



ASHOKA INDIA EQUITY INVESTMENT TRUST PLC

HALF-YEARLY REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024



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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 2024	As at 30 June 2024
Net asset value (“NAV”) per Ordinary Share (cum income)	295.3p	279.3p
Ordinary Share price	300.0p	284.0p
Ordinary Share price premium to NAV ¹	1.6%	1.7%
Net assets	£484.2million	£435.4million

Performance summary

	For the six months ended 31 December 2024 (unaudited) % change ^{2,3}	For the six months ended 31 December 2023 (unaudited) % change ^{2,3}
Share price total return per Ordinary Share ¹	5.6%	16.3%
NAV total return per Ordinary Share ¹	5.7%	15.7%
MSCI India IMI Index (sterling terms) ^{2,3}	(2.7%)	16.4%

¹ These are Alternative Performance Measures.

² Total returns in sterling for the 6 months period.

³ Source: White Oak Capital Management (UK) Ltd.

Alternative Performance Measures (“APMs”)

The disclosures as indicated in the footnote above represent the Company’s APMs. 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 25.

This is the Company's half-year financial report for the period 1 July 2024 to 31 December 2024 and, regardless of continuing worldwide tensions, the Company has produced another positive return for its shareholders.

Performance

In the period under review, the Company's share price and NAV have recorded total returns in sterling terms of 5.6% and 5.7% respectively, compared to (2.7)% for the benchmark, the MSCI India IMI index (the untaxed benchmark index in sterling terms). Following an amendment to the Company's investment policy, approved by shareholders during the year, this performance has been generated from a broad universe of investments ranging from large caps to a handful of unquoted companies with advanced plans to float on the Indian stock exchange. This broadening of a successful strategy by the Company's investment teams has continued to pay dividends by delivering excess returns to shareholders whilst, at the same time, reducing the overall portfolio risk through diversification. As ever, the Investment Manager's report that follows goes into more detail.

The Board also approved a non-material change to the Company's investment policy in December that now allows exposure to unquoted companies to rise to 12% of gross assets. The simple reasoning of the Investment Manager is that this exciting area of the market is where the opportunities lie for potentially index-beating returns. As I have said before, your Board monitors this situation carefully and your Investment Manager reports at each quarterly meeting in some detail on these positions and, indeed, on all portfolio holdings. Due care and diligence is applied to all investment decisions.

The Company's shares traded at a premium to NAV (cum income) of 1.6% at the end of the period.

Performance fee

A performance fee is being accrued for the current three-year period, the measurement of which runs from 1 July 2024 to 30 June 2027, as a result of outperformance of the Company's benchmark index. As at 31 December

2024, this amounted to £20.4 million and is fully reflected and accrued in the Company's daily net asset value announcements.

Share Issuance

The Company continued to issue new shares during the period, totalling 8.1 million, raising additional gross investment proceeds of £23.1 million. This demand came from existing shareholders and new investors and reflects a continued and growing confidence not only in the longer-term prospects for the Indian economy but also in the abilities of the Company's investment teams to outperform. 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 capitalisation at the calendar year-end were £484.2 million and £491.9 million respectively. As at the date of this report, a further 3.1 million shares have been issued although, reflecting market declines, the Company's total assets stood at £445 million.

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 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 sixth Redemption Point for the Ordinary Shares was on 30 September 2024. As previously reported, all redeemed shares were quickly placed with buyers in the market by the Company's corporate broker, Peel Hunt.

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, a minimum of five years.

Outlook

Well, here I go again, reflecting that my desire for a more peaceful world remains unfulfilled. When one considers the tension and turmoil, it is amazing that world stock markets, mainly, have continued to rise. I suspect we might all agree that the biggest event that took place in 2024 was the re-election of Donald Trump as President of the USA, by a near-landslide. I believe this is significant for events worldwide, not least his stated intention to end not one but two wars. He is a disruptor and, regardless of personal opinions as to his character, it is not entirely impossible that these aims may be achieved.

India may very well be a direct beneficiary of a more peaceful world. Whilst President Trump intends to adopt a more protectionist stance and, among many other things, impose tariffs on imports, such a situation may accelerate the move of manufacturing from countries like China to India, as I have referred to several times in the past, thus further benefitting its already fast-growing economy, now the world's fifth largest. However, there is likely to be short-term disruption as his strategy plays out.

Global stock markets have endured a rocky start to 2025 as bond yields rose over concerns for growth prospects and persistent inflation, and what Donald might do next, amply characterised by his recent spat with Ukraine's President Zelensky. By the time you read this half-year report, I believe most seasoned commentators would have expected such concerns to be overblown, especially so with regard to India, but this has not proven to be the case. The speed of India's growth has led some to question over-inflated valuations and this has had a negative impact on stocks, particularly those in the mid-cap and smaller-cap sectors where this Company has overweight positions. It is difficult to know

with any certainty how long this downturn will last but with Prime Minister Modi's re-election firmly in the rear-view mirror and with his plans for continued economic growth in train, there are genuine reasons to remain optimistic for India's long-term growth prospects with attendant index-beating investment returns likely for our shareholders.

The skill and dedication of your Investment Manager and Advisers has created a portfolio of stocks designed to outperform the Company's benchmark index over the longer term. The Company's share price increased from 100p at launch in July 2018 to 300p as at 31 December 2024 with net assets rising from c.£46 million to c.£484 million in that time. Your Board is immensely proud of this achievement and especially so in terms of what it represents for returns to shareholders, whenever they came on board.

I never tire of thanking you for your continued support as a shareholder of this Company. With Prashant Khemka and Ayush Abhijeet at the helm, and with a first-class team of analysts at their side, my fellow Directors and I have undimmed confidence in their ability to deliver outstanding returns for you well into the future.

Andrew Watkins

Chairman

7 March 2025

Performance Review

During the latter half of 2024, the Company's total NAV return outperformed the index by 8.4% delivering 5.7%, compared to (2.7%) for the MSCI India IMI (in sterling terms)*. Since 31 July 2018 (the date post IPO when the Company was fully invested), the Company has delivered 96.7% of net cumulative outperformance, with a 197.3% absolute return compared to the benchmark return of 100.6%, both in sterling terms. Strong stock selection especially in mid and small caps has been a tailwind.

Key contributors & detractors

Contributors

Inventurus Knowledge Solutions Limited ("IKS Health"), established in 2006, is a healthcare services and enablement platform assisting healthcare enterprises primarily in the US. The company's key value proposition is to help automate and digitise manual tasks by physicians so that they can focus on their core healthcare delivery. The company uses its technology expertise and global delivery model to deliver a comprehensive, cost-effective solution to healthcare enterprises. IKS Health has demonstrated a track record of strong execution and delivery with large marquee clients. It is well poised to deliver healthy free cash flow growth over the next few years, backed by strong capabilities, cross-selling opportunities, and a favourable demand environment.

Neuland Laboratories (Neuland) was established in 1984 and is headquartered in Hyderabad, India. Neuland is a leading manufacturer of active pharmaceutical ingredients and an end-to-end solution provider for the pharmaceutical industry's needs by way of Custom Manufacturing Services ("CMS"). The company provides solutions across the full range of chemistry requirements, from the synthesis of compounds to the supply of advanced intermediates, as well as their commercial launch. The stock performance can be attributed to: (a) a sustained increase in CMS business of the company; (b) industry tailwinds emerging from the US BIOSECURE Act; and (c) US FDA product approval for Kar XT (xanomeline-trospium) an antipsychotic drug

to Bristol Myers Squibb ("BMS"), for which Neuland is likely to be the Contract Development and Manufacturing Organization ("CDMO") partner.

Computer Age Management Services ("CAMS") is India's largest Mutual Fund Registrar and Transfer Agent ("RTA"), commanding around 68% market share based on average mutual fund Assets Under Management ("AUM"). CAMS serves most of the largest mutual funds and has a high client retention rate. While maintaining leadership in the mutual fund RTA business, it has been able to diversify into Alternatives, Know Your Customer Services, Insurance Repository, Payments and Account Aggregation and other digital business lines, which contribute circa 13% to its topline, and going forward is likely to reduce dependence on the RTA business. CAMS generates high returns on capital, has strong cash flow conversion and a long growth runway. The stock price appreciated due to continuously strong mutual fund inflows resulting in growth of its overall AUM.

Detractors

Grindwell Norton ("GWN") pioneered the manufacturing of grinding wheels in India in 1941 and became the first majority-owned subsidiary of French major, Saint-Gobain in India in 1996. GWN's businesses include abrasives, ceramics and plastics (including silicon carbide, performance ceramics and refractories, and performance plastics), and a captive IT development centre. The company has significantly ramped up its capex during the last two financial years, to capture growth across various segments in India and the export market. The share price corrected due to weaker-than-expected operating performance in its abrasives segment, due to intense competition from imports, and lower growth in the ceramics segment, due to a moderation in exports.

Nestle India ("Nestle") is India's largest food products company, with household brands like Maggi, KitKat, Nescafe, Cerelac, and Nan in its portfolio and is a market leader in most of the categories it operates in. Nestle is amongst the best companies in India on operational excellence, in its ability to create and grow categories, on

return ratios and free cash flow metrics. The company's brand portfolio enjoys tremendous consumer equity and occupies a sweet spot of 'aspirational yet affordable' positioning that very few brands enjoy. The stock's underperformance however was attributed to continued softness in demand for Indian Consumer Packaged Goods companies, fresh worries on raw material pressures from higher coffee and cocoa prices, higher competitive intensity in the prepared dishes space and a report on some of the Nestle's baby foods products having a higher sugar content in India compared to those in Western European markets; we do note that sugar content in these products in India is well within the regulatory (as prescribed by the Food Safety and Standards Authority of India ("FSSAI") norms.

Ambuja Cements and its majority-owned subsidiary, ACC are together the second largest cement manufacturer in India. In 2022, Adani Group, one of India's largest industrial conglomerates, completed the acquisition of Ambuja Cements from Swiss giant Holcim, and announced an additional fund infusion of INR 200bn. The company's cash balance and this additional funding provides it with adequate financial resources to scale up organically and provide for further acquisitions in line with the group's aspiration to double capacity in the next five years. Ambuja Cements is also likely to benefit from synergies with the integrated infrastructure platform of Adani Group in raw material sourcing, power and logistics, which in turn could lead to margin expansion along with industry-leading growth. The cement sector underperformed the broader market as trends indicated a subdued earnings season. Further, due to moderating demand, the pricing discipline of the industry has been weak which may impact margins in upcoming quarters.

Investment Outlook

Despite the economic and geopolitical challenges, global growth in 2024 was more resilient than anticipated by many economists. However, like 2024, the global macro environment at the start of 2025 is again clouded with

uncertainty, characterised by US policy related risks, divergence in growth, inflation and rate dynamics across key economies, persistently high geopolitical risks and higher climate policy costs. As a result, risk premiums are expected to increase and thereby increase the cost of capital for businesses.

Developing economies like India reaped the benefits of maintaining healthy macro-fundamentals and garnered strong domestic inflows. Foreign investor flows were muted in 2024 and have moved out in excess of USD10 billion, by mid February 2025, over concerns relating to a slowdown in near-term economic growth, a strong US dollar, higher yields and policy related risks originating from the election of President Trump.

From a domestic standpoint, the recent slowdown in India's economic growth is primarily caused by the government holding back on its public capex momentum as well as prudential tightening of unsecured credit by the central bank. The fiscal budget was announced on 1 February 2025. The government continues on its fiscal consolidation path and may outperform on its fiscal deficit target. On the other hand, the central bank wishes to keep the banking sector in check, over concerns about increasing bad loans. While having a positive intent, both these factors have weighed on near-term growth. What cannot be denied is that India is among the very few economies in the world that possess the full complement of appropriate market conditions backed by pro-reform government policies that aim to deliver sustainable growth over the long term.

Given where valuations have been over recent months, we expect them to settle lower across many sectors. Excluding pockets where projections have been optimistic, corporate earnings growth trajectory in general remains healthy, helping us believe that on the capex front, along with the government picking-up pace, the private sector will also start to support recovery. Pleasingly the residential real estate cycle has continued on an upward trend and we see the recent slowdown as a short breather in what is a marathon.

Supply chain disruptions and protectionism have accelerated the relocation of manufacturing from China, with India emerging as a credible alternative. India has a marginal market share in many manufacturing industries which means even a 1-2% incremental market share gain from China could result in a high-teens growth rate for exports. The emergence of value-added exports, led by upskilled labour and the government's thrust on the ease of doing business, is adding to tailwinds. Meanwhile, the services sector, led by the IT companies, stands to benefit from the accelerated digital transformation of global enterprises and cloud services adoption. This favourable dynamic is helping India boost its foreign exchange reserves, increasing the cushion against external shocks.

The Investment Manager believes that India is at the cusp of realising its true economic potential while benefitting from several secular tailwinds, the most important being its favourable demographics and rising income levels, which will allow domestic consumption to flourish, with the demand for discretionary goods, travel and leisure, financial and healthcare services on the rise. The country is also experiencing a rapid digitalisation of services, supported by increasing internet penetration and formalisation on the back of ongoing structural reform. The Investment Adviser believes all these factors place India as one of the most promising economies over the medium term and make for a highly compelling investment proposition.

From a risk perspective, an absence of consistent improvement in external (global) demand and any further escalation in geo-political tensions pose risks to near-term growth. The Indian economy also needs continuous efforts from Government reforms to further enhance the ease-of-doing business and improve institutional capacity. Any divergence from this path could lead to disappointment from an investor's perspective.

The Investment Manager believes the most attractive aspect of investing in India is the outsized alpha opportunity that the market presents compared to any

other equity market globally, particularly as the Indian market is still relatively under-researched. Such alpha opportunities are present across the large, mid, and small cap spectrum.

Backed by the well-resourced team of the Investment Manager, Ashoka India Equity Investment Trust plc is well positioned to capitalise, from a bottom-up perspective on the investment opportunities on offer within the Indian equities space.

Acorn Asset Management Ltd

Investment Manager

7 March 2025

* Shareholders should note that the MSCI India IMI Index (sterling terms) does not deduct taxes, unlike active and passive funds, such as the Company.

Top Ten Holdings

As at 31 December 2024	Sector	Value £'000	% of net asset
Inventurus Knowledge Solutions Ltd	Health Care	23,378	4.4
ICICI Bank Ltd	Financials	20,356	3.9
Onesource Speciality Pharma Ltd	Health Care	17,371	3.3
Tata Consultancy Services Ltd	Information Technology	12,795	2.4
Zomato Ltd	Consumer Discretionary	12,116	2.3
HDFC Bank Ltd	Financials	11,958	2.3
Bharti Airtel Ltd	Communications Services	10,627	2.0
Coforge Ltd	Information Technology	10,327	2.0
Info Edge India Ltd	Communication Services	9,752	1.8
Bajaj Finserv Ltd	Financials	8,934	1.7
Top ten holdings			26.1
Other holdings			72.3
Total holdings in companies			98.4
Cash and other net assets			1.6
Total			100.0

The Directors are required to provide an Interim Management Statement 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 5 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' Statement of Responsibility on page 10, the Chairman's Statement and Investment Manager's Report together constitute the Interim Management Statement of the Company for the six months ended 31 December 2024. The outlook for the Company for the remaining six months of the year ending 30 June 2025 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 14 to 17 of the Company's most recent Annual Report and Audited Financial Statements for the year ended 30 June 2024 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 2024 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 (ESG, Climate Change and Impact of war/sanctions).

Related party transactions

Details of the amounts paid to the Company's Investment Manager 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 Half-Yearly Report has been prepared on a going concern basis. The Board considers this the appropriate basis as they have 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. As at 31 December 2024 the Company held £490 million (30 June 2024: £448.4 million) in quoted investments and had cash of £11.3 million (30 June 2024: £5.7 million).

Unaudited

These Condensed 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:

- these 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.

Signed on behalf of the Board by

Andrew Watkins

Chairman

7 March 2025

FINANCIAL STATEMENTS

Condensed Unaudited Statement of Comprehensive Income

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For the six months ended 31 December 2024

	Note	For the six months ended 31 December 2024 (unaudited)			For the six months ended 31 December 2023 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	3	–	58,934	58,934	–	45,416	45,416
(Losses)/gains on currency movements		–	116	116	–	(163)	(163)
Net investment gains		–	59,050	59,050	–	45,253	45,253
Income	5	1,627	–	1,627	959	–	959
Total income		1,627	59,050	60,677	959	45,253	46,212
Performance fees	7	(1,223)	(19,164)	(20,387)	–	(1,274)	(1,274)
Operating expenses	8	(626)	–	(626)	(553)	–	(553)
Operating profit before taxation		(222)	39,886	39,664	406	43,979	44,385
Taxation	9	(167)	(13,614)	(13,781)	(93)	(6,160)	(6,253)
Profit for the period		(389)	26,272	25,883	313	37,819	38,132
Earnings per Ordinary Share (pence)	10	(0.24)	16.33	16.09	0.27	32.10	32.37

There is no other comprehensive income and therefore the 'Profit for the period' is the total comprehensive income for the 6 months ended 31 December 2024.

The supplementary revenue and capital columns, including the earnings per Ordinary Shares, are prepared under guidance from the Association of Investment Companies.

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

The notes on pages 15 to 24 form an integral part of these financial statements.

Condensed Unaudited Statement of Financial Position

As at 31 December 2024

	Note	As at 31 December 2024 (unaudited) £'000	As at 30 June 2024 (audited) £'000
Non-current assets			
Investments held at fair value through profit or loss	3	518,073	451,026
Current assets			
Cash and cash equivalents		11,276	5,677
Dividend receivable		-	307
Other receivables		345	156
		11,621	6,140
Total assets		529,694	457,166
Current liabilities			
Purchase for future settlement		-	(1,534)
Other payables	6	(749)	(735)
Performance fees payable		-	(2,301)
Non-Current liabilities			
Performance fee provision		(20,387)	-
Capital gains tax provision		(24,318)	(17,157)
Total liabilities		(45,454)	(21,727)
Net assets		484,240	435,439
Equity			
Share capital	12	1,653	1,572
Share premium account		229,631	206,794
Special distributable reserve	13	44,276	44,276
Capital reserve		208,753	182,481
Revenue reserve		(73)	316
Total equity		484,240	435,439
Net asset value per Ordinary Share (pence)	14	295.3	279.3

Approved by the Board of Directors on 7 March 2025 and signed on its behalf by:

Andrew Watkins

Director

Ashoka India Equity Investment Trust plc incorporated in England and Wales with registered number 11356069.

The notes on pages 15 to 24 form an integral part of these financial statements.

Condensed Unaudited Statement of Changes in Equity

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For the six months ended 31 December 2024

		Share Capital	Share premium account	Special distributable reserve	Capital reserve	Revenue reserve	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance as at 1 July 2024		1,572	206,794	44,276	182,481	316	435,439
Profit for the period		-	-	-	26,272	(389)	25,883
Issue of Ordinary Shares	12	81	23,062	-	-	-	23,143
Share issue cost		-	(225)	-	-	-	(225)
Closing balance as at 31 December 2024		1,653	229,631	44,276	208,753	(73)	484,240

For the six months ended 31 December 2023

		Share Capital	Share premium account	Special distributable reserve	Capital reserve	Revenue reserve	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance as at 1 July 2023		1,128	101,003	44,276	86,136	8	232,551
Profit for the period		-	-	-	37,819	313	38,132
Issue of Ordinary Shares	12	121	27,471	-	-	-	27,592
Share issue costs		-	(221)	-	-	-	(221)
Closing balance as at 31 December 2023		1,249	128,253	44,276	123,955	321	298,054

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

The notes on pages 15 to 24 form an integral part of these financial statements.

Condensed Unaudited Statement of Cash Flows

For the six months ended 31 December 2024

		For the six months ended 31 December 2024	For the six months ended 31 December 2023
	Note	£'000	£'000
Cash flows from operating activities			
Operating profit before taxation		39,664	44,385
Taxation paid		(6,453)	(4,136)
Increase in receivables		(118)	240
Increase in payables		18,100	1,358
Gains on investments	3	(58,934)	(45,416)
Net cash flow used in operating activities		(7,741)	(3,569)
Cash flows from investing activities			
Purchase of investments		(163,641)	(117,358)
Sale of investments		154,063	109,066
Net cash flow used in investing activities		(9,578)	(8,292)
Cash flows from financing activities			
Net proceeds from issue of shares	12	23,143	27,592
Share issue costs		(225)	(221)
Net cash flow generated from financing activities		22,918	27,371
Decrease in cash and cash equivalents		5,599	15,510
Cash and cash equivalents at start of period		5,677	6,489
Cash and cash equivalents at end of period		11,276	21,999

The notes on pages 15 to 24 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 4th Floor 46-48 James Street, London, England, W1U 1EZ. 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 2024 to 31 December 2024.

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 Condensed Unaudited Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34 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 2024.

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 2024, which were prepared in accordance with UK-adopted international accounting standards. 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, 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 2024.

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 20% and the long-term tax rates are 12.5%. 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 £24,318,000 (30 June 2024: £17,157,000) in respect of unrealised gains on investments held.

2. Basis of preparation and statement of compliance (continued)

Adoption of new IFRS standards

A number of new standards, amendments to standards and interpretations are effective for the annual periods beginning after 1 January 2024. None of these are expected to have a material impact on the measurement of the amounts recognised in the financial statements of the Company.

3. Investment held at fair value through profit or loss

a) Investments held at fair value through profit or loss

	As at 31 December 2024 (unaudited) £'000	As at 30 June 2024 (audited) £'000
Quoted investments in India	490,480	448,412
Unquoted investments in India	27,593	2,614
Closing valuation	518,073	451,026

b) Movements in valuation

	For the six months ended 31 December 2024 (unaudited) £'000	For the year ended 30 June 2024 (audited) £'000
Opening valuation	451,026	236,764
Opening unrealised gains on investments	121,134	56,724
Opening book cost	329,892	180,040
Additions, at cost	161,822	276,533
Disposals, at cost	(117,601)	(126,681)
Closing book cost	374,113	329,892
Revaluation of investments	143,960	121,134
Closing valuation	518,073	451,026

Transaction costs on investment purchases for the six months ended 30 June 2024 amounted to £285,000 (31 December 2023: £170,000) and on investment sales for the financial period to 30 June 2024 amounted to £207,000 (31 December 2023: £209,000). As at 31 December 2024 £29.1 million (30 June 2024: £27.2 million) of investments were subject to lock in periods.

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

c) Gains/(losses) on investments

	For the six months ended 31 December 2024	For the six months ended 31 December 2023
	£'000	£'000
Realised gains on disposal of investments	36,637	31,464
Transaction costs	(492)	(379)
Movement in unrealised gains on investments held	22,826	14,331
Movement in unrealised gains on futures held	(37)	-
Total gains on investments	58,934	45,416

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:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3:** Unobservable inputs for the asset or liability

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

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

	As at 31 December 2024			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Investments at fair value through profit and loss:				
Quoted investments in India	490,480	-	-	490,480
Unquoted investments in India	-	-	27,593	27,593
	490,480		27,593	518,073

	As at 30 June 2024			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Investments at fair value through profit and loss:				
Quoted investments in India	448,412	-	-	448,412
Unquoted investments in India	-	-	2,614	2,614
	448,412	-	2,614	451,026

The movement on the Level 3 unquoted investments during the period is shown below:

	As at 31 December 2024 (unaudited)	As at 30 June 2024 (audited)
	£'000	£'000
Opening balance	2,614	3,461
Additions during the year	24,979	-
Disposals during the year	-	(1,569)
Total losses for the year recognised in profit or loss	-	722
Closing balance	27,593	2,614

As at period end, the Company had three unquoted investments: Veeda Clinical Research Ltd (680,790 shares); Onesource Specialty Pharma Ltd (1,118,190 shares); and Simpulo Vitriified Private Ltd (156,000 shares).

Unquoted investments are valued by the Investment Manager in accordance with the International Private Equity and Venture Capital Valuation Guidelines 2022 ("IPEV") which are consistent with IFRS.

4. Financial risk management

At 31 December 2024, 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 2024.

5. Income

	For the six months ended 31 December 2024 (unaudited) £'000	For the six months ended 31 December 2023 (unaudited) £'000
Income from investments:		
Overseas dividends	1,598	959
Other income:		
Deposit interest	29	-
Total income	1,627	959

6. Other payables

	As at 31 December 2024 (unaudited) £'000	As at 30 June 2024 (audited) £'000
Accrued expenses	749	735
Total other payables	749	735

7. Performance fees

The Investment Manager does not receive a fixed management fee in respect of its portfolio management services to the Company. The Investment Manager 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 is measured over periods of three years (Performance Period). The third Performance Period started on 1 July 2024 and will end in June 2027. The performance fee in any Performance Period shall be capped at 12% of the time weighted average adjusted net assets during the relevant Performance Period.

The performance fee is calculated at a rate of 30% of the excess returns between adjusted NAV per 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. The Performance Fee in respect of each Performance Period will be paid at the end of the three year period.

The performance fee is allocated in accordance with the AIC guidance where that part of the Performance fee directly attributable to the revenue performance of the Company is allocated to revenue and shown in the revenue column of the Statement of Comprehensive Income, and the part that is directly attributable to the capital performance of the Company's investments is allocated to capital and shown in the capital column of the Statement of Comprehensive Income.

As at 31 December 2024, £20,387,000 was accrued in respect of the performance fee due to the Investment Manager for the half year performance period (30 June 2024: £2,301,000 for the previous full three year period).

8. Operating expenses

	For the six months ended 31 December 2024 (unaudited)	For the six months ended 31 December 2023 (unaudited)
	£'000	£'000
Administration & secretarial fees	129	87
Auditor's remuneration – Statutory audit fee*	33	27
Broker fees	20	15
Custody services	48	17
Directors' fees	83	64
Other meeting expenses	10	8
Tax compliance and advice	35	38
Printing and public relations	68	61
Registrar fees	18	18
Research and marketing fees	69	66
Legal Fees	25	75
Regulatory fees	20	8
Other expenses**	68	69
Total	626	553

* Auditor's remuneration excludes VAT.

** Other expenses include LSE, KIID fees, Distribution fees, other license fees, bank charges and other miscellaneous fees.

9. Taxation

a) Analysis of charge in the period.

	For the six months ended 31 December 2024 (unaudited)			For the six months ended 31 December 2023 (unaudited)		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Capital gains tax provision	-	7,161	7,161	-	2,117	2,117
Capital gains expense	-	6,453	6,453	-	4,043	4,043
Indian withholding tax	167	-	167	93	-	93
Total tax charge for the six months	167	13,614	13,781	93	6,160	6,253

The Company is liable to Indian capital gains tax under Section 115 ADa of the Indian Income Tax Act 1961. A 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 20% and the long-term tax rates are 12.5%.

The Company's dividends are received net of 20% withholding tax. Of this 20% withholding tax charge, 10% is irrecoverable with the remainder being shown in the Statement of Financial Position as an asset due for reclaim.

b) Factors affecting the tax charge for the period.

The effective UK corporation tax rate for the year is 25%. 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 2024 (unaudited)	For the six months ended 31 December 2023 (unaudited)
	£'000	£'000
Operating profit before taxation	39,664	44,385
UK Corporation tax at 25% (2023: 25%)	9,916	11,096
Effects of:		
Indian capital gains tax provision	13,614	6,160
Gains on investments not taxable	(14,763)	(11,313)
Overseas dividends not taxable	(400)	(240)
Other income not taxable	(7)	-
Unutilised management expenses	5,254	457
Indian withholding tax	167	930
Total tax charge for the six months	13,781	6,253

10. Earnings per Ordinary Share

	For the six months ended 31 December 2024 (unaudited)			For the six months ended 31 December 2023 (unaudited)		
	Revenue	Capital	Total	Revenue	Capital	Total
Profit for the period (£'000)	(389)	26,272	25,883	313	37,819	38,132
Return per Ordinary Share (pence)	(0.24)	16.33	16.09	0.27	32.10	32.37

Earnings per Ordinary Share is based on the profit for the year of £25,883,000 (31 December 2023: £38,132,000) attributable to the weighted average number of Ordinary Shares in issue during the six months ended 31 December 2024 of 160,888,287 (31 December 2023: 117,824,892).

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 2024 (unaudited)		As at 30 June 2024 (audited)	
	No. of shares	£'000	No. of shares	£'000
Allotted, issued and fully paid:				
Redeemable Ordinary Shares of 1p each ('Ordinary Shares')	163,989,643	1,640	155,892,397	1,559
Non-Redeemable Shares of £1.00 each ('Management Shares')	50,000	13	50,000	13
Total	164,039,643	1,653	155,942,397	1,572

Ordinary Shares

On incorporation, the issued share capital of the Company was 1 Ordinary Share of £0.01.

Between 1 July 2024 and 31 December 2024, 8,097,246 Ordinary Shares (30 June 2024: 12,132,000) were issued with aggregate proceeds of £23,143,000 (30 June 2023: £27,592,000).

Since 31 December 2024, 3,102,250 Ordinary Shares have been issued, raising aggregate gross proceeds of £8,988,000. As at the date of this report, the total number of Ordinary Shares in issue is 167,091,893.

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

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 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 or 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/distribution payments.

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

Net assets per ordinary share as at 31 December 2024 of 295.3p (30 June 2024: 279.3p) is calculated based on £484,240,000 (30 June 2024: £435,439,000) of net assets of the Company attributable to the 163,989,643 (30 June 2024: 155,892,397) Ordinary Shares in issue as at 31 December 2024.

15. Related party transactions

The amount accrued in respect of the Performance fee due to the Investment Manager for the current Performance period is disclosed in Note 7.

White Oak Capital Partners provides investment advisory services to the Investment Manager and no fees are paid to them from the Company.

From 1 July 2024 Directors fees were payable at an annual rate of £48,000 to the Chairman, £40,000 to the Chair of the Audit Committee, and £32,000 to the other Directors.

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

	As at 31 December 2024 (unaudited)	As at 30 June 2024 (audited)
Andrew Watkins	94,425	94,425
Jamie Skinner	100,933	100,933
Rita Dhut	81,733	81,733
Dr. Jerome Booth	85,522	85,522

16. Subsequent events

There have been no significant events since the period end which would require revision of the figures or disclosure in the Financial Statements.

OTHER INFORMATION

Alternative Performance Measures

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Ordinary share price premium to NAV

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

		Page	As at 31 December 2024	As at 30 June 2024
NAV per Ordinary Share (pence)	a	2	295.3	279.3
Share price (pence)	b	2	300.0	284.0
Premium	(b÷a)-1		1.6%	1.7%

Share price/NAV total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

For the six months ended 31 December 2024 (unaudited)		Page	Share price	NAV
Opening at 1 July 2024 (p)	a	n/a	284.0	279.3
Closing at 31 December 2024 (p)	b	2	300.0	295.3
Total return	(b÷a)-1		5.6%	5.7%

For the six months ended 31 December 2023 (unaudited)		Page	Share price	NAV
Opening at 1 July 2023 (p)	a	n/a	209.0	206.0
Closing at 31 December 2023 (p)	b	2	243.0	238.6
Total return	(b÷a)-1		16.3%	15.7%

n/a = not applicable.

Directors, Investment Manager and Advisers

Directors

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

Investment Manager and AIFM

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