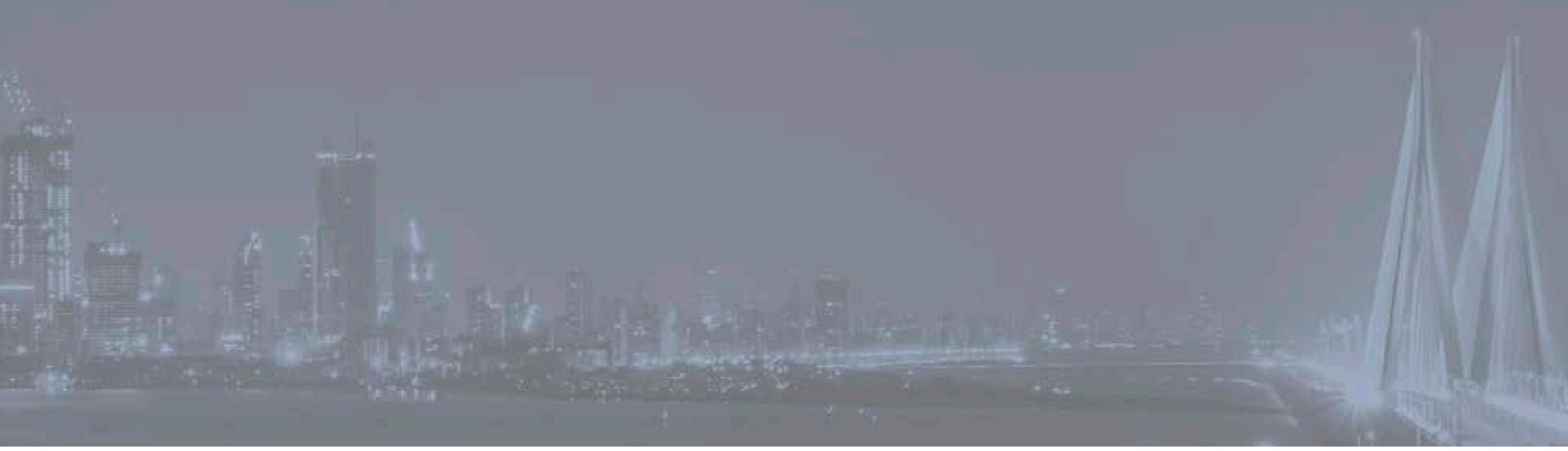

ASHOKA INDIA EQUITY INVESTMENT TRUST PLC

HALF-YEARLY REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

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 2022 (unaudited)	As at 30 June 2022 (audited)
Net asset value ("NAV") per Ordinary Share (cum income)	191.6p	174.2p
Ordinary Share price	192.0p	175.0p
Ordinary Share price premium/(discount) to NAV[1]	0.2%	0.5%
Net assets	£215.9 million	£187.4 million

Performance summary

	For the six months ended 31 December 2022 (unaudited) % change[2,3]	For the six months ended 31 December 2021 (unaudited) % change[2,3]
Share price total return per Ordinary Share[1]	9.7%	26.2%
NAV total return per Ordinary Share[1]	10.0%	25.2%
MSCI India IMI Index (sterling terms)	9.9%	15.4%

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 together with how these measures have been calculated can be found on page 26.

Global difficulties have continued to make life challenging for economic growth with Russia's illegal invasion of Ukraine creating daily headlines. This has caused supply chain issues to reverberate around the world leading to energy insecurity, inflationary pressures and unnecessary loss of life. It is a tragedy unfolding before our eyes but, regardless, our lives must go on.

I am pleased to present the Company's half-year financial report for the period 1 July 2022 to 31 December 2022 and, given this backdrop, it is all the more remarkable that the Company continued to make headway and achieve a positive return, just ahead of its benchmark index, the MSCI India IMI.

Performance

In the period under review, the Company's share price and NAV have recorded total returns in sterling terms of 9.7% and 10.0% respectively, compared to 9.9% for the benchmark index. The Investment Managers and Investment Adviser have used the authority granted to them by shareholders to broaden the investment portfolio into an increased number of positions which, given the growing opportunities presented by entrepreneurial companies in the small and mid-cap sectors and those newly coming to market, allows them greater flexibility to identify and invest in India's best companies. As ever, the Investment Manager's report that follows goes into more detail.

The Company's shares traded at a premium to NAV (cum income) of 0.2% at the end of the period.

Performance fee

No accrual for a performance fee has been made for the period, nor since the start of the measurement period on 1 July 2021. The Company's positive performance during the period does not yet exceed the starting net asset value per share adjusted by the percentage total return of the MSCI India IMI Index (in Sterling) over the performance period. If a performance fee liability crystallises, it will be duly reflected and accrued in the Company's daily net asset value announcement.

Share Issuance

The Company again issued new shares during the period under review reflecting continued confidence from existing shareholders and growing belief from new investors both in the Indian economy as a whole and the Investment Team's ability to outperform over the longer term. This resulted in the issuance of 5.08 million new shares raising gross proceeds of £10.4 million. New Ordinary 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 £215.9 million and £216.3 million respectively. As at the date of this report the Company's total assets stood at £220 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 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 fourth Redemption Point for the Ordinary Shares was on 30 September 2022. I am pleased to report that redemption requests for just 124,374 shares were received and that these redeemed shares were matched with demand from other shareholders in the stock market by the Company's corporate broker, Peel Hunt. 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, a minimum of five years.

Outlook

If one truly believed the daily press, investors could be forgiven for feeling gloomy. High inflation, rising interest rates, cost of living pressures and low growth forecasts enable editors to feature depressing headlines. However, the signs are becoming clearer that interest rates and inflation may be at or near their peaks in Europe and the US, energy prices are a fraction of their previous highs and the jobs market remains strong. India, whilst not having been immune from these global pressures, is particularly well placed to benefit from an upturn in global activity.

Domestic demand in India remains strong and the economy is being bolstered by recovering export growth. The shift of manufacturing from China to India is occurring even faster than anticipated and it is predicted that this trend will accelerate thus creating greatly increased job opportunities and prosperity. In addition, India is adopting a number of green initiatives that will not only create a large number of jobs and help wean the country off dependence on imported oil but greatly assist its commendable ambition of achieving net zero by 2070. India's GDP growth in 2023 is forecast to be the highest in the world and if the economy continues to grow apace, it will overtake countries such as Germany, Japan, France and the UK to become the third largest within 10 years.

As I repeat almost ad nauseum, your Investment Manager and Investment Adviser remain focused on strong corporate governance applied before each stock is selected for the portfolio, an approach strongly supported by the Board and one that, judging by recent events, continues to pay dividends. The portfolio's constituents are selected for their superior future growth prospects and avoidance of misgovernance, wherever possible, is highly desirable.

Both Acorn and White Oak remain focused on delivering outstanding returns from a diversified portfolio of investments from across the market cap spectrum. Your Board has great confidence in their abilities to outperform and produce superior returns from one of the world's most dynamic and fastest-growing markets.

As ever, I thank you for your continued support as a shareholder of this Company.

Andrew Watkins
Chairman
6 March 2023

During the latter half of 2022, the Company's total NAV return outperformed the index by 0.1% delivering 10.0%, compared to 9.9% 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 45.8% of net cumulative outperformance, with a 93.0% absolute return compared to the benchmark return of 47.2%, both in sterling terms.

Key contributors

ICICI Bank is one of the leading private sector banks in India. Given the under-penetration of credit, the Indian banking sector offers a long runway for growth. Well-run private sector banks like ICICI Bank, are gaining market share from state-owned banks, which account for two-thirds of the loan market. The management team has been leveraging ICICI's wide distribution franchise, a new risk-based pricing approach, and digital offerings to accelerate market share and enhance return ratios. The bank's asset quality has also remained robust. The stock outperformed as a result of continued strong business performance.

Titan is the leading jewelry company in India which also has a presence in other segments such as watches, eyewear, fragrances, precision engineering, and women's ethnic wear. Titan is a luxury lifestyle retailer which commands premium brand positioning across segments. The company's well-tuned operating model allows it to generate industry-leading return ratios, whilst maintaining robust growth. Titan's jewelry market share is still in the mid-single digits, with significant scope for sustained expansion. Recent outperformance likely reflects continued strength in discretionary consumption within Titan's core target group – middle and high-income urban households.

Cholamandalam Investment and Finance (CIFC) is a non-banking financial company (NBFC) belonging to the Chennai-based Murugappa Group. It primarily operates in vehicle finance (including Commercial Vehicles, Passenger Vehicles, Two and Three-Wheelers), home equity, and the affordable home loans category. In terms of customer profile, it caters predominantly to single truck and small fleet owners, self-employed non-professionals and Micro, Small and Medium Enterprise (MSME) businesses in semi-urban and rural India. CIFC's strength lies in its ability to reach such customers in rural and semi-urban markets and its ability to underwrite and collect from customers whose income streams are less predictable. While the concerns regarding asset quality due to Covid have been allayed, the vehicle finance business is likely entering an upcycle given demand has been weak in the last couple of years. Apart from briskly scaling up its housing finance business, which from a low base could grow upwards of 25% in the coming years, the company has also made progress in three new segments: Consumer & Small Enterprise Loan; Secured Business & Personal Loan; and Small Medium Enterprises Loan business. These reasons contributed to the outperformance of the stock.

Key Detractors

PB Fintech operates Policybazaar.com, India's largest Insurance Web Aggregator, and Paisabazaar.com, one of India's leading financial products marketplaces. Policybazaar.com facilitates online comparison and the purchase of insurance policies and has a dominant 90% market share in the insurance web aggregator segment. Over the last five years, revenues and underlying premiums have grown multi-fold. In addition, Paisabazaar.com is one of the leading players in the personal loan and credit card business. Though this business will take time to break even, it has a long runway for growth and represents a significant future business value for the company. Recently, the competition faced by both Policybazaar.com and Paisabazaar.com has increased substantially and the sentiment towards new-age technology companies has slightly weakened. These reasons have contributed to the underperformance of the stock in the second half of 2022.

Intellect Design Arena is a financial services software company and is regarded as one of the leading solution providers in transaction banking software, which accounts for 45% of its revenues. It has also made significant inroads in other product suites including payments, retail banking, digital banking and insurance. Intellect has cumulatively invested over US$200 million in product R&D over the last decade and has built a strong reputation in developed and emerging markets on the back of a marquee client list which includes JP Morgan, HSBC and Barclays. Its profitability has improved significantly over the last few years from single-digit operating margins to over 20%, due to scale and operational efficiencies. The stock underperformed due to lower than expected near-term performance.

Dodla Dairy is a leading dairy company in South India with strong brands, a well-developed direct procurement network and a healthy portfolio of value-added products. Premiumization is likely to be a key driver of the organized dairy sector's growth and well-run companies in the private sector (such as Dodla Dairy) will benefit from this long-term tailwind. The company's underperformance is directly attributed to rising concerns about raw material supply, following the spread of lumpy skin disease in cows in parts of India.

Investment Outlook

Indian equity markets delivered a resilient performance in 2022, despite a challenging global macroeconomic environment. This was underpinned by strong fundamentals, healthy domestic demand, and the government's continued push on capital expenditure. Whilst most major economies expect to experience a slowdown in GDP growth in 2023, India remains one of the fastest-growing major economies in the world. As per consensus estimates, India is poised to become the third-largest economy (by nominal GDP) within the next 10 years.

Post COVID-19, the revival of export growth has been a key contributor to India's economic recovery. India's merchandise exports touched a record US$420 billion in the financial year 2021-22, after stagnating in the US$300 billion range for the last decade. Supply chain disruptions have accelerated the relocation of manufacturing out of China, with India emerging as a credible alternative. Policy supports in the form of Product Linked Incentive ("PLI") schemes for key sectors, and measures to improve the 'ease of doing business' have emerged as critical enablers. India has a marginal market share in many manufacturing industries, and even a 1-2% incremental market share gain from China could result in high-teens growth rates.

From a services perspective, Indian IT companies benefit from the accelerated digital transformation of global enterprises and cloud adoption. Enhanced by the business continuity showcased during COVID-19 lockdowns, global customers have preferred Indian IT & engineering services providers due to their exceptional talent pool and depth of competencies across service lines. The country's services export is expected to reach an all-time high of US$325 billion during the financial year 2022-23. This favourable dynamic is helping India boost its foreign exchange reserves, thereby increasing the cushion against external shocks.

On the domestic front, the government is supporting the economy through various supply-side measures. Infrastructure Capital Expenditure ("CapEx") continues its strong momentum with spending in sectors such as roads and railways the key focus areas for the government. As a proportion of GDP, capital expenditure edged closer to the levels witnessed between 2003 and 2006, which coincided with strong private sector CapEx and corporate earnings growth. The green shoots of private sector CapEx in asset-heavy sectors, such as cement and steel, are also visible. This is due to significantly deleveraged balance sheets and improved operating performance supported by an uptick in demand for housing and real estate.

Corporate earnings are predicted to remain resilient in 2023. MSCI India's consensus earnings growth for 2023 to 2024 is approximately 15%, compared with approximately 13% for China and approximately 9% for the APAC (ex-Japan) region – with financials, CapEx-sensitive, and consumer sectors driving most of the earnings growth. The underlying multi-decadal trend of market share consolidation in favour of stronger, well-run businesses continues. The unbranded segment of the market has found it challenging to deal with higher input costs and frequent supply chain disruptions. However, the businesses in the portfolio have shown immense resilience due to their industry leadership and strong execution capabilities, supported by robust balance sheets.

The recently announced Union Budget for the financial year 2023-24 builds on the foundation of sustainable growth laid out in previous budgets while signalling policy continuity with a focus on public CapEx, enhancing the ease of doing business and boosting exports and manufacturing. There is also an added emphasis on inclusive growth and green energy. The key announcements included:

- development of physical infrastructure, with the overall public sector CapEx projected to increase by 33% year-on-year to 3.3% of GDP;
- measures for further improving the ease of doing business with proposals to reduce compliance burdens, faster dispute resolution, continuous digitalization of public infrastructure and decriminalizing numerous legal provisions;
- managing the environment and climate (details covered below); and
- boosting manufacturing and exports through cuts and exemptions in customs/excise duties and investing in skills development.

From a 6.4% fiscal deficit in financial fear 2023, the government intends to follow the fiscal consolidation roadmap, prudently reducing the deficit to 5.9% of GDP in financial year 2024 and reaching below 4.5% by financial year 2026. To summarise, the government has resisted the temptation to be populist, despite this being a pre-election year budget.

At the 2021 United Nations Climate Change Conference (COP-26), India pledged to achieve net-zero carbon emissions by 2070. The government continues its focus on reducing the dependence on fossil fuels with its recent budget. It has allocated US$4.3 billion for energy transition expenditure by 2030. This includes the national green hydrogen mission, enhancing development and the use of renewables. The National Green Hydrogen Mission alone aims to develop a green hydrogen production capacity of at least five million metric tonnes per annum, with an associated renewable energy capacity addition of about 125 gigawatts in the country. This would result in total investments of over US$98 billion and would generate over 600,000 jobs. Based on past achievements, we believe India could become a global leader in green hydrogen and significantly reduce its reliance on imported fuel.

From a potential risk perspective, private investments have remained subdued in the last decade, thereby holding back a domestic cyclical earnings recovery. An absence of any consistent improvement in external demand, escalation in geo-political tensions, or the onset of another COVID-19 wave weighing on domestic demand could pose risks to near-term growth. However, we believe the ingredients of an investment cycle revival remain skewed towards the positive, given the strong position of corporates and the financial sector and the government's push for infrastructure.

General elections in India are likely to be held in April or May 2024. Though the current Prime Minister's popularity remains strong and the risk of regime change appears low, such an event or a weak coalition central government could be a negative surprise for the markets, which would like to see policy continuity. Of course, any sustained weakness in global growth could weigh on market performance. On the other hand, a sharp reversal in anticipated global risk factors such as inflation, recession, or geopolitical tensions could boost investor sentiments.

The Investment Manager believes that the most attractive aspect of investing in India is the outsized alpha opportunity that the market presents compared to any other equity market globally given that the Indian market is still relatively under-researched and under-brokered. Such alpha opportunities are present across the large, mid, and small cap spectrum. In particular, the SMID (small & mid) cap segment of the Indian equity market has a large, and expanding, number of listed businesses to choose from. Besides the large number of listings, the SMID-cap segment also tends to have very heterogeneous business models which makes it fertile hunting ground for bottom-up stock pickers.

The SMID-cap segment also tends to have lower liquidity compared to the large cap peers. Hence, from a risk management and liquidity management perspective, the Investment Manager believes it is desirable to have smaller position sizes in SMID-cap names. Thus, having a higher number of names in the portfolio optimises alpha extraction from a larger universe of SMID-cap names, while being prudent on risk and liquidity considerations.

We believe India is at the cusp of realising its true economic potential, while benefitting from several secular tailwinds. The most important are its favourable demographics and rising income levels, thereby allowing domestic consumption to flourish – with demand for discretionary goods, travel & leisure, financial and healthcare services on the rise. Additionally, the country is experiencing rapid digitalisation of services, supported by increasing Internet penetration, and formalisation on the back of crucial on-going structural reforms. The government is undertaking steps to manufacture imported goods domestically while developing the country's infrastructure like never before. We believe that all these factors place India as one of the most promising economies for years to come and makes for a highly compelling investment proposition.

Acorn Asset Management Ltd
6 March 2023

Top Ten Holdings

As at 31 December 2022	% of net assets
ICICI Bank Ltd	6.8
Infosys Ltd	5.0
Ambuja Cements Ltd	3.4
Cholamandalam Investment and Finance Co Ltd	3.4
Titan Co Ltd	3.3
Kaynes Technology India Limited	2.8
HDFC Bank Ltd	2.7
Maruti Suzuki India Ltd	2.6
Asian Paints Ltd	2.6
Nestle India Ltd	2.5
Top 10	**35.1**
Other holdings	64.4
Total Holdings	**99.5**
Cash/Others	0.5
Total Net assets	**100**

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 5 to 8 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 2022. The outlook for the Company for the remaining six months of the year ending 30 June 2023 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 2022 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 2022 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; and

(iv) financial risks.

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 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 2022 the Company held £212.1 million (30 June 2022: £178.1 million) in quoted investments and had cash of £6.1 million (30 June 2022: £7.0 million).

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:

- 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
6 March 2023

Condensed Unaudited Statement of Comprehensive Income

For the six months ended 31 December 2022

			Six months ended 31 December 2022 (unaudited)			Six months ended 31 December 2021 (unaudited)	
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	3	–	21,460	21,460	–	41,272	41,272
Losses on currency movements		–	(346)	(346)	–	(28)	(28)
Net investment gains		**–**	**21,114**	**21,114**	**–**	**41,244**	**41,244**
Income	5	799	–	799	559	–	559
Total income		**799**	**21,114**	**21,913**	**559**	**41,244**	**41,803**
Performance fees	7	–	–	–	–	(2,437)	(2,437)
Operating expenses	8	(376)	–	(376)	(312)	–	(312)
Operating profit before taxation		**423**	**21,114**	**21,537**	**247**	**38,807**	**39,054**
Taxation	9	(88)	(3,255)	(3,343)	(125)	(3,880)	(4,005)
Profit for the period		**335**	**17,859**	**18,194**	**122**	**34,927**	**35,049**
Earnings per Ordinary Share	10	**0.31p**	**16.31p**	**16.62p**	**0.13p**	**38.55p**	**38.68p**

There is no other comprehensive income and therefore the 'Profit 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 per Ordinary Share, 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 16 to 25 form an integral part of these financial statements.

As at 31 December 2022

	Note	31 December 2022 (unaudited) £'000	30 June 2022 (audited) £'000
Non-current assets			
Investments held at fair value through profit or loss	3	214,661	183,361
Current assets			
Cash and cash equivalents		6,052	7,027
Dividend receivable		–	188
Other receivables		156	42
		6,208	**7,257**
Total assets		**220,869**	**190,618**
Current liabilities			
Other payables	6	(165)	(203)
Non-Current liabilities			
Capital gains tax provision		(4,848)	(3,029)
Total liabilities		**(5,013)**	**(3,232)**
Net assets		**215,856**	**187,386**
Equity			
Share capital	12	1,126	1,076
Share premium account		100,696	90,470
Special distributable reserve	13	44,276	44,276
Capital reserve		69,543	51,684
Revenue reserve		215	(120)
Total equity		**215,856**	**187,386**
Net asset value per Ordinary Share	14	**191.6p**	**174.2p**

The notes on pages 16 to 25 form an integral part of these financial statements.

Condensed Unaudited Statement of Changes in Equity

For the six months ended 31 December 2022 (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 2022		1,076	90,470	44,276	51,684	(120)	187,386
Profit for the period		-	-	-	17,859	335	18,194
Issue of Ordinary Shares*	12	50	10,349	-	-	-	10,399
Share issue costs		-	(123)	-	-	-	(123)
Closing balance as at 31 December 2022		**1,126**	**100,696**	**44,276**	**69,543**	**215**	**215,856**

For the six months ended 31 December 2021 (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 2021		860	49,099	44,276	42,466	(126)	136,575
Profit for the period		-	-	-	34,927	122	35,049
Issue of Ordinary Shares	12	131	25,581	-	-	-	25,712
Share issue costs		-	(329)	-	-	-	(329)
Closing balance as at 31 December 2021		**991**	**74,351**	**44,276**	**77,393**	**(4)**	**197,007**

* During the period, the Company issued 5,076,184 new Ordinary Shares with gross aggregate proceeds of £10.4 million.

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

The notes on pages 16 to 25 form an integral part of these financial statements.

Condensed Unaudited Statement of Cash Flows

For the six months ended 31 December 2022

	Note	Six months ended 31 December 2022 (unaudited) £'000	Six months ended 31 December 2021 (unaudited) £'000
Cash flows from operating activities			
Operating profit before taxation		21,537	39,054
Taxation paid		(1,524)	(1,859)
Decrease in receivables		75	579
(Decrease)/increase in payables		(38)	2,436
Gains on investments	3	(21,460)	(41,272)
Net cash flow used in operating activities		**(1,410)**	**(1,062)**
Cash flows from investing activities			
Purchase of investments		(52,018)	(59,908)
Sale of investments		42,177	51,852
Net cash flow used in investing activities		**(9,841)**	**(8,056)**
Cash flows from financing activities			
Proceeds from issue of shares	12	10,399	17,719
Share issue costs		(123)	(329)
Net cash flow generated from financing activities		**10,276**	**17,390**
(Decrease)/Increase in cash and cash equivalents		**(975)**	**8,272**
Cash and cash equivalents at start of period		7,027	7,447
Cash and cash equivalents at end of period		**6,052**	**15,719**

The notes on pages 16 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 6th Floor 125 London Wall, London, England, EC2Y 5AS. 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 2022 to 31 December 2022.

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 2022.

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 2022, 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 10. 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 2022.

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 £4,848,000 (30 June 2022: £3,029,000) 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 2022. 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 2022 (unaudited) £'000	As at 30 June 2022 (audited) £'000
Quoted investments	212,067	177,998
Unquoted investments	2,594	5,363
Closing valuation	**214,661**	**183,361**

b) Movements in valuation

	For the six months ended 31 December 2022 (unaudited) £'000	For the year ended 30 June 2022 (audited) £'000
Opening valuation	183,361	147,399
Opening unrealised gains on investments	29,059	46,121
Opening book cost	**154,302**	**101,278**
Additions, at cost	51,928	121,568
Disposals, at cost	(31,727)	(68,544)
Closing book cost	**174,503**	**154,302**
Revaluation of investments	40,158	29,059
Closing valuation	**214,661**	**183,361**

Transaction costs on investment purchases for the six months ended 31 December 2022 amounted to £89,000 (31 December 2021: £43,000) and on investment sales for the six months to 31 December 2022 amounted to £86,000 (31 December 2021: £81,000).

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

c) Gains on investments

	For the six months ended 31 December 2022 (unaudited) £'000	For the year ended 30 June 2022 (audited) £'000
Realised gains on disposal of investments	10,536	25,241
Transaction costs	(175)	(331)
Movement in unrealised gains/(losses) on investments held	11,099	(17,062)
Total gains on investments	**21,460**	**7,848**

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:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

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 2022 (unaudited)			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Investments at fair value through profit and loss:				
Quoted investments in India	212,067	–	–	**212,067**
Unquoted investments in India	–	–	2,594	**2,594**
	212,067	**–**	**2,594**	**214,661**

	As at 30 June 2022 (audited)			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Investments at fair value through profit and loss:				
Quoted investments in India	177,998	–	–	**177,998**
Unquoted investments in India	–	–	5,363	**5,363**
	177,998	**–**	**5,363**	**183,361**

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

	As at 31 December 2022 (unaudited)	As at 30 June 2022 (audited)
	£'000	£'000
Opening balance	5,363	6,323
Additions during the period/year	210	5,416
Disposals during the period/year	(2,861)	(6,323)
Valuation adjustments	(118)	(53)
Closing balance	**2,594**	**5,363**

4. Financial risk management

At 31 December 2022, 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 2022.

5. Income

	For the six months ended 31 December 2022 (unaudited) £'000	For the six months ended 31 December 2021 (unaudited) £'000
Income from investments		
Overseas dividends	799	559
Total income	**799**	**559**

6. Other payables

	As at 31 December 2022 (unaudited) £'000	As at 30 June 2022 (audited) £'000
Accrued expenses	165	203
Total other payables	**165**	**203**

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 first Performance Period ended on 30 June 2021 (approximately three years from the Company's IPO). The Investment Manager's second Performance Period commenced on 1 July 2021 and will end in June 2024. 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.

As at 31 December 2022, there was no performance fee payable to the Investment Manager (30 June 2022: Nil).

8. Operating expenses

	For the six months ended 31 December 2022 (unaudited) £'000	For the six months ended 31 December 2021 (unaudited) £'000
Administration & secretarial fees	73	73
Auditor's remuneration*		
– Statutory audit fee	24	20
Broker fees	17	16
Custody services	14	11
Directors' fees	64	64
Board trip to India costs	5	3
Tax compliance and advice	14	15
Printing and public relations	83	25
Registrar fees	15	9
Legal Fees	15	20
UKLA and other regulatory fees	6	5
Other expenses	46	51
Total operating expenses	**376**	**312**

* Auditor's remuneration excludes VAT.

9. Taxation

a) Analysis of charge in the period

	For the six months ended 31 December 2022 (unaudited)			For the six months ended 31 December 2021 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Capital gains tax provision	–	–	**–**	–	1,475	**1,475**
Capital gains expense	–	3,255	**3,255**	–	2,405	**2,405**
Indian withholding tax	88	–	**88**	125	–	**125**
Total tax charge for the six months	**88**	**3,255**	**3,343**	**125**	**3,880**	**4,005**

The Company is liable to Indian capital gains tax under Section 115 AD 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 15% and the long-term tax rates are 10%.

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 period 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 2022 (unaudited) £'000	For the six months ended 31 December 2021 (unaudited) £'000
Operating profit before taxation	21,537	39,054
UK Corporation tax at 19% (2022: 19.00%)	4,092	7,420
Effects of:		
Indian capital gains tax provision not taxable	3,255	3,880
Gains on investments not taxable	(4,012)	(7,836)
Overseas dividends not taxable	(152)	(106)
Unutilised management expenses	72	522
Indian withholding tax	88	125
Total tax charge for the six months	**3,343**	**4,005**

10. Earnings per Ordinary Share

	For the six months ended 31 December 2022 (unaudited)			For the six months ended 31 December 2021 (unaudited)		
	Revenue	Capital	Total	Revenue	Capital	Total
Profit for the period (£'000)	335	17,859	**18,194**	122	34,927	**35,049**
Return per Ordinary Share	0.31p	16.31p	**16.62p**	0.13p	38.55p	**38.68p**

Earnings per Ordinary Share is based on the profit for the period of £18,194,000 (31 December 2021: £35,049,000) attributable to the weighted average number of Ordinary Shares in issue during the six months ended 31 December 2022 of 109,501,337 (31 December 2021: 90,592,560).

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 2022 (unaudited)		As at 30 June 2022 (audited)	
	No. of shares	£'000	No. of shares	£'000
Allotted, issued and fully paid:				
Redeemable Ordinary Shares of 1p each ('Ordinary Shares')	112,643,856	1,126	107,567,672	1,076
Total	**112,643,856**	**1,126**	**107,567,672**	**1,076**

Ordinary Shares

The Ordinary Shares have attached to them full voting, dividend and capital distribution rights and confer rights of redemption.

Between 1 July 2022 and 31 December 2022, 5,076,184 Ordinary Shares (30 June 2022: 22,590,042 Ordinary Shares issued) have been issued; raising aggregate gross proceeds of £10,339,000 (30 June 2022: £42,102,000).

Since 31 December 2022 there have been no shares issued. As at the date of this Annual Report, the total number of Ordinary Shares in issue is 112,643,856.

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 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 2022 is based on £215,856,000 (30 June 2022: £187,386,000) of net assets of the Company attributable to the 112,643,856 (30 June 2022: 107,567,672) Ordinary Shares in issue as at 31 December 2022.

15. Related party transactions

There were no fees payable to the Investment Manager.

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

The annual remuneration of the Board is £40,000 to the Chairman, £32,500 to the Chair of the Audit Committee, and £27,500 to the other Directors. The Directors have the option to receive their fees in cash or in shares in the Company.

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

	As at 31 December 2022 (unaudited)	**As at 30 June 2022 (audited)**
Andrew Watkins	94,425	94,425
Jamie Skinner	86,806	84,733
Rita Dhut	81,733	81,733
Dr. Jerome Booth	68,957	66,202

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.

Alternative Performance Measures

Ordinary share price to NAV premium

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

		Page	As at 31 December 2022 (unaudited)	As at 30 June 2022 (audited)
NAV per Ordinary Share (pence)	a	2	191.6	174.2
Share price (pence)	b	2	192.0	175.0
Premium	**(b÷a)-1**		**0.2%**	**0.5%**

Share price/NAV total return

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

For the six months ended 31 December 2022 (unaudited)		Page	Share price	NAV
Opening at 1 July 2022 (p)	a	2	175.0	174.2
Closing at 31 December 2022 (p)	b	2	192.0	191.6
Total return	**(b÷a)-1**		**9.7%**	**10.0%**

For the six months ended 31 December 2021 (unaudited)		Page	Share price	NAV
Opening at 1 July 2021 (p)	a	n/a	162.5	158.9
Closing at 31 December 2021 (p)	b	n/a	205.0	198.9
Total return	**(b÷a)-1**		**26.2%**	**25.2%**

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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