongoing policy uncertainty on drugs pricing, GlaxoSmithKline delivered faster growth than its peers in the December quarter. Piramal Enterprises, which has been building up capabilities in finance and real estate, saw decent expansion in its pharma-related and financial services businesses. We like the management team, which has a track record of successfully growing diverse businesses. The company is trading at a discount to its net asset value and remains cash-rich.

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. Recent efforts to address problems in the power sector include the financial restructuring plan for the state electricity boards and the proposal to implement a uniform price for coal. However, more needs to be done. 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.

Container Corporation had a sluggish December quarter given weak trading activity. The company will gradually pass on higher rail haulage costs by increasing tariffs. ABB's earnings deteriorated as the operating environment remained in the doldrums. The company has become more cautious about accepting new orders given liquidity issues in the sector.

Utilities

We are investors in Gas Authority of India (GAIL), the country's largest gas distribution company; Gujarat Gas, a gas distributor in which British Gas used to hold a majority stake; and private sector utility company Tata Power. British Gas' stake has since been sold to a consortium led by Gujarat

State Petroleum Corporation. We did not participate in the mandatory tender offer as the offer price was unattractive.

GAIL reported a better third quarter as operating margins recovered, led by higher liquid petroleum gas prices and lower subsidies. Tata Power's core operations in Mumbai and Delhi also performed well in the same quarter but impairment charges at its Mundra plant continued to drag on profitability.

GAIL reported a better third quarter as operating margins recovered, led by higher liquid petroleum gas prices and lower subsidies. Tata Power's core operations in Mumbai and Delhi also performed well in the same quarter but impairment charges at its Mundra plant continued to drag on profitability.

Telecommunication Services

The local telecommunications market is one of the world's most competitive and the large players (Bharti Airtel, Reliance Communications, Vodafone and Idea Cellular) continue to battle for market share. Spectrum licensing remains an uncertain issue. The lacklustre response to the 2G 1,800 MHz spectrum auction prompted the government to lower the reserve price in a re-auction as well as reallocate the 900 MHz spectrum. Despite the reduced price, the re-auction failed to draw any interest from telecom operators, which demonstrated these companies' greater fiscal discipline. While the regulatory environment is challenging, there are signs that competitive pressures could be easing since the cancellation of dozens of licenses last year and recent tariff hikes taken by incumbents. As for Bharti, domestic operating metrics appear to be improving although the company is taking longer than expected to meet its target profitability in Africa.

Strategy

In the near term, optimism over India's reform drive will be tempered by concerns over its slowing growth and stubborn inflation. While the ongoing liberalisation of the energy sector should alleviate the budget deficit, political stability will be the key to successful future reforms. The political scene is as messy as ever, and Chidambaram is likely to face increased opposition to his reform push as the 2014 general elections approach. That said, we believe that the nation's prospects are still compelling. Apart from being in a demographic sweet spot, its large domestic economy makes it less export-reliant than many of its peers.

On the corporate level, India has much to offer, with a good mix of well-run homegrown and multinational firms. Our investment process remains unchanged. We continue to look for good-quality companies with capable management, robust balance sheets and proven track records. Our holdings have held up well during difficult times and we remain on the

lookout for opportunities to accumulate stocks at attractive prices, given the current volatility.

Aberdeen Asset Management Asia Limited
Manager

31 May 2013

Results

Financial Highlights

	31 March 2013	31 March 2012	% change
Total equity shareholders' funds (net assets)	£158,726,000	£144,105,000	+10.1
Share price (mid market)	237.00p	222.00p	+6.8
Net asset value per share	268.71p	243.96p	+10.1
Discount to net asset value	11.8%	9.0%	
Total return/(loss) per share	24.75p	(24.95p)	
Revenue return per share	0.20p	0.61p	
Revenue reserves per share	2.37p	2.18p	
Prospective gross portfolio yield ^A	1.5%	1.7%	
MSCI India portfolio yield ^A	1.4%	1.3%	
Prospective portfolio P/E ratio ^B	19.6x	20.0x	
Ongoing charges			
Ongoing charges ratio ^C	1.56%	1.57%	

^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. The figures for 2012 have been restated accordingly.

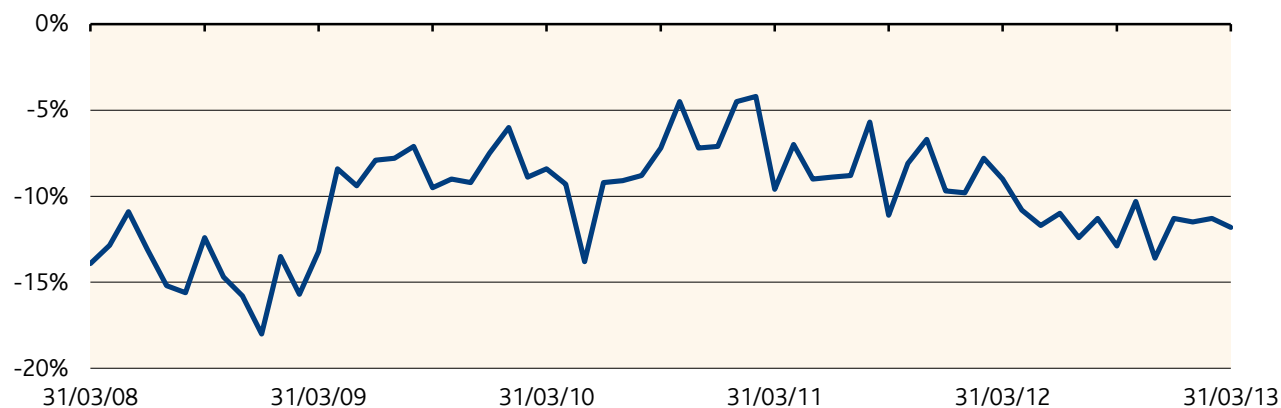
Performance (total return)

	1 year % return	3 year % return	5 year % return
Share price	+6.8	+8.1	+70.8
Net asset value per Ordinary share	+10.1	+12.2	+66.7
MSCI India Index (sterling adjusted)	+7.6	-11.1	+20.0

Performance

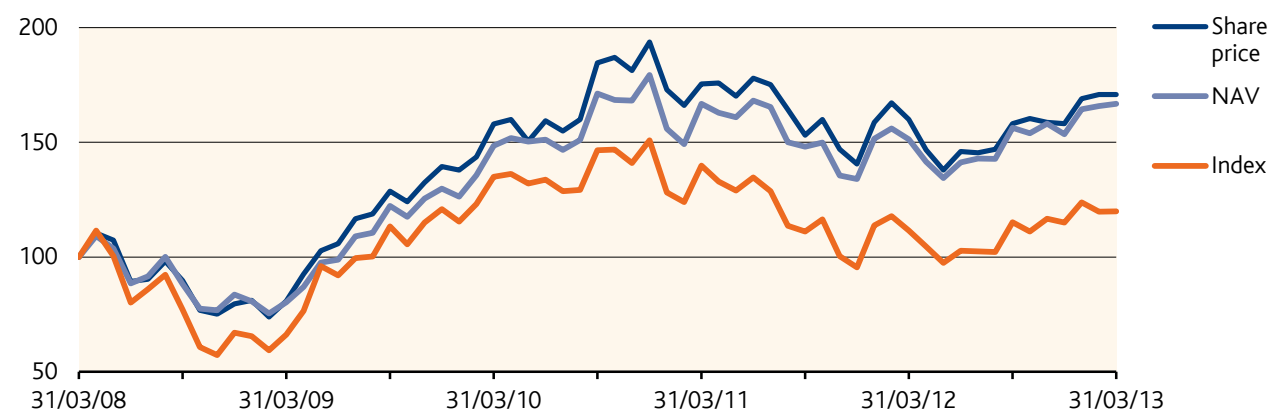
Share Price Discount to NAV

Five years to 31 March 2013



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

Five years to 31 March 2013 (rebased to 100 at 31 March 2008)



* 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	2004	2005 ^A	2006	2007	2008	2009	2010	2011	2012	2013
Total income (£'000)	1,306	1,857	1,175	1,212	1,073	1,347	1,335	2,338	2,702	2,414
Per share (p)										
Net revenue return	0.97	0.84	(0.03)	0.04	(0.89)	0.18	(0.63)	0.15	0.61	0.20
Total return	31.36	9.29	65.47	(5.75)	24.85	(41.03)	139.19	31.71	(24.95)	24.75
Net dividends paid/proposed ^B	0.70	0.70	—	—	—	—	—	—	—	—
Net asset value per share (p)										
Basic	84.65	93.70	158.47	152.71	177.52	137.45	275.42	268.90	243.96	268.71
Diluted	n/a	n/a	146.12	141.58	161.18	129.36	239.44	n/a	n/a	n/a
Shareholders' funds (£'000)	40,471	44,800	75,797	73,054	84,968	63,653	129,320	158,842	144,105	158,726

The figures for 2004 and 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). Figures for 2004 have not been restated.

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

Investment Portfolio – Ten Largest Investments

As at 31 March 2013

Company	Sector	Valuation 2013 £'000	Net assets 2013 %	Valuation 2012 £'000
Housing Development Finance Corporation Leading domestic mortgage provider with a leading distribution network, cost structure and balance sheet quality.	Financials	15,447	9.7	13,497
Infosys^A One of the leading information technology companies in India.	Information Technology	15,152	9.5	14,658
Tata Consultancy Services A major information technology and software service provider.	Information Technology	15,034	9.5	11,866
ICICI Bank Leading commercial bank group with a strong presence in insurance, brokerage and asset management activities.	Financials	12,470	7.9	11,115
Godrej Consumer Products A leader among India's Fast Moving Consumer Goods (FMCG) companies, with leading Household and Personal Care products.	Consumer Staples	7,324	4.6	5,210
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	7,241	4.6	5,363
Hindustan Unilever The listed subsidiary of Unilever, the company dominates the consumer staples segment with strong positions in detergents and personal care products.	Consumer Staples	5,988	3.8	5,175
Bosch The listed subsidiary of Bosch in India, it manufactures and supplies automotive components for passenger vehicles and trucks.	Consumer Discretionary	5,707	3.6	5,545
Grasim Industries^A Largest producer of cement, through its listed subsidiary Ultratech, and viscose staple fibre in India with an emphasis on cost leadership and strong financials.	Materials	5,469	3.4	5,157
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	5,319	3.3	5,081
Top ten investments		95,151	59.9	

^A Comprises equity and listed or tradeable ADR and GDR holdings.

Investment Portfolio – Other Investments

As at 31 March 2013

Company	Sector	Valuation	Net assets	Valuation
		2013	2013	2012
		£'000	%	£'000
Hero MotoCorp	Consumer Discretionary	5,228	3.3	6,556
Ambuja Cements ^A	Materials	5,103	3.2	5,105
Mphasis	Information Technology	5,044	3.2	5,327
Piramal Enterprises	Healthcare	4,787	3.0	3,760
GlaxoSmithKline Pharmaceuticals	Healthcare	4,720	3.0	4,697
Kansai Nerolac Paints	Materials	4,074	2.6	2,982
Container Corporation of India	Industrials	3,872	2.4	3,525
Nestlé India	Consumer Staples	3,810	2.4	3,906
Sanofi India	Healthcare	3,648	2.3	3,192
Jammu & Kashmir Bank	Financials	2,869	1.8	–
Top twenty investments		138,306	87.1	
Gujarat Gas	Utilities	2,656	1.8	4,394
GAIL (India) GDR	Utilities	2,635	1.7	3,147
Bharti Airtel	Telecommunication Services	2,547	1.6	2,979
Ultratech Cement ^A	Materials	2,400	1.5	1,943
Tata Power	Utilities	2,268	1.4	2,394
CMC	Information Technology	1,974	1.2	1,957
ACC	Materials	1,684	1.1	–
ABB	Industrials	1,632	1.0	2,861
Castrol India	Materials	1,494	0.9	1,272
Total investments		157,596	99.3	
Net current assets		1,130	0.7	
Net assets		158,726	100.0	

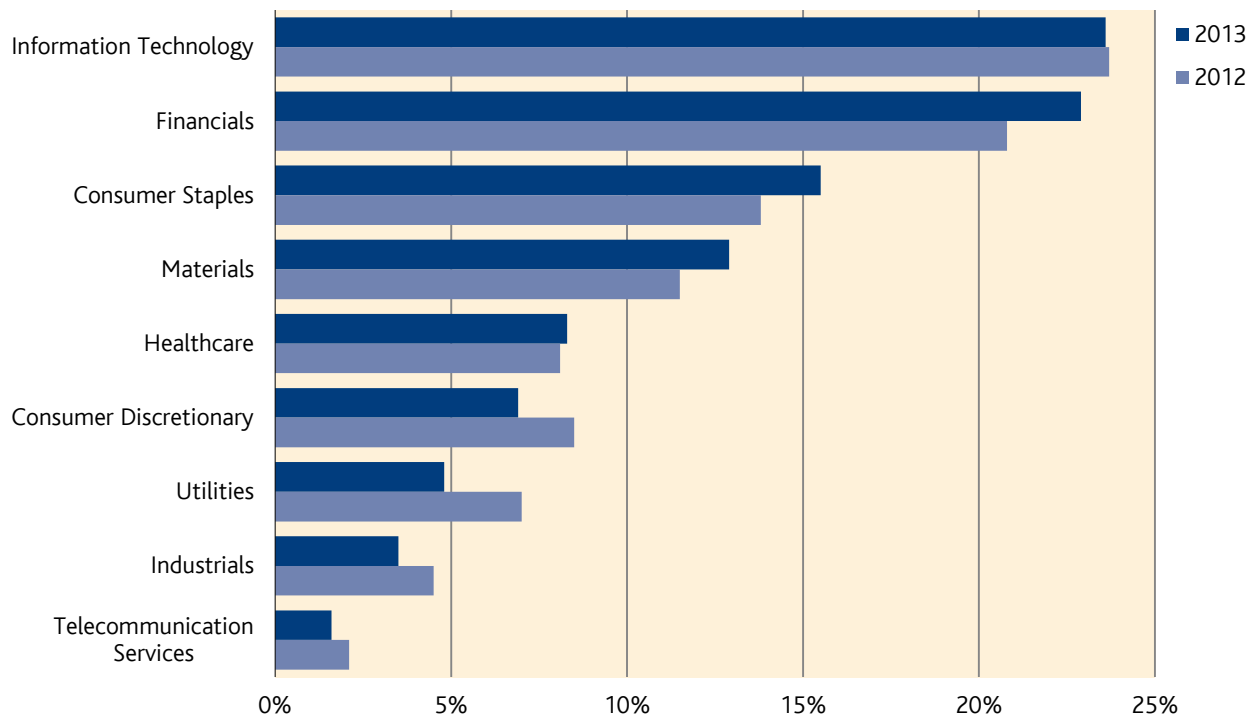
Unless otherwise stated, investments are in common stock.

^A Comprises equity and listed or tradeable ADR and GDR holdings.

Sector Analysis

As at 31 March 2013

Sector Breakdown



Stock Contribution to NAV Performance

Year to 31 March 2013

Stock name	Weight at 31/03/13 %	Returns %	Contribution to return %	Contribution to NAV return p
Tata Consultancy Services	9.5	35.40	2.78	6.77
Housing Development Finance Corporation	9.7	23.30	2.15	5.25
Godrej Consumer Products	4.6	59.88	2.07	5.06
ICICI Bank	7.9	18.23	1.49	3.64
ITC	4.6	37.11	1.42	3.46
Piramal Enterprises	3.0	32.33	0.83	2.03
Kansai Nerolac Paints	2.6	36.52	0.74	1.80
Hindustan Unilever	3.8	15.91	0.68	1.65
Jammu & Kashmir Bank	1.8	–	0.64	1.56
HDFC Bank	3.3	18.61	0.59	1.43
CMC	1.2	34.36	0.46	1.13
Sanofi India	2.3	17.05	0.35	0.86
Bosch	3.6	8.30	0.31	0.75
Ultratech Cement	1.3	22.29	0.29	0.70
Grasim Industries	2.9	6.43	0.25	0.61
Container Corporation of India	2.4	8.35	0.19	0.45
Infosys	8.7	1.64	0.17	0.42
Castrol India	0.9	18.14	0.17	0.41
Ambuja Cements GDR	2.5	2.86	0.14	0.34
Ultratech Cement GDR	0.2	22.77	0.05	0.11
Grasim Industries GDR	0.5	6.22	0.04	0.11
Ambuja Cements	0.7	1.67	0.03	0.07
Infosys ADR	0.8	1.38	(0.01)	(0.02)
Nestlé India	2.4	(1.25)	(0.06)	(0.13)
Mphasis	3.2	(0.34)	(0.07)	(0.16)
ACC	1.1	–	(0.08)	(0.19)
Tata Power	1.4	(4.52)	(0.08)	(0.20)
Glaxo SmithKline Pharmaceuticals	3.0	(6.44)	(0.25)	(0.62)
GAIL (India) GDR	1.7	(13.47)	(0.31)	(0.76)
Bharti Airtel	1.6	(14.52)	(0.35)	(0.85)
ABB	1.0	(42.43)	(0.87)	(2.11)
Hero MotoCorp	3.3	(24.16)	(1.20)	(2.92)
Gujarat Gas	1.8	(38.41)	(1.22)	(2.99)
Total (equities at 100%)	99.3		11.34	27.66
Cash	0.7		0.01	0.03
Total fund return	100.0		11.35	27.69
Satyam Computer Services Class Action	–		0.36	0.88
Management fee, expenses and technical differences	–		(1.56)	(3.79)
NAV per share return	100.0		10.15	24.78

Information about the Manager

New India Investment Trust PLC

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

Worldwide, the Aberdeen Group manages a combined £212.3 billion in assets, as at 31 March 2013, 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 2013.

Total funds managed in the region are over £80.5 billion as at 31 March 2013.

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

The Aberdeen Group manages over 38 investment companies and other closed end funds representing £10.4 billion under management as at 31 March 2013. They adhere closely to the Group's investment style which is that of fundamental investors, with an emphasis on company visits and original research

The Investment Team Senior Managers



Hugh Young

Managing Director

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



Adrian Lim

Investment Manager

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



Flavia Cheong

Investment Director

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



Andrew Gillan

Senior Investment Manager

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



Kristy Fong

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.



Gan Ai-Mee

Assistant Investment Manager

BCom, BSc, University of Melbourne, and a member of the Institute of Chartered Accountants in Australia. Previously a senior associate with Transaction Advisory Services at Ernst & Young.

The Investment Process

Philosophy and Style

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

Risk Controls

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

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

Regional Teams



Your Board of Directors

The Directors, all of whom are non-executive, and independent of the Manager, supervise the management of New India Investment Trust PLC and represent the interests of shareholders. All Directors are members of the Audit 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: 8 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 Remuneration: £30,000 per annum

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

Sarah Bates

Status: Independent Non-Executive Director and Chairman of the Audit Committee

Length of service: 8 years, appointed a Director on 9 December 2004

Experience: Former CIO and CEO of Invesco UK and a former director of Invesco India Fund (an offshore Indian mutual fund). Currently adviser to the Royal College of Surgeons and the East Riding Pension Fund, member of the investment committees of Newnham College, Cambridge, the Cancer Research UK Pension Fund and the Daily Mail and General Trust pension funds, chairman of the Association of Investment Companies, chairman of Rutley Russia Property Fund and of the Trustees of the Stena Line (UK) Pension Fund.

Last re-elected to the Board: 2011

Current Remuneration: £27,000 per annum

All other public company

directorships: Witan Pacific Investment Trust PLC, St. James's Place plc, JPMorgan American Investment Trust plc, Development Securities PLC (Chairman of the Audit Committee) and Polar Capital Technology Trust PLC

Shared directorships with other

Directors: None

Shareholding in Company:

35,631 Ordinary shares

Hasan Askari

Status: Independent Non-Executive Director

Length of service: 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.

Current Remuneration: £24,000 per annum

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: 9 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: 2012

Current Remuneration: £24,000 per annum

All other public company

directorships: JPMorgan Brazil Investment Trust PLC

Shared directorships with other

Directors: None

Shareholding in Company:

22,020 Ordinary shares

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 March 2013.

Business Review

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

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

The Board regularly reviews the major strategic risks that the Board and the Manager have identified, and against these the Board sets out the delegated controls designed to manage those risks. Aside from the risks associated with investment in Indian equities, or those of companies that derive significant revenue or profit solely from India, the key risks related to investment strategy are managed through a defined investment policy, specific guidelines and restrictions, and by the process of oversight at each Board meeting, as outlined above. Operational disruption, accounting and legal risks are also covered annually, and regulatory compliance is reviewed at each Board meeting. The major risks associated with the Company are detailed in the Corporate Summary on pages 2 and 3, and in note 16 to the Financial Statements.

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

Principal Activity

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

Status

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

The Company has been approved by HM Revenue & Customs ("HMRC") as an investment trust for the purposes of Sections 1158 - 1159 of the Corporation Tax Act 2010 ("Sections 1158 - 1159") for the year ended 31 March 2012. During the year, the Company was approved by HMRC as an investment trust under Sections 1158 - 1159 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 that the Company's Ordinary shares will be qualifying investments for the stocks and shares component of an Individual Savings Account.

Directors

Biographical details of the current Directors of the Company are shown on pages 18 and 19 of this Report. The Directors during the year and their beneficial interests in the share capital of the Company, both at 31 March 2013 and at 1 April 2012, were as follows:

	At 31 March 2013 Ordinary shares	At 1 April 2012 Ordinary shares
W Salomon, Chairman	285,000	285,000
S Bates	35,214	32,424
H Askari *	4,300	n/a
Professor V Bulmer-Thomas	22,020	22,020
A W Twiston-Davies #	n/a	86,000

* Appointed 21 September 2012.

Resigned 20 September 2012.

Subsequent to the period end, Sarah Bates acquired 417 Ordinary shares in April 2013 and May 2013 as a result of monthly subscriptions to the Aberdeen Investment Trust Share Plan. Save as aforementioned, the Directors' beneficial interests were unchanged at the date of this Report.

Audley Twiston-Davies retired at the Annual General Meeting ("AGM") on 20 September 2012. Hasan Askari, who was appointed a Director on 21 September 2012, will retire at the AGM to be held on 20 September 2013 and seek formal election as a Director. Professor Victor Bulmer-Thomas shall retire at the Annual General Meeting and, being

eligible, offers himself for re-election. Sarah Bates is retiring by rotation as a Director at the AGM and is not standing for re-election. The biography and experience of each of Hasan Askari and Professor Bulmer-Thomas may be found on pages 18 and 19. The non-retiring Directors, led by the Chairman, have reviewed the contribution to the Board of each of Hasan Askari and Professor Bulmer-Thomas and strongly encourage shareholders to vote in favour of their election and re-election, respectively.

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

Directors' Insurance and Indemnities

Under the Company's Articles of Association, adopted at its AGM on 22 September 2011, the Company has indemnified each of the Directors out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings, or in connection with any application to the Court in which relief is granted.

Directors' & Officers' liability insurance cover has been maintained throughout the year at the expense of the Company.

Manager and Company Secretary

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

The management and secretarial fees payable during the year ended 31 March 2013 are shown in note 4 to the financial statements. For the year ended 31 March 2013, investment management and secretarial fees payable to the Aberdeen Group have been calculated and charged on the following basis:

A monthly management fee is payable at the annual rate of 1.0% of the value of the Company's net assets. The investment management fee is chargeable 100% to revenue. The management agreement is terminable by either the Company or AAM Asia on 12 months' notice. Additionally, the Manager is entitled to a performance-related investment management fee calculated in respect of each financial year to 31 March (the "measurement period") and payable in arrears. The fee is 10% of the amount by which the net asset value per share of the Company (adjusted to add back any performance fees paid or accrued during the measurement period, calculated on a consolidated basis for the Group and diluted by the 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 60.

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 2013 (2012 - nil) as the achieved net asset value for the year is less than the benchmark net asset value.

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. The Board continues to keep this matter under review.

Share Capital

There have been no changes to the Company's issued share capital during the year. The issued Ordinary share capital at 31 March 2013, and 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.

Special Business at the Annual General Meeting **Share Repurchases**

At the Annual General Meeting held on 20 September 2012, 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 Annual General Meeting. Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of: (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase; and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share. Shares which are purchased under this authority will either be cancelled or held as treasury shares.

Special resolution No. 6 in the Notice of Annual General Meeting will, if passed, renew the authority to purchase in the market a maximum of 14.99 per cent of shares in issue on 31 May 2013, 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 Annual General Meeting or on 30 September 2014, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted. The Directors recommend that shareholders vote in favour of resolution No. 6.

Issue of Shares

Ordinary resolution No. 7 in the Notice of Annual General Meeting will, 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 per cent of the Company's existing issued share capital on 31 May 2013, being the nearest practicable date to the approval of this Report). Such authority will expire on the date of the next Annual General Meeting or on 30 September 2014, whichever is earlier, which means that the authority will have to be renewed at the next Annual General Meeting or, if earlier, if the authority has been exhausted.

When shares are to be allotted for cash, the Companies Act 2006 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special resolution No. 8 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 per cent of the Company's existing issued share capital at 31 May 2013, 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 No. 7. This authority will expire on the date of the next Annual General Meeting or on 30 September 2014, whichever is earlier, which means that the authority will have to be renewed at the next Annual General Meeting or, if earlier, if the authority has been exhausted. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authorities given by resolutions 7 and 8 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (as amended) (the "Treasury Share Regulations") the Company is permitted to buy back and hold shares in treasury and then sell them at a later date for cash, rather than cancelling them. The Treasury Share Regulations require such sale to be on a pre-emptive, pro rata, basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued Ordinary share capital on a non pre-emptive basis, resolution No. 8, if passed, will give the Directors authority to sell Ordinary shares held in treasury on a non pre-emptive basis. 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 Nos. 7 and 8.

Continuance of 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 Annual General Meeting of the Company that the Company continue as an investment trust. Accordingly, the Directors are proposing Ordinary resolution No. 9, 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 No. 9.

Corporate Governance

The Statement of Corporate Governance is shown on pages 24 to 28 and forms part of this Directors' Report.

Creditor Payment Policy

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

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued share capital of the Company as at 31 May 2013, being the latest practicable date prior to the approval of this Report.

Shareholder	Number of shares held	% held
Lazard Asset Management	12,964,285	21.9
Clients of Aberdeen Asset Management	11,143,300	18.9
City of London Investment Management	5,536,186	9.4
Aberdeen Investment Trusts – ISA and Share plans	2,291,031	3.9
Smith & Williamson	1,818,298	3.1
Legal & General	1,809,505	3.1

Going Concern

In accordance with the Financial Reporting Council's 2012 guidance on Going Concern and Liquidity Risk, the Directors have undertaken a review of the Company's ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares which in most circumstances are realisable within a short timescale. The Directors are mindful of the principal risks and uncertainties disclosed on page 3 and in note 16 to the financial statements and have reviewed forecasts detailing revenue and liabilities; accordingly, the Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future and at least 12 months from the date of this Report.

This is also based on the assumption that Ordinary resolution No. 9, that the Company continues as an investment trust, which will be proposed at the Annual General Meeting of the Company on 20 September 2013, 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 inappropriate.

Independent Auditor

Ernst & Young LLP have expressed their willingness to continue in office. Resolution No. 5 to re-appoint Ernst & Young LLP 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 Annual General Meeting.

Annual General Meeting

The Notice of Annual General Meeting, which will be held on 20 September 2013, is contained on pages 56 to 59.

Additional Information

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by Part 15 of Companies 2006. There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law (for example, insider trading law).

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

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

The Company is not aware of any significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company following a takeover. Other than the Investment Management Agreement with the Manager, further details of which are set out on page 21, the Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' Report.

Statement as to Disclosure of Information to Auditor

The Directors who were members of the Board at the date of the approval of this Report are listed on pages 18 and 19.

Each of these Directors confirms that:

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

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

31 May 2013

Statement of Corporate Governance

Introduction

The UK Listing Authority requires all listed companies to describe how they have complied with the principles of the UK Corporate Governance Code published in May 2010 (the "Governance Code"), which is available on the Financial Reporting Council's website: www.frc.org.uk. The Governance Code covers in particular the annual re-appointment of Directors, Board diversity, external evaluation, the Board's responsibilities in relation to risk, and a clear explanation of business model and strategy.

The Association of Investment Companies ("AIC") has also published a Code of Corporate Governance ("AIC Code") and a Corporate Governance Guide for Investment Companies ("AIC Guide") in 2010 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 against 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.

In respect of the year ending 31 March 2014, the Board will report its corporate governance compliance against the new AIC Code of Corporate Governance for investment companies which was published in February 2013 and which is effective for year ends commencing on or after 1 October 2012. The February 2013 AIC Code incorporates changes made to the Governance Code in September 2012.

Application of the Principles of the Codes

The Company has complied, throughout the year ended 31 March 2013, with the provisions of the AIC Code and the Governance Code, except for the Governance Code provisions relating to:

- The role of the chief executive (A.2.1)
- The requirement to appoint a Senior Independent Director (A.4.1)
- The need for an internal audit function (C.3.5)
- Executive directors' remuneration (D.1.1 and D.1.2)

For the reasons set out in the AIC Guide and in the preamble to the Governance Code, the Board considers these provisions, excepting that related to the requirement to appoint a senior independent director (see page 25), are not relevant to the Company, being an externally-managed investment company. The Company has, therefore, not reported further in respect of these provisions. The Board is committed to high standards of corporate governance and

has put in place a framework for corporate governance, which it believes is appropriate for an investment trust.

The Board

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

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

During the period under review, a thorough evaluation of the Board was implemented by way of a questionnaire developed by the Chairman. The evaluation confirmed that the Directors are all independent and that each displays a significant range of business, financial or fund management skills relevant to the future direction of the Company. The Chairman was appraised using a similar process by the Chairman of the Audit Committee as the Company has not appointed a Senior Independent Director. The Directors remain satisfied that the Chairman is independent and able to dedicate sufficient time to the discharge of his responsibilities to the Company. The Board's policy on tenure is set out on page 26.

In accordance with Governance Code B.4.2, the Chairman reviews regularly and agrees with each Director, their individual training and development needs which may include activities specific to non-executive directors including those courses run by the AIC and the Manager.

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

The Board sets the Company's objectives and ensures that its obligations to its shareholders are met. It has formally

adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

These matters include:

- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company including investment performance;
- Companies Act requirements such as the approval of the periodic financial statements and approval and recommendation of the final dividend (if any);
- setting the level of gearing within which the Manager may operate;
- major changes relating to the Company's capital structure, including share buybacks and share issues;
- Board appointments and removals and the related terms;
- authorisation of Directors' conflicts or possible conflicts of interest;
- appointment and removal of the Manager and the terms and conditions of the management and administration agreements relating thereto;
- terms of reference and membership of Board Committees; and
- Stock Exchange/UK Listing Authority/Financial Conduct Authority matters, including responsibility for approval of all circulars, listing particulars and approval of all releases concerning matters decided by the Board.

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

The Bribery Act 2010 became effective on 1 July 2011. 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 its committees, as well as facilitating induction and assisting with professional development as required; and
- for advising through the Chairman on all corporate governance matters.

Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise.

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. However, the Chairman of the Audit Committee appraises the Chairman on an annual basis as required by the AIC Code.

During the year ended 31 March 2013, the Board met formally on 4 occasions. In addition, there were 3 meetings of the Audit Committee. Between these meetings, the Board maintains regular contact with the Manager. The primary focus at regular Board meetings is a review of investment performance and associated matters including gearing, asset allocation, peer group information, industry issues, marketing and investor relations.

Directors have attended Board meetings and Committee meetings, held during the period as follows (with eligibility to attend in brackets):

Director	Board Meetings	Audit Committee Meetings
W H Salomon, Chairman	4 (4)	3 (3)
S C Bates	4 (4)	3 (3)
H Askari *	2 (2)	2 (2)
Professor V G Bulmer-Thomas	4 (4)	3 (3)
A W Twiston-Davies #	2 (2)	1 (1)

* Appointed on 21 September 2012.

Retired on 20 September 2012.

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

Statement of Corporate Governance continued

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.

Policy on Tenure

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

Appointments to the Board of Directors are considered by the whole Board which fulfils the role of a nomination committee. Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. External search consultants may be used to ensure that a wide range of candidates can be considered. Every Director is entitled to receive appropriate training as deemed necessary. A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next Annual General Meeting. The Articles also require that one-third of the Directors, or the number nearest one-third, retire by rotation each year and, if eligible, seek re-election at the Annual General Meeting. In addition, all Directors are required to submit themselves for re-election at least every three years, and, in line with the AIC Code, any Director serving for a period longer than nine years is required to stand for annual re-election.

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 the Manager and its major suppliers on a regular basis. In addition, ad hoc reports and information are supplied to the Board as requested.

Committees

Audit Committee

An Audit Committee ("the Committee"), chaired by Sarah Bates throughout the year, has been established with written terms of reference and comprises the full Board.

The terms of reference of the Audit Committee, which are available on request and via the Company's website, are reviewed and re-assessed for their adequacy on an annual basis.

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 internal control systems and risk management systems on which the Company is reliant;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly financial report and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager and Administrator;
- to meet with the external auditor to review their proposed audit programme of work and the findings of the auditor. The Board shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the external auditor to supply non-audit services. During the year under review, £15,000 (2012 - £17,000) was paid to the external auditor in respect of non-audit services. The majority of these fees consist of tax advice provided by Ernst & Young in relation to the Company's Mauritian subsidiary; Ernst & Young advised the Company at the time of its restructuring in November 2004 when the Mauritian Subsidiary was created.
- The Board will review any future fees in light of the requirement to maintain the auditor's independence;
- to review an annual statement from the Manager detailing the arrangements in place within Aberdeen whereby Aberdeen staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ('whistleblowing');
- to make recommendations in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor; and
- to monitor and review annually the external auditor's independence, objectivity, effectiveness, resources and qualification. At its May 2013 meeting, the Audit Committee confirmed its view that the external auditor remained independent and objective.

A separate Management Engagement Committee has not been established. The Board is responsible for reviewing matters concerning the Investment Management Agreement which exists between the Company and AAM Asia, details of which are shown in note 4 and on page 21 of this Report.

Directors' Remuneration

Under the UK Listing Authority's Listing Rules, where an investment trust has only non-executive directors, the

Governance Code principles relating to Directors' remuneration do not apply. The full Board acts as the Remuneration Committee whose Chairman is the Chairman of the Company.

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

Risk and Internal Control

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

The Board has carefully reviewed the effectiveness of the system of internal control and, in particular, it has reviewed the process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed.

The Board has concluded that, given the internal control systems in place within the Manager, there is no current need for the Company to maintain its own internal audit function, but will keep this matter under review.

The Directors have delegated the investment management of the Company's assets to the Manager within overall guidelines, and this embraces implementation of the Manager's system of internal control, including financial, operational and compliance controls and risk management. The Manager's internal control systems are monitored and supported by an internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented. As delegated to the Manager by the Directors and in accordance with the UK Listing Authority's Disclosure and Transparency Rule 7.2.10R, the Manager's internal controls and risk management systems include appropriate procedures to allow the Company to prepare consolidated accounts.

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 Manager's internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Company and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored, and feedback provided to the Board.

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

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Manager have established clear investment limits which are monitored by the Manager and reported to the Board. These limits are reviewed by the Board at each Board Meeting. The Manager's evaluation procedure and financial analysis of the companies concerned includes detailed appraisal and due diligence;
- as a matter of course the compliance department of the Manager continuously reviews the Manager's operations;
- the Manager ensures that clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations which specifically define the roles and responsibilities of the Manager and other third party service providers; and
- twice a year, at its Board meetings, the Board carries out an assessment of internal controls and risk management by considering documentation from the Manager, including its internal audit and compliance functions, and taking account of events since the relevant period end.

The Manager's internal audit department reports six-monthly to the Audit Committee of the Company and has direct access to the Directors at any time. The Directors have received the Manager's ISAE3402 report and also reviewed the custodian arrangements during the year.

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

Proxy Voting and Stewardship

The Financial Reporting Council ('FRC') published "the UK Stewardship Code" ("the Code") for Institutional shareholders in July 2010. The purpose of the Code is to

Statement of Corporate Governance continued

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 Code.

The Board has delegated responsibility for actively monitoring the activities of portfolio companies to the Manager. 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/governancestewardship>. 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 investee companies and for attending 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 Responsible Investment Policy

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Manager, encourage companies in which investments are made to adhere to best practice in the area of corporate governance. The Manager enters into a dialogue with company management, where practicable, to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective, however, is to deliver superior

investment return for its shareholders. Accordingly, whilst the Manager will seek to favour companies which pursue best practice in the above areas, this must not be to the detriment of the return on the investment portfolio.

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 also have direct access to the Company via the free shareholder information telephone service run by the Manager, and the Company and Manager respond to letters from shareholders (please see page 61 for contact details). A website, from which the Company's reports and other publications can be downloaded, is maintained at www.newindia-trust.co.uk.

The Notice of the Annual General Meeting is posted to shareholders at least 20 business days in advance of the meeting. The Notice of Meeting sets out the business of the meeting, and the resolutions to be considered at the Annual General Meeting are explained more fully in the Directors' Report on pages 21 to 23.

Separate resolutions are proposed for each substantive issue. Shareholders are encouraged to attend, and participate in, the Annual General Meeting. The Manager makes a presentation to the meeting outlining the key investment issues that affect the Company.

All shareholders have the opportunity to put questions at the Company's Annual General Meeting. The number of proxy votes is relayed to shareholders at the Annual General Meeting.

Accountability and Audit

The Statement of Directors' Responsibilities in respect of the Financial Statements is on page 29, and the Statement of Going Concern is included in the Directors' Report on page 23. The Independent Auditor's Report is on page 31.

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

31 May 2013

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.

Responsibility statements under the Disclosure and Transparency Rules

Each of the Directors listed on pages 18 and 19 confirms that, to the best of their knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole together with a description of the principal risks and uncertainties that they face.

On behalf of the Board
William Salomon
Chairman

31 May 2013

Directors' Remuneration Report

The Board has prepared this Report, in accordance with the requirements in Schedule 421 to the Companies Act 2006. An Ordinary resolution for the approval of this Report will be put to the members at the forthcoming Annual General Meeting. As the Board of Directors is comprised solely of non-executive Directors, it is exempt under the Listing Rules from appointing a remuneration committee. The determination of the Directors' fees is a matter for the whole Board. This Report has been divided into separate sections for unaudited and audited information.

Unaudited Information

Remuneration Policy

The Company's policy is for the Directors to be remunerated in the form of fees, payable to the Director personally or to a third party specified by him or her. The fees for the non-executive Directors are determined within the limits set out in the Company's Articles of Association, which limit the aggregate of the fees payable to the Directors to £150,000 per annum. The Company's policy is that fees payable to the Directors should reflect the time spent by them on the Company's affairs, and should be sufficient to enable candidates of a high quality to be recruited. Non-executive Directors are normally not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

For the year ended 31 March 2013, the Chairman received fees of £25,000, the Chairman of the Audit Committee, £22,500, and each other Director, £20,000. The level of Directors' fees is reviewed annually although such review may not necessarily result in an increase in the level of fees payable. During the year, the Board carried out a review of Directors' fees and concluded that the fees would be revised, with effect from 1 April 2013, as follows: £30,000 for the Chairman, £27,000 for the Chairman of the Audit Committee and £24,000 for each other Director.

Directors' and Officers' liability insurance cover is held by the Company in respect of the Directors and is neither a benefit in kind, nor does it form part of the Directors' remuneration.

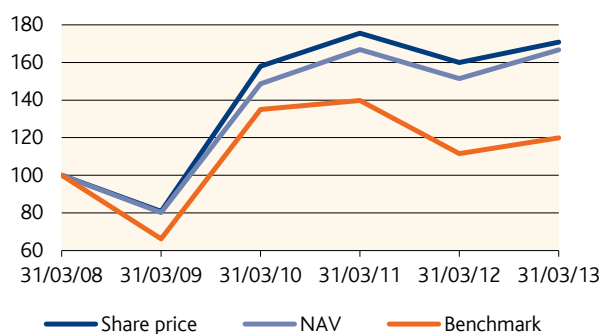
Directors' Service Contracts

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

Company Performance

The graph below compares the total return (assuming all dividends are reinvested) to Ordinary shareholders, assuming a notional investment of £100 into the Company on 31 March 2008, compared with the total shareholder return on a notional investment made in the MSCI India Index since that date (both in sterling terms).

This benchmark has been chosen as it is the Company's benchmark for the relevant periods in time.



Audited Information

Directors' Emoluments

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

		Year ended 31 March 2013 £	Year ended 31 March 2012 £
Director	Date of Appointment/ (Resignation)		
Chairman of the Board:			
W H Salomon	09/12/04	25,000	25,000
Chairman of the Audit Committee:			
Mrs S C Bates	09/12/04	22,500	22,500
Directors:			
H Askari	21/09/12	10,556	-
Professor V G Bulmer-Thomas	05/02/04	20,000	20,000
A W Twiston- Davies	(20/09/12)	9,444	20,000
Total		87,500	87,500

No Director has received any taxable expense or compensation for loss of office, or non-cash benefits, for the year ended 31 March 2013 (2012 – nil).

By order of the Board

Aberdeen Asset Management PLC, Secretaries

Bow Bells House

1 Bread Street, London, EC4M 9HH

31 May 2013

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 2013 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated and Company Cash Flow Statements 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 29, 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. 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 the Company's affairs as at 31 March 2013 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept 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 23, in relation to going concern;
- the part of the Statement of Corporate Governance relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Sue Dawe (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor,
Edinburgh
31 May 2013

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 March 2013			Year ended 31 March 2012		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Revenue							
Income	3	2,414	–	2,414	2,649	53	2,702
Gains/(losses) on investments held at fair value through profit or loss	9(a)	–	14,494	14,494	–	(15,116)	(15,116)
Currency gains/(losses)		–	10	10	–	(36)	(36)
Total revenue		2,414	14,504	16,918	2,649	(15,099)	(12,450)
Expenses							
Investment management fees	4	(1,446)	–	(1,446)	(1,456)	–	(1,456)
Other administrative expenses	5	(791)	–	(791)	(775)	–	(775)
Profit/(loss) before tax		177	14,504	14,681	418	(15,099)	(14,681)
Taxation	6	(60)	–	(60)	(58)	–	(58)
Profit/(loss) for the year		117	14,504	14,621	360	(15,099)	(14,739)
Return/(loss) per Ordinary share (pence)	8	0.20	24.55	24.75	0.61	(25.56)	(24.95)

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 2013 £'000	Company As at 31 March 2013 £'000	Group As at 31 March 2012 £'000	Company As at 31 March 2012 £'000
Non-current assets					
Investments held at fair value through profit or loss	9	157,596	158,273	142,664	143,733
Current assets					
Cash at bank	10	1,183	558	1,575	415
Receivables	11	612	60	329	55
Total current assets		1,795	618	1,904	470
Total assets		159,391	158,891	144,568	144,203
Current liabilities					
Payables	12	(665)	(165)	(463)	(98)
Total current liabilities		(665)	(165)	(463)	(98)
Net assets		158,726	158,726	144,105	144,105
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	96,888	97,528	82,384	82,988
Revenue reserve		1,402	762	1,285	681
Equity shareholders' funds		158,726	158,726	144,105	144,105
Net asset value per Ordinary share (pence)					
	15	268.71	268.71	243.96	243.96

The financial statements were approved by the Board of Directors and authorised for issue on 31 May 2013 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 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

Year ended 31 March 2012

	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 2011	14,768	25,406	15,778	4,484	97,483	923	158,842
Net (loss)/profit on ordinary activities after taxation	–	–	–	–	(15,099)	360	(14,739)
Return of unclaimed dividends	–	–	–	–	–	2	2
Balance at 31 March 2012	14,768	25,406	15,778	4,484	82,384	1,285	144,105

Company Statement of Changes in Equity

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

Year ended 31 March 2012

	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 2011	14,768	25,406	15,778	4,484	97,789	617	158,842
Net (loss)/profit on ordinary activities after taxation	–	–	–	–	(14,801)	62	(14,739)
Return of unclaimed dividends	–	–	–	–	–	2	2
Balance at 31 March 2012	14,768	25,406	15,778	4,484	82,988	681	144,105

Consolidated and Company Cash Flow Statements

		Year ended 31 March 2013		Year ended 31 March 2012	
	Notes	Group £'000	Company £'000	Group £'000	Company £'000
Operating activities					
Profit/(loss) before tax		14,681	14,621	(14,681)	(14,739)
(Gain)/loss on investments held at fair value through profit or loss		(14,494)	(14,540)	15,116	14,799
Net (gains)/losses on foreign exchange		(10)	–	36	2
Purchases of investments held at fair value through profit or loss		(6,086)	–	(9,756)	(378)
Sales of investments held at fair value through profit or loss		5,123	–	9,374	153
Decrease/(increase) in other receivables		233	(5)	(13)	(7)
Increase/(decrease) in other payables		240	67	(1,388)	(67)
Net cash (outflow)/inflow from operating activities before tax		(313)	143	(1,312)	(237)
Taxation paid		(89)	–	(2)	–
Net cash (outflow)/inflow from operating activities		(402)	143	(1,314)	(237)
Financing activities					
Return of unclaimed dividends		–	–	2	2
Net (decrease)/increase in cash and cash equivalents		(402)	143	(1,312)	(235)
Cash and cash equivalents at the start of the year		1,575	415	2,923	652
Effect of foreign exchange rate changes		10	–	(36)	(2)
Cash and cash equivalents at the end of the year	10	1,183	558	1,575	415

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

Notes to the Financial Statements For the year ended 31 March 2013

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 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 2013. 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 (early adoption permitted) (effective for annual periods beginning on or after 1 January 2015);
- IFRS 10 – Consolidated Financial Statements (early adoption permitted) (effective for annual periods beginning on or after 1 January 2013);
- IFRS 11 – Joint Arrangements (early adoption permitted) (effective for annual periods beginning on or after 1 January 2013);
- IFRS 12 – Disclosure of Interests in Other Entities (early adoption permitted) (effective for annual periods beginning on or after 1 January 2013);
- IFRS 13 – Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013);
- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012);
- Amendments to IAS 19 – Employee Benefits (effective for annual periods beginning on or after 1 January 2013);
- IAS 27 – Separate Financial Statements (early adoption permitted) (effective for annual periods beginning on or after 1 January 2013);
- IAS 28 – Investments in Associates and Joint Ventures (early adoption permitted) (effective periods beginning 1 January 2013).

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 Directors are of the opinion that the Group is engaged in a single segment of business, being investment business. 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 (other than special dividends) are recognised in the Consolidated Statement of Comprehensive Income on the ex-dividend date. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Group's right to receive payment is established. 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.

(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 and designated upon initial recognition as held at fair value through profit or loss. Sales of assets are also recognised on a trade date basis. Proceeds as measured at fair value, which is regarded as the proceeds of sale less any transaction costs.

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

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the 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.

Notes to the Financial Statements continued

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 2013			Year ended 31 March 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
3. Income						
Income from investments						
Overseas dividends	2,412	–	2,412	2,644	53	2,697
Other operating income						
Deposit interest	2	–	2	5	–	5
	2,414	–	2,414	2,649	53	2,702

During the year ended 31 March 2012 £53,000 of dividend income was received following the declaration of a special dividend by one of the Company's investments. The sum was deemed to be capital in nature and was therefore treated as such in the Statement of Comprehensive Income. There were no similar receipts in the year ended 31 March 2013.

	Year ended 31 March 2013			Year ended 31 March 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
4. Investment management fees						
Investment management fees	1,446	–	1,446	1,456	–	1,456

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 £256,000 (2012 – £123,000). 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 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 on page 21 and in the Appendix on page 60.

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 2013 (2012 – nil) as the achieved net asset value for the year is less than the benchmark net asset value.

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
5. Other administrative expenses – revenue		
Directors' fees	94	93
Marketing contribution	95	97
Auditor's remuneration:		
• fees payable to the Group's auditor for the audit of the Group's annual accounts	27	26
• 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	15	17
Legal and advisory fees	86	61
Custodian and overseas agents' charges	304	314
Other	163	160
	791	775

Directors' fees include £6,000 (2012 – £5,000) paid in respect of the Directors of New India Investment Company (Mauritius) Limited.

During the year under review, £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 Ernst & Young in relation to the Company's Mauritian subsidiary; Ernst & Young 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 £95,000 (2012 – £97,000) and £24,000 (2012 – £nil) was due to AAM PLC at the year end.

	Year ended 31 March 2013			Year ended 31 March 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
6. (a) Tax on ordinary activities						
Current tax:						
Overseas taxation	60	–	60	58	–	58

(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:

Notes to the Financial Statements continued

	Year ended 31 March 2013			Year ended 31 March 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before tax	177	14,504	14,681	418	(15,099)	(14,681)
Corporation tax on profit/(loss) at the standard rate of 24% (2012 – 26%)	42	3,481	3,523	109	(3,925)	(3,816)
Effects of:						
(Gains)/losses on investments held at fair value through profit or loss not taxable (see note below)	–	(3,479)	(3,479)	–	3,930	3,930
Currency (gains)/losses not taxable	–	(2)	(2)	–	9	9
Movement in excess expenses	537	–	537	578	–	578
Non-taxable dividend income	(579)	–	(579)	(687)	(14)	(701)
Overseas tax	46	–	46	58	–	58
Prior year adjustment	14	–	14	–	–	–
Total tax charge	60	–	60	58	–	58

The Company has excess expenses of £2,545,000 (2012 – £2,045,000) 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 £585,000 (2012 – £491,000) has not been recognised, based on the current tax rate of 23% (2012 – 24%). 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 2013 (2012 – £nil).

During the year, £nil (2012 – £2,000) was refunded in respect of unclaimed dividends from previous years.

During the year, the subsidiary company made a dividend payment of £400,000 (2012 – £345,000) to the parent company, and the net amount due to the parent company at the year end was £nil (2012 – £nil).

8. Return/(loss) per Ordinary share

The basic earnings per Ordinary share is based on the net profit after taxation of £14,621,000 (2012 – loss of £14,739,000) and on 59,070,140 (2012 – 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 2013			Year ended 31 March 2012		
	Revenue	Capital	Total	Revenue	Capital	Total
Net profit/(loss) (£'000)	117	14,504	14,621	360	(15,099)	(14,739)
Weighted average number of Ordinary shares in issue			59,070,140			59,070,140
Return/(loss) per Ordinary share (pence)	0.20	24.55	24.75	0.61	(25.56)	(24.95)

		Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
9.	Investments held at fair value through profit or loss		
(a)	Group		
	Opening book cost	81,246	75,752
	Opening investment holdings fair value gains	61,418	81,788
	Opening valuation	142,664	157,540
	Movements in the year:		
	Purchases at cost	6,077	9,348
	Sales – proceeds	(5,639)	(9,108)
	Sales – realised net gains	3,338	5,254
	Increase/(decrease) in investment holdings gains	11,156	(20,370)
	Closing valuation	157,596	142,664
		£'000	£'000
	Closing book cost	85,022	81,246
	Closing investment holdings fair value gains	72,574	61,418
	Closing valuation	157,596	142,664
	Gains/(losses) on investments	£'000	£'000
	Realised gains on sales of investments	3,338	5,254
	Increase/(decrease) in investment holdings gains	11,156	(20,370)
		14,494	(15,116)

		Year ended 31 March 2013			Year ended 31 March 2012		
		Investments			Investments		
(b)	Company	In subsidiary	Overseas	Total	In subsidiary	Overseas	Total
		£'000	£'000	£'000	£'000	£'000	£'000
	Opening book cost	50,150	6,717	56,867	50,150	6,407	56,557
	Opening investment holdings fair value gains	84,044	2,822	86,866	97,327	4,423	101,750
	Opening valuation	134,194	9,539	143,733	147,477	10,830	158,307
	Movements in the year:						
	Purchases at cost	–	–	–	–	378	378
	Sales – proceeds	–	–	–	–	(153)	(153)
	Sales – realised net gains	–	–	–	–	85	85
	Increase/(decrease) in investment holdings fair value gains	14,966	(426)	14,540	(13,283)	(1,601)	(14,884)
	Closing valuation	149,160	9,113	158,273	134,194	9,539	143,733

Notes to the Financial Statements continued

	Year ended 31 March 2013			Year ended 31 March 2012		
	Investments			Investments		
	In subsidiary £'000	Overseas £'000	Total £'000	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	99,010	2,396	101,406	84,044	2,822	86,866
Closing valuation	149,160	9,113	158,273	134,194	9,539	143,733

	As at 31 March 2013 £'000	As at 31 March 2012 £'000
Gains/(losses) on investments		
Realised gains on sales of investments	–	85
Increase/(decrease) in investment holdings fair value gains	14,540	(14,884)
	14,540	(14,799)

As at 31 March 2013, all of the overseas investments held are in listed stocks. At 31 March 2012, all investments were also held in listed stocks.

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

	Year ended 31 March 2013		Year ended 31 March 2012	
	Group £'000	Company £'000	Group £'000	Company £'000
Purchases	21	–	32	–
Sales	16	–	33	–
	37	–	65	–

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
10. Cash and cash equivalents				
Cash at bank	1,183	558	1,575	415

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
11. Receivables				
Prepayments and accrued income	96	60	329	55
Other receivables	516	–	–	–
	612	60	329	55

Included in other receivables is an amount of USD783,000, equivalent to £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 (2012 – nil).

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
12. Payables				
Amounts due to brokers	158	–	167	–
Other payables	498	165	258	98
Current tax	9	–	38	–
	665	165	463	98

	2013 Number	£'000	2012 Number	£'000
13. Ordinary share capital				
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 Subsidiary

At the year end, the Company's wholly-owned Subsidiary, New India Investment Company (Mauritius) Limited ('the Subsidiary') had share capital of 4,275,000 (2012 – 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.

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 (2012 – two) Warrants in issue carrying the right for the Company to subscribe for 37,945,000 (2012 – 37,945,000) and 1,321,417 (2012 – 1,321,417) new Preference shares of 10p in the Subsidiary at £20 and £40 per share respectively.

Notes to the Financial Statements continued

14. Capital reserves	2013 £'000	2012 £'000
Group		
At 1 April 2012	82,384	97,483
Currency gains/(losses)	10	(36)
Movement in investment holdings fair value gains	11,156	(20,370)
Gains on sales of investments	3,338	5,254
Capitalised dividend income	–	53
At 31 March 2013	96,888	82,384

The capital reserve includes gains of £72,574,000 (2012 – £61,418,000) which relate to the revaluation of investments held at the reporting date.

Company	2013 £'000	2012 £'000
At 1 April 2012	82,988	97,789
Currency losses	–	(2)
Movement in investment holdings fair value gains	14,540	(14,884)
Gains on sales of investments	–	85
At 31 March 2013	97,528	82,988

The capital reserve includes gains of £101,406,000 (2012 – £86,866,000) 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 £158,726,000 (2012 – £144,105,000) and on 59,070,140 (2012 – 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 2013 and 31 March 2012 was as follows:

Type	Total (per Balance Sheet)		Floating rate	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Cash at bank – Sterling	1,183	1,575	1,183	1,575

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

Excluding short term creditors, the Group had no financial liabilities as at 31 March 2013 and 31 March 2012 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:

Notes to the Financial Statements continued

	31 March 2013			31 March 2012		
	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000
US Dollar	9,113	516	9,629	9,539	–	9,539
Indian Rupee	148,483	(158)	148,325	133,125	(167)	132,958
	157,596	358	157,954	142,664	(167)	142,497

At 31 March 2013, the exchange rate of the Indian Rupee against the reporting currency Sterling was £1: INR 82.528 compared with an exchange rate of £1: INR 81.397 at 31 March 2012. Based on continuing to hold the same investments in the same quantities from 1 April 2012 to 31 March 2013, 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 £1,824,000 (2012 – £17,868,000).

Foreign currency sensitivity

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

Other price risk

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

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a sector. Both the allocation of assets and the stock selection process, as detailed on page 2, act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Group are all listed on the Bombay (Mumbai) Stock Exchange and/or The Indian National Stock Exchange, with the exception of the Gail (India) GDR, whose primary exchange is London, 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 2013 would have increased /(decreased) by £23,639,000 (2012 – increased/(decreased) by £21,400,000) 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:

	2013		2012	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Investments designated at fair value through profit or loss	157,596	–	142,664	–
Current assets^A				
Cash at bank	1,183	1,183	1,575	1,575
	158,779	1,183	144,239	1,575

^A Excluding short-term debtors.

None of the Company's financial assets are past due or impaired.

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.

	2013 £'000	2012 £'000
Debt	–	–
Equity		
Equity share capital	14,768	14,768
Retained earnings and other reserves	143,958	129,337
	158,726	144,105
Debt as a % of net assets	0.0%	0.0%

Notes to the Financial Statements continued

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 (2012 – 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 prices (unadjusted) in active markets for identical assets or liabilities;

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

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

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

Group

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

As at 31 March 2012

Financial assets at fair value through profit or loss					
Quoted equities	a)	142,664	–	–	142,664
Net fair value		142,664	–	–	142,664

Company

		Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 March 2013	Note				
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

As at 31 March 2012	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	9,539	–	–	9,539
Investment in Subsidiary	b)	–	134,194	–	134,194
Net fair value		9,539	134,194	–	143,733

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.

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").

The Company's Ordinary shares are intended for investors primarily in the UK (including retail investors, professional-advised clients and institutional investors) who seek long term capital appreciation from investment in global markets and who understand and are willing to accept the risks of exposure to equities and 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.

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

writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Stocks and Shares ISA

An investment of up to £11,520 in the Company may be made in the tax year 2013/2014.

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 New India Investment Trust PLC while retaining their ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Note

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

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

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

Literature Request Service

For literature and application forms for AAM's investment trust products, please 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 61 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.

Emerging Market Risks

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

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

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 £97,000 (plus VAT) per annum for the years ending 31 December 2012 and 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 singly, 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 mail shots 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. 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.

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 undiluted net asset value per share. The diluted net asset value per share has been calculated in accordance with guidelines issued by the Association of Investment Companies and assumes that all outstanding subscription shares were converted into Ordinary shares. Unless defined otherwise, references in this Report to net asset value are to diluted net asset value, excluding 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 up. 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 20 September 2013 for the following purposes:

Ordinary Business

As ordinary business to consider and, if thought fit, pass the following Resolutions 1 to 5 inclusive, as Ordinary Resolutions:

1. To receive the Directors' Report and Financial Statements for the year ended 31 March 2013, together with the Independent Auditor's report thereon.
2. To receive and adopt the Directors' Remuneration Report.
3. To elect Hasan Askari as a Director of the Company.
4. To re-elect Professor Victor Bulmer-Thomas as a Director of the Company.
5. To re-appoint Ernst & Young LLP as Independent Auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

As special business to consider and, if thought fit, pass the following resolutions in the case of Resolutions 6 and 8 as Special Resolutions and in the case of Resolutions 7 and 9 as Ordinary Resolutions:

Authority to Make Market Purchases of Shares

6. 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 2014 or on 30 September 2014, 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

7. 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 2014 or on 30 September 2014, 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

8. THAT, subject to the passing of resolution numbered 7 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 2014 or on 30 September 2014, 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

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

Bow Bells House
1 Bread Street, London EC4M 9HH

20 June 2013

By order of the Board
Aberdeen Asset Management PLC
Secretaries

Notes:

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

Notice of Annual General Meeting continued

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 31 May 2013 (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 31 May 2013 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
Sarah Bates, Audit Committee Chairman
Hasan Askari
Professor Victor Bulmer-Thomas

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

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

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Custodian

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

Your Company's History

Issued Share Capital at 31 March 2013 and 31 May 2013

59,070,140

Ordinary shares of 25p

Capital History

4 August 2010	12,115,997 Ordinary shares issued following the final exercise of Warrants
5 August 2009	644,685 Ordinary shares issued following the exercise of Warrants
11 September 2008	21,708 Ordinary shares issued following the exercise of Warrants
18 June 2008	1,575,000 Ordinary shares purchased by Company for cancellation
13 August 2007	22,900 Ordinary shares issued following the exercise of Warrants
14 August 2006	500 Ordinary shares issued following the exercise of Warrants
7 August 2006	8,600 Ordinary shares issued following the exercise of Warrants
21 July 2005	18,700 Ordinary shares issued following the exercise of Warrants
14 July 2005	Accounting Reference Date changed from 28 February to 31 March
13 December 2004	Name changed from Deutsche Latin American Companies Trust PLC to New India Investment Trust PLC
9 December 2004	Shareholders voted in favour of a special resolution to transfer investment management services to Aberdeen Asset Management Asia Limited ("AAM Asia") and pursue a revised investment objective to provide shareholders with long term capital appreciation by investment in companies which are incorporated in India or which derive significant revenue or profit from India, with dividend yield from the Company being of secondary importance. Under the new management agreement, company secretarial, accounting and administration services are provided by AAM Asia's parent Company, Aberdeen Asset Management PLC
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



MIX
Paper from
responsible sources
FSC® C005739

