

MORGAN STANLEY INDIA INVESTMENT FUND, INC.
Form N-Q
May 29, 2014

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-08238

Morgan Stanley India Investment Fund, Inc.
(Exact name of registrant as specified in charter)

522 Fifth Avenue, New York, New York
(Address of principal executive offices)

10036
(Zip code)

John H. Gernon
522 Fifth Avenue, New York, New York 10036
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-296-0289

Date of fiscal year end: December 31, 2014

Date of reporting period: March 31, 2014

Item 1. Schedule of Investments.

The Fund's schedule of investments as of the close of the reporting period prepared pursuant to Rule 12-12 of Regulation S-X is as follows:

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Morgan Stanley India Investment Fund, Inc.

Portfolio of Investments

First Quarter Report

March 31, 2014 (unaudited)(cont d)

	Shares	Value (000)
Common Stocks (96.5%)		
Auto Components (3.2%)		
Motherson Sumi Systems Ltd.	2,628,678	\$ 11,268
Automobiles (1.9%)		
Tata Motors Ltd., Class A	1,953,354	6,637
Banks (22.5%)		
Axis Bank Ltd.	438,200	10,704
HDFC Bank Ltd.	1,908,845	25,612
ICICI Bank Ltd.	749,623	15,726
IndusInd Bank Ltd.	1,762,791	14,801
ING Vysya Bank Ltd.	481,960	5,172
State Bank of India	245,400	7,871
		79,886
Chemicals (1.8%)		
Asian Paints Ltd.	683,723	6,282
Construction & Engineering (4.7%)		
Gammon India Ltd. (a)	2,545,382	633
Larsen & Toubro Ltd.	763,350	16,237
		16,870
Construction Materials (5.6%)		
Shree Cement Ltd.	103,474	9,840
The Ramco Cements Ltd.	1,100,579	3,966
Ultratech Cement Ltd.	161,490	5,928
		19,734
Consumer Finance (3.7%)		
Cholamandalam Investment and Finance Co., Ltd.	380,301	1,837
Mahindra & Mahindra Financial Services Ltd.	784,635	3,320
SKS Microfinance Ltd. (a)	2,394,300	8,173
		13,330
Food Products (0.8%)		
McLeod Russel India Ltd.	577,397	2,959
Household Products (1.5%)		
Jyothy Laboratories Ltd.	1,542,949	5,364
Independent Power Producers & Energy Traders (0.3%)		
Jaiprakash Power Ventures Ltd. (a)	5,132,136	1,220
Information Technology Services (14.1%)		
Cognizant Technology Solutions Corp., Class A (a)	188,316	9,531
HCL Technologies Ltd.	516,456	12,049
Infosys Ltd.	250,181	13,765
Infosys Technologies Ltd. (a)(b)(c)	6,400	176

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Tata Consultancy Services Ltd.	411,359	14,689
		50,210
Internet Software & Services (1.3%)		
Just Dial Ltd. (a)	171,416	4,455
Machinery (5.6%)		
Cummins India Ltd.	445,000	4,445

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Eicher Motors Ltd.	154,216	15,394
		19,839
Media (2.7%)		
Sun TV Network Ltd.	587,829	3,971
Zee Entertainment Enterprises Ltd.	1,240,633	5,634
		9,605
Metals & Mining (0.7%)		
Hindustan Zinc Ltd.	1,200,989	2,599
Oil, Gas & Consumable Fuels (9.5%)		
Bharat Petroleum Corp. Ltd.	1,332,599	10,285
Essar Oil Ltd. (a)	2,264,183	1,937
Reliance Industries Ltd.	1,370,102	21,383
		33,605
Pharmaceuticals (6.2%)		
Glenmark Pharmaceuticals Ltd.	1,093,314	10,357
Lupin Ltd.	432,770	6,988
Sun Pharmaceutical Industries Ltd.	485,871	4,673
		22,018
Real Estate Management & Development (2.6%)		
Oberoi Realty Ltd.	1,442,457	5,219
Prestige Estates Projects Ltd.	1,346,195	3,850
		9,069
Software (1.4%)		
KPIT Technologies Ltd.	1,854,033	5,006
Textiles, Apparel & Luxury Goods (2.1%)		
Bata India Ltd.	389,780	7,442
Tobacco (4.3%)		
ITC Ltd.	2,000,794	11,818
VST Industries Ltd.	128,312	3,537
		15,355
Total Common Stocks (Cost \$257,725)		342,753
Preferred Stock (0.1%)		
Media (0.1%)		
Zee Entertainment Enterprises Ltd. (Cost \$273)	26,053,293	305
Short-Term Investment (1.0%)		
Investment Company (1.0%)		
Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - Institutional Class (d) (Cost \$3,567)	3,566,738	3,567
Total Investments (97.6%) (Cost \$261,565) (e)+		346,625
Other Assets in Excess of Liabilities (2.4%)		8,645
Net Assets (100.0%)		\$ 355,270

(a) Non-income producing security.

(b) At March 31, 2014, the Fund held a fair valued security valued at approximately \$176,000, representing 0.1% of net assets. This security has been fair valued as determined in good faith under procedures established by and under the general supervision of the Fund's Directors.

(c) Security has been deemed illiquid at March 31, 2014.

- (d) The Fund invests in the Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - Institutional Class (the Liquidity Funds), an open-end management investment company managed by the Adviser. Advisory fees paid by the Fund are reduced by an amount equal to the advisory and administrative service fees paid by the Liquidity Funds with respect to assets invested by the Fund in the Liquidity Funds.
 - (e) The approximate fair value and percentage of net assets, \$333,046,000 and 93.7%, respectively, represent the securities that have been fair valued under the fair valuation policy for international investments as described in the Notes to the Portfolio of Investments.
 - + At March 31, 2014, the U.S. Federal income tax cost basis of investments was approximately \$261,565,000 and, accordingly, net unrealized appreciation for U.S. Federal income tax purposes was approximately \$85,060,000 of which approximately \$104,503,000 related to appreciated securities and approximately \$19,443,000 related to depreciated securities.
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Morgan Stanley India Investment Fund, Inc.

Notes to the Portfolio of Investments • March 31, 2014 (unaudited)

Security Valuation: (1) An equity portfolio security listed or traded on an exchange is valued at its latest reported sales price (or at the exchange official closing price if such exchange reports an official closing price), if there were no sales on a given day, the security is valued at the mean between the last reported bid and asked prices; (2) all other equity portfolio securities for which over-the-counter market quotations are readily available are valued at its latest reported sales price. In cases where a security is traded on more than one exchange, the security is valued on the exchange designated as the primary market; (3) when market quotations are not readily available, including circumstances under which Morgan Stanley Investment Management Inc. (the Adviser) determines that the closing price, last sale price or the mean between the last reported bid and asked prices are not reflective of a security's market value, portfolio securities are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Fund's Board of Directors (the Directors). Occasionally, developments affecting the closing prices of securities and other assets may occur between the times at which valuations of such securities are determined (that is, close of the foreign market on which the securities trade) and the close of business of the New York Stock Exchange (NYSE). If developments occur during such periods that are expected to materially affect the value of such securities, such valuations may be adjusted to reflect the estimated fair value of such securities as of the close of the NYSE, as determined in good faith by the Directors or by the Adviser using a pricing service and/or procedures approved by the Directors; (4) quotations of foreign portfolio securities, other assets and liabilities and forward contracts stated in foreign currency are translated into U.S. dollar equivalents at the prevailing market rates prior to the close of the NYSE; (5) investments in mutual funds, including the Morgan Stanley Institutional Liquidity Funds, are valued at the net asset value as of the close of each business day; and (6) short-term debt securities with remaining maturities of 60 days or less at the time of purchase may be valued at amortized cost, unless the Adviser determines such valuation does not reflect the securities' market value, in which case these securities will be valued at their fair market value determined by the Adviser.

Under procedures approved by the Directors, the Fund's Adviser has formed a Valuation Committee. The Valuation Committee provides administration and oversight of the Fund's valuation policies and procedures, which are reviewed at least annually by the Directors. These procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

The Fund has procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available. Under these procedures, the Valuation Committee convenes on a regular and ad hoc basis to review such securities and considers a number of factors, including valuation methodologies and significant unobservable valuation inputs, when arriving at fair value. The Valuation Committee may employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed. The Valuation Committee employs various methods for calibrating these valuation approaches including a regular review of valuation methodologies, key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.

Fair Value Measurement: Financial Accounting Standards Board (FASB) Accounting Standards Codification™ (ASC) 820, Fair Value Measurements and Disclosures (ASC 820), defines fair value as the value that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the

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most advantageous market for the investment or liability. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in valuing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in valuing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Fund's investments. The inputs are summarized in the three broad levels listed below.

- Level 1 unadjusted quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs including the Fund's own assumptions in determining the fair value of investments. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, or the appropriate stock exchange (for exchange-traded securities), analysis of the issuer's financial statements or other available documents and, if necessary, available information concerning other securities in similar circumstances

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and the determination of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each security.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2014.

Investment Type	Level 1 Unadjusted quoted prices (000)	Level 2 Other significant observable inputs (000)	Level 3 Significant unobservable inputs (000)	Total (000)
Assets:				
Common Stocks				
Auto Components	\$	\$ 11,268	\$	\$ 11,268
Automobiles		6,637		6,637
Banks		79,886		79,886
Chemicals		6,282		6,282
Construction & Engineering		16,870		16,870
Construction Materials		19,734		19,734
Consumer Finance		13,330		13,330
Food Products		2,959		2,959
Household Products		5,364		5,364
Independent Power Producers & Energy Traders		1,220		1,220
Information Technology Services	9,531	40,503	176	50,210
Internet Software & Services		4,455		4,455
Machinery		19,839		19,839
Media		9,605		9,605

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Metals & Mining		2,599		2,599
Oil, Gas & Consumable Fuels		33,605		33,605
Pharmaceuticals		22,018		22,018
Real Estate Management & Development		9,069		9,069
Software		5,006		5,006
Textiles, Apparel & Luxury Goods		7,442		7,442
Tobacco		15,355		15,355
Total Common Stocks	9,531	333,046	176	342,753
Preferred Stock	305			305
Short-Term Investment				
Investment Company	3,567			3,567
Total Assets	\$ 13,403	\$ 333,046	\$ 176	\$ 346,625

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Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value.

	Common Stock (000)
Beginning Balance	\$ 180
Purchases	
Sales	
Amortization of discount	
Transfers in	
Transfers out	
Corporate action	
Change in unrealized appreciation/depreciation	(4)
Realized gains (losses)	
Ending Balance	\$ 176
Net change in unrealized appreciation/depreciation from investments still held as of March 31, 2014	\$ (4)

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 as of March 31, 2014.

Information	Fair Value at March 31, 2014 (000)	Valuation Technique	Unobservable Input	Range	Weighted Average	Impact to Valuation from an Increase in Input
Technology Services						
Common Stock	\$ 176	Market Transaction	Discount for Lack of Marketability		50.0%	Decrease

Transfers between investment levels may occur as the markets fluctuate and/or the availability of data used in an investment's valuation changes. The Fund recognizes transfers between the levels as of the end of the period. As of March 31, 2014, securities with a total value of approximately \$287,404,000 transferred from Level 1 to Level 2. At March 31, 2014, the fair value of certain securities were adjusted due to developments which occurred between the time of the close of the foreign markets on which they trade and the close of business on the NYSE which resulted in their Level 2 classification.

Item 2. Controls and Procedures.

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Fund in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the Fund's internal control over financial reporting that occurred during the registrant's fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

Item 3. Exhibits.

(a) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Morgan Stanley India Investment Fund, Inc.

/s/ John H. Gernon
John H. Gernon
Principal Executive Officer
May 20, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ John H. Gernon
John H. Gernon
Principal Executive Officer
May 20, 2014

/s/ Francis Smith
Francis Smith
Principal Financial Officer
May 20, 2014
