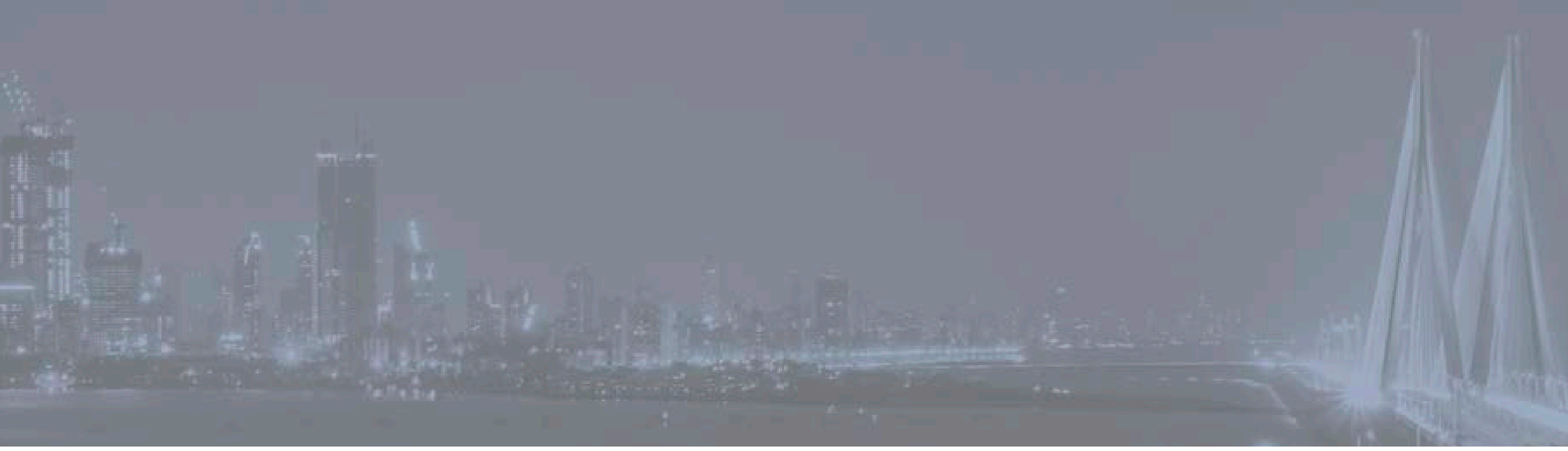

ASHOKA INDIA EQUITY INVESTMENT TRUST PLC

HALF-YEARLY REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Contents

Investment Objective, Financial Information and Performance Summary

Investment Objective

The investment objective of the Ashoka India Equity Investment Trust PLC (the "Company") is to achieve long-term capital appreciation, mainly through investment in securities listed in India and listed securities of companies with a significant presence in India.

Financial information

	As at 31 December 2020 (unaudited)	As at 30 June 2020 (audited)
Net asset value ("NAV") per Ordinary Share (cum income)	133.9p	104.1p
Ordinary Share price	137.0p	98.5p
Ordinary Share price premium/(discount) to NAV[1]	2.3%	(5.4%)
Net assets	£93.1 million	£70.5 million

Performance summary

	For the six months ended 31 December 2020 (unaudited) % change[2,3]	For the six months ended 31 December 2019 (unaudited) % change[2,3]
Share price total return per Ordinary Share[1]	39.1%	(0.5%)
NAV total return per Ordinary Share[1]	28.6%	(2.3%)
MSCI India IMI Index (sterling terms)	27.1%	(5.2%)

1 Alternative Performance measures, see page 26.
2 Total returns in Sterling for the six month period.
3 Source: Bloomberg.

Alternative Performance Measures ('APMs')

The items in the Financial information and the Performance summary indicated in the footnote above, are considered to represent APMs of the Company. Definitions of these APMs and other performance measures used by the Company, together with how these measures have been calculated, can be found on page 26.

The entire world has experienced a sobering year battling COVID-19. Like everyone, I am both delighted and relieved by the arrival of several vaccines and impressed by the sheer ingenuity and ability of so many scientists who have worked day and night to find answers to the pandemic. As I report on what turned out to be an exceptional period for the Company, I do hope shareholders and their families have managed to stay safe and well.

The Company's half-year financial report for the period 1 July 2020 to 31 December 2020 can only tell half the story. Like most investments, value was lost during the first half of 2020 as the significance of the virus and its threat to human life became better understood and acknowledged. The very idea of locking down society for long periods was still not considered viable; lockdowns are a blunt tool that cause economic havoc and severe harm and yet they were deemed necessary in many parts of the world to at least delay the spread of the virus until a vaccine arrived. India endured one of the most severe lockdowns, difficult to enforce in a country of 1.3 billion people. In the end, it looks as if lockdowns achieved the desired objective as vaccines come to our rescue. At what cost in terms of lives and livelihoods, however, will be determined in the future.

Performance

In the period under review, the Company's share price and NAV have recorded total returns in sterling terms of 39.1% and 28.6% respectively, compared to the benchmark index, the MSCI India IMI, of 27.1%. This would be a commendable outperformance by your Manager under normal circumstances but to achieve such results under such trying conditions, including working remotely during a pandemic, deserves particular recognition.

The Company's shares traded at a premium to NAV (cum income) of 2.3% at the end of the period.

Share Issuance

The Company continued to issue new shares during the period in response to demand from existing and new shareholders. This demand was broadly based and reflects a growing interest in the Indian economy and this Company, which offers a stock-specific portfolio agnostic to style and the index. As a result, the Company issued a further 1.9 million shares raising gross proceeds of £2.4 million in the period under review. New shares are issued at a small premium to the prevailing net asset value to ensure no dilution to existing shareholders. The Company's net asset value and market capitalization at the calendar year end were £93.1 million and £95.3 million respectively. As of 4 March 2021, a further 10.4 million shares have been issued and the net asset value exceeded £114.6 million, a significant milestone showing continued growth and welcome interest in the Company.

In order for the Company to continue to be able to pursue its growth strategy, it is likely that a new prospectus will be published in the foreseeable future enabling it to issue more new shares to satisfy demand. Shareholders will be given the opportunity to vote on this proposal at a General Meeting on a date to be advised. If passed, this will enable the Company to continue to respond quickly when opportunities to issue further shares present themselves, to the benefit of all existing shareholders.

Revenue and Dividends

The Company's principal objective is to provide returns through long-term capital appreciation, with income being a secondary consideration. Therefore, shareholders should not expect that the Company will pay an annual dividend under normal circumstances. Whilst the portfolio does generate a small amount of income, this is used to defray running costs. However, the Company may declare an annual dividend to maintain UK investment trust status if there is a sufficient surplus. In the period under review, no interim dividend has been declared.

Redemption Facility

The Company has a redemption facility through which shareholders are entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. The second Redemption Point for the Ordinary Shares was on 30 September 2020. The Board was pleased that the Company received only a small number of redemption requests totalling 367,616 shares and these were matched with demand from new or existing shareholders. The Board has absolute discretion to operate the annual redemption facility on any given Redemption Point and to accept or decline in whole or in part any redemption request.

Shareholders are reminded that investment in a Company of this nature should only be considered if it is understood that the significant growth potential of the Indian equity market is likely to be achieved over the medium to longer term.

Performance fee

Whilst not normally covered in the half-year report, I wanted to remind shareholders that a performance fee is likely to be due to the Investment Adviser this year as a result of outperforming the Company's benchmark in the three-year period from launch in July 2018. As at 31 December 2020, the performance fee liability was £5.2 million. This figure will fluctuate in line with the performance of the Company against its benchmark up to year-end (30 June 2021) and, if current outperformance continues, will have been well-earned for achieving exceptional returns for shareholders over that period. Shareholders are also reminded of the following:

- a performance fee arrangement was agreed by the Board at launch in lieu of an annual management fee; no annual management fee has been paid by the Company;
- the varying and current level of the performance fee has been and is fully accounted for in the Company's daily net asset value; and
- the fee will be paid to the Investment Adviser in the form of new shares in the Company and at least 50% of such shares will be locked up for an additional three years, thus continuing to directly align the Investment Adviser's interests with those of shareholders.

I will refer to this matter in more detail in the Company's Annual Report due to be published in September.

Outlook

Nothing has changed in terms of the exciting growth prospects for the Indian economy. In fact, it is possible that the pandemic has focused investors' attention even more on the opportunities presented by the world's largest democracy, still considered an emerging market. The investment case for India remains strong and compelling.

India's fast-growing middle class and the young average age of the population are both strong drivers of demand for a whole range of goods and services. Growing access to the Internet is enabling them to buy an increasingly wide range of goods and, with growing prosperity, such a trend is destined to continue.

As you will read in the Investment Manager's report, since emerging from lockdown the economy has powered ahead and initiatives by the Modi Government look set to put India in a strong position to compete on the world stage. Whilst it is acknowledged that inoculating such a large population is logistically difficult, it is still expected that the majority will have received at least the first dose by the end of this year. Given that cost is a factor, it is especially beneficial for India that the Oxford-AstraZeneca vaccine is being supplied at an affordable price and is easily transportable.

I am delighted to say that your Investment Manager remains true to its principles of stock selection based on fundamental analysis and a focus on strong corporate governance applied before each stock is selected for the portfolio. As I have said before, whilst this process takes time, your Board is convinced this is the best approach. The portfolio's constituents are selected for their superior returns on capital, scalable growth prospects and strong record of execution while adhering to high standards of corporate governance.

I wish all shareholders well for 2021 and beyond, hoping we never see another year like the one just past. Thank you for your continued support of this Company. I believe it has a prosperous future and will serve its shareholders well.

Andrew Watkins
Chairman
5 March 2021

For the second half of calendar year 2020, the Company's NAV total return generated 150 basis points (bps) of outperformance versus the MSCI India IMI Index in sterling terms. The Company delivered 28.6% compared to 27.1% for MSCI India IMI. Since 31 July 2018 (the date post IPO when the Company was fully invested), the Company has delivered 25.4% of net cumulative outperformance with a 34.8% absolute return compared to the benchmark return of 9.4%, both in sterling terms.

Top 5 Contributors	Ending Weight (%) As at 31 Dec 2020	Total Return (%)	Contribution to Return (bps)
Infosys Limited	7.5	+61.1	+349
Coforge Limited	3.9	+79.3	+327
ICICI Bank Limited	7.3	+42.2	+267
Asian Paints Limited	4.7	+53.4	+233
Bajaj Finserv Limited	5.1	+42.3	+204

Infosys is India's second largest IT services company with US$12 billion in annual revenue, a strong global presence and a high-quality customer portfolio. It operates across seven major verticals: banking, financial services, and insurance; retail & consumer packaged goods (CPG); communications; energy and utilities; manufacturing; hi-tech; and life sciences. Since Salil Parekh's appointment as CEO in January 2018, Infosys has made strong investments in building digital capacities, onshore talent acquisition and increased sales and marketing efforts. Results of these initiatives are showing up in strong deal wins translating into industry leading growth with improving margins.

Coforge is a fast-growing, mid-sized IT services company with approximately US$600 million in annual revenues and is present across three major verticals – travel & transportation, insurance, and banking & financial services – which collectively account for 75% of its revenues. It has a niche positioning in both travel and insurance. The company underwent a management change around three years ago and under the new leadership has consistently demonstrated strong improvement across all KPIs including order intake, several million-dollar clients, large deal wins, digital business growth and client diversification. The holding outperformed on account of robust operating performance despite strong COVID-19 headwinds in its travel and transportation businesses.

Asian Paints is the largest decorative paints player in the industry with over 50% market share. It is three times the size of its next biggest competitor and is expected to widen the gap as it embarks on the largest capacity creation in the history of the company. It has been at the forefront of innovation in the industry and was the pioneer of the direct distribution model in India. Post-Goods and Services Tax, the company is benefitting from a structural shift towards the formal segment of the market, which accounts for approximately 70% of the paints industry. The holding outperformed thanks to sustained market share gains.

Top 5 Detractors	Ending Weight (%) As at 31 Dec 2020	Total Return (%)	Contribution to Return (bps)
Bharti Airtel Limited	0.0	-27.1	-123
IIFL Wealth Management Limited	0.5	-4.1	-4
Avanti Feeds Limited	0.6	-3.2	-4
Orient Electric Limited	1.1	+3.4	-3
V.I.P. Industries Limited	0.0	-4.1	-2

Bharti Airtel is India's second largest telecommunications operator providing wireless and fixed line broadband services. The Indian telecommunications industry is around US$25 billion in revenues and has consolidated into a three-player market with Reliance Jio, Bharti Airtel and Vodafone-Idea now controlling 93% of the market after a period of unprecedented disruption and intense price competition. Bharti Airtel has demonstrated superior execution on the back of its high-quality customer base, and we expect it to gain market share from Vodafone-Idea which is struggling with a highly leveraged balance sheet. Over time, we expect pricing to stabilize and inch upwards as was evidenced by the first industry wide price hikes of 15-30% in late 2019. While we expect price discipline to be observed by the industry over time, we are likely to see intermittent instances of pricing aggression along the way, like the one we saw in September 2020 from Reliance Jio where they introduced a slightly aggressive post-paid plan. We exited the position given the continued delays in price hikes to redeploy capital in more compelling opportunities.

IIFL Wealth Management (IIFLW) is among the largest wealth and asset management firms in India with approximately INR (Indian Rupees) two trillion (US$27.6bn) assets under management (AUM). Apart from its wealth management business, it also owns IIFL AMC, an asset management company with an AUM of INR 317 billion (US$4.4bn), across private equity, public equity, real estate, long-short funds and mutual funds. Over the past few quarters, the company has been transforming from an upfront to a recurring revenue business model, leading to a one-time adjustment in its financials. Further, due to market volatility, there have been higher outflows in both wealth and asset management segments, leading to lower AUM growth. These factors have led to underperformance of the stock during this period.

Orient Electric is a diversified consumer electricals company. With a premium positioning, its product portfolio spans across fans, lighting, domestic appliances, and switchgear. Orient has demonstrated continuous innovation-led market share gains in its core categories of fans and lighting. It has also simultaneously expanded into adjacent categories of switchgear and home appliances while delivering superior returns on invested capital. We expect the company to deliver industry leading revenue and cash flow growth over the coming years. The holding underperformed due to COVID-19 led disturbances in the distribution channels.

Investment Outlook

Breakthrough announcements of successful vaccines in November 2020 likely marked the beginning of the end for this pandemic. However, for developing nations like India, the cost and logistical requirements of the early vaccines (Pfizer-BioNtech and Moderna) render them largely unfeasible for nationwide deployment. Approval of Oxford-AstraZeneca's vaccine by the UK authorities followed by similar approval for the same by the Indian Government is a major positive development, given that this vaccine presents a practical alternative for mass inoculation in the country.

The Serum Institute of India – the world's largest vaccine manufacturing company – has already stockpiled over 100 million doses and has the capacity to produce a similar number every month to provide for India and other countries. Vaccinations started in India on 16 January 2021 and barring any negative surprises, we expect the majority of the population to be vaccinated by the end of 2021.

The stringent nationwide lockdowns across India created a brief but sharp economic contraction. Since the removal of lockdowns, the economy is rebounding sharply. In December, S&P Global revised India's GDP growth projection for the financial year 2021 to -7.7%, from -9% estimated earlier, citing a faster than expected recovery. For 2022, S&P has projected growth to rebound to 10%. It is worth noting that this faster-than-expected recovery comes despite a modest fiscal stimulus by the Indian Government compared to many other nations.

Structural change gained further impetus during the year as India pushed through landmark reforms in agriculture and labour markets. Agriculture reforms are aimed at deregulation of pricing and production, attracting private investment in building supply chain infrastructure, and creating a single unified national market for agri-produce. If implemented, the role of inefficient, state-sponsored monopolies is expected to be curtailed significantly. The labour reforms are aimed at simplifying a highly complex set of legacy regulations, many of which were written before 1947 in the pre-independence era. These reforms should significantly reduce compliance burdens on companies while adding momentum to the formalisation of the economy.

The Indian Government has initiated a bold incentive program with the aim of making India a global manufacturing hub. The Government's Production Linked Incentives (PLI) schemes, totalling US$27 billion thus far, mark a distinct shift in the country's industrial policy. While earlier policies tended to spray incentives thinly across industries, PLI schemes focus on building select domestic champions in each industry.

PLI 1.0, entailing US$7 billion over five years, aims to create manufacturing hubs for mobile phones, APIs (Active Pharmaceutical Ingredients) and medical devices. It is off to a good start with global leaders such as Samsung and Apple, amongst others, announcing the setting up of manufacturing facilities in India. Government targets call for India to emerge as the second largest hub for smartphone manufacturing with US$100 billion of exports over the next five years.

Following early success with PLI 1.0, the Government has launched PLI 2.0 worth US$20 billion covering ten industries, including automotive, storage batteries, food processing and networking equipment. The choice of sectors indicates a clear focus on exports which could improve India's trade balance. These policy initiatives have been supported by tax cuts on new manufacturing units as well as labour reforms and, if followed through with proper implementation, could mark the beginning of a sustained rise of the manufacturing sector in the economy.

India announced a strong annual budget in February with several steps taken along the long road of improving the ease of doing business. It has made many simplifying changes to the administration of taxes while aiming to increase compliance. No material changes in direct taxes indicates the Government's focus on providing a stable and predictable tax regime. Decriminalisation of the Limited Liability Partnership (LLP) Act, along with a significant reduction in the compliance burden for small companies, removes hurdles to doing business. These measures in turn should help job creation over the coming years.

A pro-growth mindset with a subsequent glide path to fiscal consolidation was also clearly evident given the healthy increase in budgetary allocation towards capital expenditure. Such investment expenditure in building productive assets, as opposed to handing out consumption stimulus or subsidies, which were largely absent in the budget, should help long term economic growth rates.

The budget provided a boost to the privatisation of state-owned enterprises, including banks, through enabling legislative amendments. There were also certain measures initiated to strengthen the financial sector including the setting up of an asset reconstruction company which can drive consolidation of stressed assets and enable faster resolution of the non-performing loans in the system. This should aid system credit growth. An increase in Foreign Direct Investment for insurance companies from 49% to 74% also bodes well for capital constrained insurance companies.

Overall, this should go down as perhaps one of the best budgets from the Government, which reaffirms growth orientation and furthers the Prime Minister's goal of promoting ease of doing business in India.

Acorn Asset Management Ltd
5 March 2021

Top Ten Holdings

As at 31 December 2020	% of net assets
Infosys Limited	8.3
ICICI Bank Limited	8.1
Bajaj Finserv Limited	5.7
Nestle India Limited	5.4
HDFC Bank Limited	5.3
Asian Paints Limited	5.2
Coforge Limited	4.4
Kotak Mahindra Bank Limited	3.2
Garware Technical Fibres Limited	3.0
Navin Fluorine International Limited	2.9
Top ten holdings	**51.5**
Other holdings	57.6
Total holdings	**109.1**
Cash	3.1
Other net liabilities*	(12.2)
Total net assets	**100.0**

* Other net liabilities includes performance fee payable of £5.2 million, capital gain tax provision of £3.9 million and purchase for future settlement of £2.5 million.

Participatory Notes

Participatory Notes (P-Notes) are instruments that are sometimes used for applying to select Initial Public Offerings (IPOs). These instruments allow the Company to match any oversubscription in the IPO and accordingly target appropriate position size in the portfolio. The Company has used P-Notes issued by Kotak Mahindra (International) a wholly owned subsidiary of Kotak Mahindra Bank (Market Cap: US$50 billion) – a very conservative, well run and adequately capitalized leading private sector bank in India. It has Capital to Risk Assets Ratio of approximately 18% versus the regulatory requirement of 9%. The Bank has a STABLE outlook, and its long-term credit is rated at BBB- as per S&P Global. CRISIL (S&P's India subsidiary) has a AAA rating for Kotak Bank, which is the highest possible rating domestically. P-notes liquidity is directly related to the underlying security's volumes as these notes are non-transferable.

P-note Participation in H2 2020:

Security	Application US$(million)	Allotment US$(million)	ADV* US$(million)
Computer Age Management Services	10.00	0.16	10.9
Gland Pharma	0.90	0.52	36.0
Burger King	2.78	0.03	88.7

*ADV: Average Daily Volume.

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority's ("FCA") Disclosure Guidance and Transparency Rules ("DTR"). The Directors consider that the Chairman's Statement and the Investment Manager's Report on pages 3 to 7 of this half yearly Report provide details of the important events which have occurred during the period and their impact on the financial statements. The following statement on related party transactions and the Directors' Responsibility Statement below, the Chairman's Statement and Investment Manager's Report together constitute the Interim Management Report of the Company for the six months ended 31 December 2020. The outlook for the Company for the remaining six months of the year ending 30 June 2021 is discussed in the Chairman's Statement and the Investment Manager's Report.

Principal and emerging risks and uncertainties

The principal and emerging risks and uncertainties to the Company are detailed on pages 13 to 15 of the Company's most recent Annual Report and Audited Financial Statements for the year ended 30 June 2020 which can be found on the Company's website at **https://www.ashokaindiaequity.com**. The principal and emerging risks and uncertainties facing the Company remain unchanged from those disclosed in the Annual Report for the year ended 30 June 2020 and the Board are of the opinion that they will continue to remain unchanged for the forthcoming six-month period. The principal and emerging risks and uncertainties facing the Company are as follows:

(i) market risks (economic conditions and sectorial diversification);

(ii) corporate governance and internal control risks (including cyber security);

(iii) regulatory risks;

(iv) financial risks; and

(v) emerging risks (climate change and pandemic (COVID-19).

Related party transactions

Details of the amounts paid to the Company's Investment Adviser and the Directors during the period are detailed in the notes to the half yearly report and unaudited condensed financial statements (the "Financial Statements").

Going concern

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the following twelve-month period from the date of this report. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. The Company's net assets as at 31 December 2020 were £93.1 million (30 June 2020: £70.5 million). As at 31 December 2020 the Company held £101.6 million (30 June 2020: £72.1 million) in quoted investments and had cash of £2.8 million (30 June 2020: £1.6 million).

In light of the COVID-19 pandemic, the Directors have considered the ongoing impact of the virus and the response of Governments to it on the Company's portfolio of investments. Any future prolonged and deep market decline would likely lead to falling values in the Company's investments. However, as explained above, the Company has more than sufficient liquidity available to meet its expected future obligations.

The market and operational risks associated with the COVID-19 pandemic, and the ongoing economic impact of measures introduced to combat its spread are discussed and monitored by the Board. The Investment Adviser, Administrator and other key service providers provide regular updates on operational resilience. The Board is satisfied that the key service providers have the ability to continue to operate efficiently in a remote or virtual working environment.

Unaudited

These Financial Statements have not been audited or reviewed by auditors pursuant to the Financial Reporting Council guidance on the Review of Interim Financial Information.

DIRECTORS' STATEMENT OF RESPONSIBILITY FOR THE HALF-YEARLY REPORT

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half yearly financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting; and
- the interim management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's DTR.

Andrew Watkins
Chairman
5 March 2021

Condensed Unaudited Statement of Comprehensive Income

For the six months ended 31 December 2020

			Six months ended 31 December 2020 (unaudited)			Six months ended 31 December 2019 (unaudited)	
		Revenue	Capital	Total	Revenue	Capital	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments	3	–	25,875	25,875	–	115	115
Losses on currency movements		–	(38)	(38)	–	(198)	(198)
Net investment gains/(losses)		**–**	**25,837**	**25,837**	**–**	**(83)**	**(83)**
Income	5	348	–	348	312	–	312
Total income		**348**	**25,837**	**26,185**	**312**	**(83)**	**229**
Performance fees	7	–	(2,267)	(2,267)	–	(904)	(904)
Operating expenses	8	(263)	–	(263)	(239)	–	(239)
Operating profit/(loss) before taxation		**85**	**23,570**	**23,655**	**73**	**(987)**	**(914)**
Taxation	9	(71)	(3,311)	(3,382)	–	(361)	(361)
Profit/(Loss) for the period		**14**	**20,259**	**20,273**	**73**	**(1,348)**	**(1,275)**
Earnings/(loss) per Ordinary Share	10	**0.02p**	**29.80p**	**29.82p**	**0.13p**	**(2.38)p**	**(2.25)p**

There is no other comprehensive income and therefore the 'Profit/(loss) for the period' is the total comprehensive income for the period.

The total column of the above statement is the statement of comprehensive income of the Company. The supplementary revenue and capital columns, including the earnings/(loss) per Ordinary Shares, are prepared under guidance from the Association of Investment Companies ("AIC").

All revenue and capital items in the above statement derive from continuing operations.

The notes on pages 15 to 25 form an integral part of these financial statements.

Condensed Unaudited Statement of Financial Position

As at 31 December 2020

	Note	31 December 2020 (unaudited) £'000	30 June 2020 (audited) £'000
Non-current assets			
Investments held at fair value through profit or loss	3	101,609	72,120
Current assets			
Cash and cash equivalents		2,848	1,629
Purchases collateral paid in advance		311	–
Sales for Settlement		–	623
Dividend receivable		7	56
Other receivables		32	38
Total current assets		**3,198**	**2,346**
Total assets		**104,807**	**74,466**
Current liabilities			
Purchases for future settlement		(2,519)	–
Other payables	6	(87)	(128)
Non-current liabilities			
Performance fee provision	7	(5,154)	(2,887)
Capital gains deferred tax provision		(3,910)	(1,001)
Total liabilities		**(11,670)**	**(4,016)**
Net assets		**93,137**	**70,450**
Equity			
Share capital	12	695	676
Share premium account		25,907	23,512
Special distributable reserve	13	44,276	44,276
Capital reserve		22,426	2,167
Revenue reserve		(167)	(181)
Total equity		**93,137**	**70,450**
Net asset value per Ordinary Share	14	**133.9p**	**104.1p**

The notes on pages 15 to 25 form an integral part of these financial statements.

Condensed Unaudited Statement of Changes in Equity

For the six months ended 31 December 2020 (Unaudited)

	Note	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 July 2020		676	23,512	44,276	2,167	(181)	70,450
Profit for the period		–	–	–	20,259	14	20,273
Issue of Ordinary Shares	12	19	2,421	–	–	–	2,440
Share issue costs		–	(26)	–	–	–	(26)
Closing balance as at 31 December 2020		**695**	**25,907**	**44,276**	**22,426**	**(167)**	**93,137**

For the six months ended 31 December 2019 (Unaudited)

	Note	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 July 2019		501	4,372	44,276	5,576	(195)	54,530
(Loss)/profit for the period		–	–	–	(1,348)	73	(1,275)
Issue of Ordinary Shares	12	91	9,946	–	–	–	10,037
Share issue costs		–	(408)	–	–	–	(408)
Closing balance as at 31 December 2019		**592**	**13,910**	**44,276**	**4,228**	**(122)**	**62,884**

The Company's distributable reserves consist of the special distributable reserve, capital reserve and revenue reserve.

The notes on pages 15 to 25 form an integral part of these financial statements.

Condensed Unaudited Statement of Cash Flows

For the six months ended 31 December 2020

	Note	Six months ended 31 December 2020 (unaudited) £'000	Six months ended 31 December 2019 (unaudited) £'000
Cash flows from operating activities			
Operating profit/(loss) before taxation		23,655	(914)
Taxation paid		(474)	–
Decrease in receivables		56	83
Increase in payables		2,226	813
Gains on investments	3	(25,875)	(115)
Net cash flow used in from operating activities		**(412)**	**(133)**
Cash flows from investing activities			
Purchase of investments		(28,680)	(48,219)
Sale of investments		25,026	39,076
Capital distributions received		2,871	–
Net cash flow used in investing activities		**(783)**	**(9,143)**
Cash flows from financing activities			
Proceeds from issue of shares	12	2,440	10,037
Share issue costs		(26)	(408)
Net cash flow from financing activities		**2,414**	**9,629**
Increase in cash and cash equivalents		**1,219**	**353**
Cash and cash equivalents at start of period		1,629	1,128
Cash and cash equivalents at end of period		**2,848**	**1,481**

The notes on pages 15 to 25 form an integral part of these financial statements.

1. Reporting entity

Ashoka India Equity Investment Trust plc is a closed-ended investment company, registered in England and Wales on 11 May 2018. The Company's registered office is 1st Floor, Senator House, 85 Queen Victoria Street, London, EC4V 4AB. Business operations commenced on 6 July 2018 when the Company's Ordinary Shares were admitted to trading on the London Stock Exchange (LSE). The financial statements of the Company are presented for the period from 1 July 2020 to 31 December 2020.

The Company primarily invests in securities listed on any stock exchange in India and can invest in the securities of companies with a significant presence in India that are listed on stock exchanges outside India.

2. Basis of Preparation and Statement of Compliance

These Unaudited Condensed Financial Statements ("Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' as required by DTR 4.2.4R, the Listing Rules of the LSE and applicable legal and regulatory requirements. They do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the Company's last Annual Audited Financial Statements for the year ended 30 June 2020.

The accounting policies applied in these Financial Statements are consistent with those applied in the last Annual Audited Financial Statements for the year ended 30 June 2020, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Having reassessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements.

Going concern

The Directors have adopted the going concern basis in preparing the financial statements.

Details of the Directors' assessment of the going concern status of the Company, which considered the adequacy of the Company's resources and the impacts of the COVID–19 pandemic, are given on page 9. The Directors have a reasonable expectation that the Company has adequate operational resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

Significant judgements and estimates

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company's Audited Annual Financial Statements for the year ended 30 June 2020.

The Indian capital gains tax provision represents an estimate of the amount of tax payable by the Company. Tax amounts payable may differ from this provision depending when the Company disposes of investments. The current provision on Indian capital gains tax is calculated based on the long term or short term nature of the investments and the applicable tax rate at the period end. The short term tax rates are 15% and the long term tax rates are 10%. The estimated tax charge is subject to regular review including a consideration of the likely period of ownership, tax rates and market valuation movements.

As disclosed in the statement of financial position, the Company made a capital gains tax provision of £3,910,000 (30 June 2020: £1,001,000) in respect of unrealised gains on investments held.

2. Basis of preparation (continued)

New Accounting Standards and interpretations applicable to future reporting periods

At the date of approval of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective:

- IAS 1 (amended), “Presentation of Financial Statements” (amendments regarding the classification of liabilities, effective for periods commencing on or after 1 January 2023).

In addition, the IASB has completed the following projects during the period:

- ‘Annual Improvements to IFRS Standards 2018-2020’, published in May 2020. This project has amended certain existing standards effective for accounting periods commencing on or after 1 January 2022.
- ‘Replacement issues in the context of the IBOR reform’, published in August 2020. This project has amended certain existing standards effective for accounting periods commencing on or after 1 January 2021.

The Directors expect that the adoption of these amended standards in a future period will not have a material impact on the Financial Statements of the Company.

Segmental reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business, being investment in listed securities in India to achieve long-term capital appreciation. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

3. Investment held at fair value through profit or loss

a) Investments held at fair value through profit or loss

	As at 31 December 2020 (unaudited) £'000	As at 30 June 2020 (audited) £'000
Listed investments in India and P-Notes	101,609	72,120
Closing valuation	**101,609**	**72,120**

b) Movements in valuation

	For the six months ended 31 December 2020 (unaudited) £'000	For the year ended 30 June 2020 (audited) £'000
Opening valuation	72,120	54,234
Opening unrealised gains on investments	6,841	8,079
Opening book cost	**65,279**	**46,155**
Additions, at cost	30,838	84,539
Disposals, at cost	(20,968)	(65,415)
Closing book cost	**75,149**	**65,279**
Revaluation of investments	26,460	6,841
Closing valuation	**101,609**	**72,120**

Transaction costs on investment purchases for the six months ended 31 December 2020 amounted to £45,000 (31 December 2019: £52,000) and on investment sales for the six months to 31 December 2020 amounted to £49,000 (31 December 2019: £81,000).

3. Investment held at fair value through profit or loss (continued)

c) Movements in valuation

	For the six months ended 31 December 2020 (unaudited) £'000	For the year ended 30 June 2020 (audited) £'000
Realised gains on disposal of investments	3,479	1,415
Transaction costs	(94)	(266)
Movements in unrealised gains/(losses) on investments held	19,619	(1,238)
Capital distributions received	2,871	41
Total gains/(losses) on investments	**25,875**	**(48)**

Under IFRS 13 'Fair Value Measurement', an entity is required to classify investments using a fair value hierarchy that reflects the significance of the inputs used in making the measurement decision.

The following shows the analysis of financial assets recognised at fair value based on:

- **Level 1:** inputs that are quoted market prices (unadjusted) in active markets for identical instruments;

- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and

- **Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The classification of the Company's investments held at fair value is detailed in the table below:

	As at 31 December 2020 (unaudited)			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Investments at fair value through profit or loss – Listed in India and P-Notes	101,609	–	–	101,609

	As at 30 June 2020 (audited)			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Investments at fair value through profit or loss – Listed in India	72,120	–	–	72,120

There were no transfers between levels during the six months ended 31 December 2020 (30 June 2020: nil).

4. Financial risk management

At 31 December 2020, the Company's financial risk management objectives and policies are consistent with those disclosed in the Company's last Annual Report and Audited Financial Statements for the year ended 30 June 2020.

5. Income

	For the six months ended 31 December 2020 (unaudited)	For the six months ended 31 December 2019 (unaudited)
	£'000	£'000
Income from investments		
Overseas dividends	348	312
Total income	**348**	**312**

6. Other payables

	As at 31 December 2020 (unaudited) £'000	As at 30 June 2020 (audited) £'000
Accrued expenses	87	128
Total other payables	**87**	**128**

7. Performance fee provision

	For the six months ended 31 December 2020 (unaudited)			For the six months ended 31 December 2019 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Performance fee provision	–	2,267	**2,267**	–	904	**904**

The Investment Adviser does not receive a fixed management fee in respect of its portfolio management services to the Company. The Investment Adviser will become entitled to a performance fee subject to the Company delivering excess returns versus the MSCI India IMI Index in the medium-term. The performance fee will be measured over periods of three years, with the first period ending (approximately three years from the date of Admission) on 30 June 2021.

The performance fee is calculated at a rate of 30% of the excess returns between adjusted NAV per Ordinary Share on the last day of the performance period and the MSCI India IMI Index (Sterling) over the performance period, adjusted for the weighted average number of Ordinary Shares in issue during the performance period.

As at 31 December 2020, the total outstanding performance fee payable amounted to £5,154,000 (31 December 2019: £2,887,000).

8. Operating expenses

	For the six months ended 31 December 2020 (unaudited) £'000	For the six months ended 31 December 2019 (unaudited) £'000
Administration & secretarial fees	64	54
Auditor's remuneration*		
– Statutory audit fee	18	15
Broker fees	15	15
Custody services	7	4
Directors' fees	56	56
Board trip to India costs	–	3
Board meeting costs	–	1
Tax compliance and advice	10	8
Printing and public relations	18	28
Registrar fees	8	5
Legal Fees	13	3
UKLA and other regulatory fees	8	5
Other expenses	46	42
Total other payables	**263**	**239**

* COPY TO BE SUPPLIED

9. Taxation

a) Analysis of charge in the period

	For the six months ended 31 December 2020 (unaudited)			For the six months ended 31 December 2019 (unaudited)		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Capital gains tax provision	–	2,980	**2,980**	–	361	**361**
Realised Indian capital gains tax	–	331	**331**	–	–	**–**
Indian withholding tax paid	71	–	**71**	–	–	**–**
Total tax charge for the period	**71**	**3,311**	**3,382**	**–**	**361**	**361**

A deferred tax provision on Indian capital gains is calculated based on the long term (securities held more than one year) or short term (securities held less than one year) nature of the investments and the applicable tax rate at the period end. The short term tax rates are 15% and the long term tax rates are 10%.

b) Factors affecting the tax charge for the period

The effective UK corporation tax rate for the year is 19%. The tax charge differs from the charge resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below:

	For the six months ended 31 December 2020 (unaudited)	For the six months ended 31 December 2019 (unaudited)
	£'000	£'000
Operating (loss)/profit before taxation	23,655	(914)
UK Corporation tax at 19% (2019: 19.00%)	4,494	(155)
Effects of:		
Indian capital gains tax provision	3,311	14
Gains on investments not taxable	(4,909)	(53)
Overseas dividends not taxable	(66)	361
Unutilised management expenses	481	194
Indian withholding tax paid	71	–
Total tax charge	**3,382**	**361**

10. Earnings/(loss) per Ordinary Share

	For the six months ended 31 December 2020 (unaudited)			For the six months ended 31 December 2019 (unaudited)		
	Revenue	Capital	Total	Revenue	Capital	Total
Profit/(loss) for the period (£'000)	14	20,259	**20,273**	73	(1,348)	(1,275)
Earnings per Ordinary Share	0.02p	29.80p	**29.82p**	0.13p	(2.38)p	**(2.25)p**

Earnings/(loss) per Ordinary Share is based on the Profit for the period of £20,273,000 (31 December 2019: loss of £1,275,000) attributable to the weighted average number of Ordinary Shares in issue during the six months ended 31 December 2020 of 67,972,981 (31 December 2019: 56,676,104).

11. Dividend

The Company's objective is to provide shareholder returns through capital growth with income being a secondary consideration. Therefore, it is unlikely that the Company will pay a dividend under normal circumstances.

12. Share capital

	As at 31 December 2020 (unaudited)		As at 30 June 2019 (audited)	
	No. of shares	£'000	No. of shares	£'000
Allotted, issued and fully paid:				
Redeemable Ordinary Shares of 1p each ('Ordinary Shares')	69,575,012	695	67,648,500	676
Total	**69,575,012**	**695**	**67,648,500**	**676**

Ordinary Shares

The Ordinary Shares have attached to them full voting, dividend and capital distribution rights. They confer rights of redemption. The Company's special distribution reserve will also be used for share repurchases, both into treasury or for cancellation.

Between 1 July 2020 and 31 December 2020, 1,926,512 Ordinary Shares (30 June 2020: 17,525,414 Ordinary Shares issued) have been issued; raising aggregate gross proceeds of £2,440,000 (30 June 2020: £19,777,000).

The Company operates a voluntary redemption facility through which shareholders may request the redemption of all or part of their holding of redeemable ordinary shares of 1p each ("Ordinary Shares") for cash on the last business day in September each year. On 3 September 2020, the Company announced that the total number of Ordinary Shares in respect of which valid redemption requests were received for the 30 September 2020 Redemption Point was 367,616. The Company subsequently announced on 1 October 2020, that all of the 367,616 Ordinary Shares were matched with buyers and sold at a calculated Redemption Price of 114.91 pence per Ordinary Share and all shareholders who validly applied to have Ordinary Shares redeemed received payment at the Redemption Price per Ordinary Share on 14 October 2020.

12. Share capital (continued)

Management shares

In addition to the above, on incorporation the Company issued 50,000 Management Shares of nominal value of £1.00 each.

The Management Shares are paid up as to one quarter of their nominal value. The holder of the Management Shares undertook to pay or procure payment of one quarter of the nominal value of each Management share on or before the fifth anniversary of the date of issue of the Management Shares. The Management Shares are held by an associate of the Investment Manager.

The Management Shares do not carry a right to attend or vote at general meetings of the Company unless no other shares are in issue at that time. The Management Shares have been treated as equity in accordance with IFRS.

13. Special distributable reserve

As indicated in the Company's prospectus dated 19 June 2018, following admission of the Company's Ordinary Shares to trading on the LSE, the Directors applied to the Court and obtained a judgement on 4 December 2018 to cancel the amount standing to the credit of the share premium account of the Company. The amount of the share premium account cancelled and credited to a special distributable reserve was £44,275,898. This reserve may also be used to fund dividend payments.

14. Net asset value ("NAV") per Ordinary Share

Net assets per Ordinary Share as at 31 December 2020 is based on £93,137,000 (30 June 2020: £70,450,000) of net assets of the Company attributable to the 69,575,012 (30 June 2020: 67,648,500) Ordinary Shares in issue as at 31 December 2020.

15. Related party transactions

There were no fees payable to the Investment Adviser as disclosed in Note 7.

White Oak Capital Management Consultants LLP provides investment advisory services to the Investment Manager.

Since commencement of operations on 6 July 2018 fees have been payable at an annual rate of £35,000 to the Chairman, £27,500 to the Chair of the Audit Committee and £25,000 to the other Directors.

The Directors had the following shareholdings in the Company, all of which are beneficially owned.

	As at 31 December 2020 (unaudited)	As at 30 June 2020 (audited)
Andrew Watkins	90,772	82,542
Jamie Skinner	70,014	64,603
Rita Dhut	69,025	62,032
Jerome Booth	47,990	40,017

16. Subsequent events

These were no significant events since the period end which would require revision of the figures or disclosure in the Financial Statements.

Ordinary share price to NAV premium/(discount)

The amount, expressed as a percentage, by which the share price is more/less than the Net Asset Value per share.

As at 31 December 2020 (Unaudited)		Page	As at 31 December 2020 (unaudited)	As at 30 June 2020 (audited)
NAV per Ordinary Share (pence)	a	2	133.9	104.1
Share price (pence)	b	2	137.0	98.5
Premium/(discount)	**(b÷a)-1**		**2.3%**	**(5.4%)**

Share price/NAV total return

A measure of performance that includes both income and capital returns.

For the six months ended 31 December 2020 (unaudited)		Page	Share price	NAV
Opening at 1 July 2020 (p)	a	2	98.5	104.1
Closing at 31 December 2020 (p)	b	2	137.0	133.9
Total return	**(b÷a)-1**		**39.1%**	**28.6%**

For the six months ended 31 December 2019 (unaudited)		Page	Share price	NAV
Opening at 1 July 2019 (p)	a	2	109.0	108.8
Closing at 31 December 2019 (p)	b	2	108.5	106.3
Total return	**(b÷a)-1**		**(0.5)%**	**(2.3%)**

n/a = not applicable.

Directors, Investment Manager and Advisers

Directors

Andrew Watkins (Chairman)
Jamie Skinner
Dr. Jerome Booth
Rita Dhut

Investment Manager and AIFM

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