

MORGAN STANLEY INDIA INVESTMENT FUND, INC.
Form N-Q
May 27, 2011

**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)

Sara Furber

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

Registrant's telephone number, including area code: 212-296-6963

Date of fiscal year end: December 31, 2011

Date of reporting period: March 31, 2011

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, 2011 (unaudited)

	Shares	Value (000)
Common Stocks (96.1%)		
Airlines (0.9%)		
SpiceJet Ltd. (a)	5,691,091	\$ 4,888
Auto Components (1.3%)		
Apollo Tyres Ltd.	18,750	29
Motherson Sumi Systems Ltd.	1,530,055	7,370
		7,399
Automobiles (2.2%)		
Hero Honda Motors Ltd.	1,185	42
Mahindra & Mahindra Ltd.	778,000	12,218
Patheja Forgings & Auto Parts Manufactures Ltd. (a)(b)(c)	450,000	12,260
Chemicals (2.5%)		
Akzo Nobel India Ltd.	25,000	470
Asian Paints Ltd.	118,258	6,698
Coromandel International Ltd.	1,040,200	6,726
		13,894
Commercial Banks (19.6%)		
Bank of Baroda	265,893	6,052
HDFC Bank Ltd.	896,569	47,163
ICICI Bank Ltd.	1,098,600	27,498
IndusInd Bank Ltd.	3,669,791	22,363
State Bank of India	104,902	6,505
		109,581
Construction & Engineering (3.2%)		
Gammon India Ltd.	1,942,800	5,165
Larsen & Toubro Ltd.	345,040	12,781
		17,946
Containers & Packaging (0.9%)		
Ess Dee Aluminium Ltd.	549,519	5,177
Diversified Financial Services (1.8%)		
Infrastructure Development Finance Co. Ltd.	1,733,860	6,011
Manappuram General Finance & Leasing Ltd.	1,393,955	4,151
		10,162
Electric Utilities (1.2%)		
KSK Energy Ventures Ltd. (a)	2,948,000	6,683
Electrical Equipment (1.5%)		
Crompton Greaves Ltd.	1,382,000	8,453
Electronic Equipment, Instruments & Components (1.2%)		
Redington India Ltd.	3,615,000	6,489

Food Products (2.1%)

Nestle India Ltd.

85,335

7,074

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	Shares	Value (000)
Shree Renuka Sugars Ltd.	3,124,325	\$ 4,876
		11,950
Gas Utilities (1.6%)		
GAIL India Ltd.	853,000	8,875
Independent Power Producers & Energy Traders (0.4%)		
Jaiprakash Power Ventures Ltd. (a)	2,624,000	2,480
Information Technology Services (14.1%)		
Infosys Technologies Ltd.	634,621	46,126
Tata Consultancy Services Ltd.	1,231,761	32,701
		78,827
Machinery (6.3%)		
AIA Engineering Ltd.	1,097,252	8,571
Ashok Leyland Ltd.	2,316,284	2,953
Cummins India Ltd.	570,900	8,934
Tata Motors Ltd.	269,622	7,548
Thermax Ltd.	552,376	7,468
		35,474
Media (6.5%)		
DB Corp. Ltd.	504,168	2,827
Deccan Chronicle Holdings Ltd.	3,032,224	5,460
IBN18 Broadcast Ltd. (a)	418,300	872
Sun TV Network Ltd.	1,989,493	20,042
Television Eighteen India Ltd. (a)	4,170,972	7,258
		36,459
Metals & Mining (6.0%)		
Hindalco Industries Ltd.	1,673,450	7,848
Hindustan Zinc Ltd.	2,063,600	6,377
Jindal Steel & Power Ltd.	815,700	12,755
Usha Martin Ltd.	5,223,700	6,688
		33,668
Multiline Retail (0.9%)		
Pantaloon Retail India Ltd.	656,119	4,771
Oil, Gas & Consumable Fuels (8.2%)		
Reliance Industries Ltd.	1,954,020	45,968
Pharmaceuticals (8.3%)		
Aurobindo Pharma Ltd.	1,678,665	7,376
Dr. Reddy's Laboratories Ltd.	622,907	22,894
Glenmark Pharmaceuticals Ltd.	2,499,500	15,901
		46,171

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	Shares	Value (000)
Real Estate Management & Development (1.6%)		
Oberoi Realty Ltd. (a)	1,099,379	\$ 6,277
Phoenix Mills Ltd.	697,235	2,857
		9,134
Tobacco (3.8%)		
ITC Ltd.	5,194,400	21,211
Total Common Stocks (Cost \$459,803)		537,920
	Face Amount (000)	
Corporate Bond (0.1%)		
Pharmaceuticals (0.1%)		
Dr. Reddy s Laboratories Ltd. 9.25%, 3/24/14 (c) (Cost \$)	INR 18,687	416
	Shares	
Short-Term Investment (0.2%)		
Investment Company (0.2%)		
Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - Institutional Class (d) (Cost \$979)	978,948	979
Total Investments (96.4%) (Cost \$460,782) +		539,315
Other Assets in Excess of Liabilities (3.6%)		19,905
Net Assets (100.0%)		\$ 559,220

- (a) Non-income producing security.
- (b) At March 31, 2011, the Fund held a fair valued security valued at approximately \$0, representing 0.0% 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, 2011.
- (d) The Fund invests in the Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - Institutional Class (the Liquidity Fund), an open-end management investment company managed by the Investment Adviser. Investment advisory fees paid by the Fund are reduced by an amount equal to the advisory and administrative service fees paid by the Liquidity Fund with respect to assets invested by the Fund in the Liquidity Fund.
- + At March 31, 2011, the U.S. Federal income tax cost basis of investments was approximately \$460,782,000 and, accordingly, net unrealized appreciation for U.S. Federal income tax purposes was approximately \$78,533,000 of which approximately \$122,799,000 related to appreciated securities and approximately \$44,266,000 related to depreciated securities.

INR Indian Rupee

Fair Value Measurement Information:

The following is a summary of the inputs used to value the Fund's net assets as of March 31, 2011. (See Notes to the Portfolio of Investments for further information regarding fair value measurement.)

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				
Airlines	\$ 4,888	\$	\$	\$ 4,888
Auto Components	7,370	29		7,399
Automobiles	12,260			12,260
Chemicals	13,894			13,894
Commercial Banks	81,166	28,415		109,581
Construction & Engineering	17,946			17,946
Containers & Packaging	5,177			5,177
Diversified Financial Services	10,162			10,162
Electric Utilities	6,683			6,683
Electrical Equipment	8,453			8,453
Electronic Equipment, Instruments & Components	6,489			6,489
Food Products	11,950			11,950
Gas Utilities	8,875			8,875
Independent Power Producers & Energy Traders	2,480			2,480
Information Technology Services	78,827			78,827
Machinery	35,474			35,474
Media	36,459			36,459
Metals & Mining	33,668			33,668
Multiline Retail		4,771		4,771
Oil, Gas & Consumable Fuels	45,968			45,968
Pharmaceuticals	46,171			46,171
Real Estate Management & Development	9,134			9,134
Tobacco	21,211			21,211
Total Common Stocks	504,705	33,215		537,920
Corporate Bond		416		416
Short-Term Investment - Investment Company	979			979
Total Assets	\$ 505,684	\$ 33,631	\$	\$ 539,315

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, 2011, the Fund did not have any significant investments transfer between valuation levels.

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

	Common Stocks (000)
Balance as of 12/31/10	\$
Accrued discounts/premiums	
Realized gain (loss)	
Change in unrealized appreciation (depreciation)	
Purchases	
Sales	
Transfers in for Level 3	
Transfers out of Level 3	
Balance as of 3/31/11	\$
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets and liabilities still held at Level 3 at 3/31/11.	\$

Includes one or more securities which are valued at zero.

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Morgan Stanley India Investment Fund, Inc.

Notes to the Portfolio of Investments • March 31, 2011 (unaudited)

Security Valuation: Securities listed on a foreign exchange are valued at their closing price except as noted below. Unlisted securities and listed securities not traded on the valuation date for which market quotations are readily available are valued at the mean between the current bid and ask prices. Equity securities listed on a U.S. exchange are valued at the latest quoted sales price on the valuation date. Equity securities listed or traded on NASDAQ, for which market quotations are available, are valued at the NASDAQ Official Closing Price. Short-term debt securities purchased with remaining maturities of 60 days or less are valued at amortized cost, unless the Board of Directors (the Directors) determines such valuation does not reflect the securities' market value, in which case these securities will be valued at their fair value as determined in good faith under procedures adopted by the Directors.

All other securities and investments for which market values are not readily available, including restricted securities, and those securities for which it is inappropriate to determine prices in accordance with the aforementioned procedures, are valued at fair value as determined in good faith under procedures adopted by the Directors, although the actual calculations may be done by others. 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.

Most foreign markets close before the New York Stock Exchange (NYSE). Occasionally, developments that could affect 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 on the NYSE. If these developments are expected to materially affect the value of the securities, the valuations may be adjusted to reflect the estimated fair value as of the close of the NYSE, as determined in good faith under procedures established by the Directors.

Fair Value Measurement: Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosure* (ASC 820), defines fair value as the price 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 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 securities
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

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- 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.

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/ Sara Furber
Sara Furber
Principal Executive Officer
May 24, 2011

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/ Sara Furber
Sara Furber
Principal Executive Officer
May 24, 2011

/s/ Francis Smith
Francis Smith
Principal Financial Officer
May 24, 2011
