



ASHOKA INDIA EQUITY INVESTMENT TRUST PLC

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR FROM 1 JULY 2020 TO 30 JUNE 2021



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Investment Objective, Financial Information and Performance Summary

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Investment Objective

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

Financial information

	As at 30 June 2021	As at 30 June 2020
Net asset value (“NAV”) per Ordinary Share (cum income)	158.9p	104.1p
Ordinary Share price	162.5p	98.5p
Ordinary Share price premium to NAV ¹	2.3%	(5.4%)
Net assets	£136.6million	£70.5million

Performance summary

	30 June 2021 % change ^{2,3}	30 June 2020 % change ^{2,3}
Share price total return per Ordinary Share ¹	65.0%	(9.6%)
NAV total return per Ordinary Share ¹	52.6%	(4.3%)
MSCI India IMI Index (Sterling terms)	45.2%	(16.0%)

¹ These are Alternative Performance Measures.

² Total returns in Sterling for the year/period ended 30 June 2021 and 2020.

³ Source: Bloomberg

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 78.

I am pleased to present the third annual results of Ashoka India Equity Investment Trust plc for the year to 30 June 2021. Whilst the performance of your Company's investment portfolio has been commendable over this period, and will be covered in more detail later, we must first reflect on a challenging year for the whole world, India in particular, as it continues to deal with the effects of the COVID-19 virus. The accelerated development of several vaccines, and the more recent realisation that humanity will have to learn to live with the virus, has led to the re-opening of many world economies, India's included. Whilst initially the Indian vaccination programme was slower than the Modi Government would have liked, official statistics suggest the incidence of the virus may be lower than feared, with fewer associated deaths. Against this backdrop, it is very good news that India's economic growth has bounced back so strongly and, for this Company's shareholders, particularly reassuring that the investment team has maintained its focus, remained diligent and has been able to continue producing outstanding returns.

I am pleased to report that Acorn Asset Management Ltd, the Investment Manager, and PraxisIFM Fund Services (UK) Limited, the Company's Administrator and Secretary, have worked effectively and efficiently during periods when working remotely was advised. Additionally, the same applies regarding the continued efficient operation of all service providers to the Company, including the registrar, depositary, custodian, auditor and corporate adviser, all of which should be complimented for their professional attitude.

Performance

As alluded to above, the Company's net asset value (NAV) has had another good year returning 52.6%, comfortably outperforming its benchmark index, the MSCI India IMI, which returned 45.2% in sterling terms. Since the Company's inception in July 2018, the NAV has increased by 62.1% compared to the return on the index of 34.2% (in sterling), an outperformance of 27.9%.

Outperformance over the last year, and since inception, has been driven by skilled stock selection from the

investment team which has stayed true to its principles of disciplined risk management, an expertise your Board values highly. The Company's share price stood at 162.5p at the year end, a 2.3% premium to NAV. As at 28 September 2021, the closing share price was 191.0p.

Share Issuance

The Company responded to further demand from Shareholders to issue new shares, at a small premium to the prevailing net asset value. In total, 18.3 million new shares were issued during the year under review and a prospectus was published on 28 May 2021 implementing a new share issuance programme. As at the year-end there were 85.9 million shares in issue.

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 meet running costs. However, if a sufficient surplus is generated, the Company may declare an annual dividend to maintain UK investment trust status. In the year under review, the revenue surplus amounted to £55,000. No dividend has been declared.

Redemption Facility

The Company has a redemption facility through which Shareholders will be entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. The Redemption Point for the Ordinary Shares is 30 September 2021. The Company has received requests to redeem a larger number of shares than in previous years mainly due to the prospective change of mandate of one of the Company's major Shareholder's internal funds, an unavoidable event. As announced on 3 September 2021, the total number of Ordinary Shares in respect of which valid redemption requests were received for this Redemption Point was 5,386,826.

Performance Fee

I reminded Shareholders of the management fee arrangements of the Company in the last half-year report, namely that no annual management fee has been levied since inception and that the Investment Manager (Acorn Asset Management Ltd) will be remunerated solely by means of a performance fee, based on the level of performance relative to the Company's benchmark index, the MSCI India IMI, over a three-year period ended 30 June 2021. This is an actively managed portfolio, one that seeks an excess return relative to its benchmark index (known as "alpha"), an investment style that has produced outstanding returns for Shareholders in this three-year period; an NAV return of 62.1% compared to 34.2% from the index (in sterling). As a result, a performance fee equal to 30% of this outperformance (capped at 12% of NAV) is due to the Investment Manager soon after the 2021-year financial statements have been audited by Ernst & Young LLP, the Company's auditor. This performance fee is expected to amount to £7.9 million and will be paid to the Investment Manager in the form of new shares in the Company, at least 50% of which will be locked-in over a three-year period from the date of issue, thus continuing to align the interests of the Investment Manager with those of all shareholders. These new Ordinary Shares will be issued at the prevailing net asset value on the date of issue, to take place within 20 business days of publication of the Company's audited annual accounts for the year to 30 June 2021.

I would also remind Shareholders that, throughout this period, the varying and current level of the relevant performance fee has been fully accounted for in the Company's NAV and continues to be on a daily basis.

Review of Management Fee arrangements

The Chairman of the Company's Management Engagement Committee will comment on this in her report but I am delighted to say that the Board is retaining the services of the current Investment Manager and Investment Adviser on the same terms for the three-year period ending 30 June 2024. The Board

firmly believes that retaining such talented individuals to manage the Company's portfolio on remuneration based solely on outperformance of a benchmark index is in the best interests of all Shareholders.

Annual General Meeting

The Company will hold its Annual General Meeting on 8 December 2021. As I write, it is expected that this will revert to an in-person AGM and be held at the offices of Stephenson Harwood, 1, Finsbury Circus, London, EC2M 7SH, starting at 10:45 am. However, should this situation alter whereby Shareholders are not permitted to attend, the Company will announce any changes to the London Stock Exchange. Being optimists, my fellow Directors and I hope to see you then.

Outlook

The Investment Manager's report that follows goes into its usual detail on the portfolio's performance over the last year. In it you will read about the growing market and consumer interest in India's blossoming internet economy and the types of businesses that are either planning to or have already listed as public companies. As I mentioned last year, this is an exciting development that, as India's use of digital technology in everyday life expands, one can only see such enterprises dominating for many years to come, as witnessed elsewhere in the world. This is especially true amongst India's young population, half of which is under 30 and tech-savvy.

The emergence and growth of such technology disruptors could be transformational for India and recognising the businesses to back plays right into the hands of this Company's skilled stock pickers. Occasionally, the opportunity to invest is available whilst these businesses are still privately owned, one that should not be ignored if due diligence is favourable. The maximum exposure to all pre-IPO (Initial Public Offering) investments is 10% of gross assets (at the time of investment) and the Board imposes an additional internal limit related to those investments in subsequent post-IPO lock-in periods to ensure the aggregate exposure does not exceed 15% of gross assets (at the time of investment). This is an area

on which the Board keeps a prudent eye to ensure the correct portfolio balance is always maintained whilst also recognising the potential gains of first-mover advantage.

The Modi Government retains a business-friendly approach and, whilst some of the reforms have not met with popular acclaim, the move towards a more open economy must be the right approach if India's intention to compete with China for global trade is to be realised. This intent becomes more realistic by the day as global companies reassess their exposure to China.

As the world emerges from the worst effects of COVID-19, India's economy is well placed to benefit with a young, adaptable workforce and market reforms that should enable it to continue a robust trend of economic growth. As part of a diversified, balanced portfolio, an investment in Indian equities remains as compelling as ever.

Andrew Watkins
Chairman

29 September 2021

Market Review

The MSCI India Investable Market Index (MSCI India IMI) was up 45.2% during the year to 30 June 2021, outperforming both the developed as well as emerging markets. In the same period the S&P 500 returned (in GBP) 25.7%, MSCI World Index 24.7%, and MSCI Emerging Markets Index 26.4%. Crude oil prices increased by 63.3% and the Indian rupee depreciated by 10.0%. Amongst sectors, materials and information technology outperformed whilst communication services and consumer staples underperformed.

Performance Review

The Company has delivered a sterling NAV total return of 52.6% during the year, outperforming the benchmark MSCI India IMI by 7.4%.

Overall, despite a turbulent environment, the portfolio has held up well as the stock market has rewarded companies delivering growth with resilience and we anticipate this continuing to be a feature of future returns.

Key contributors & detractors

Contributors

Coforge is a fast-growing, mid-sized IT services company with approximately \$650 million in annual revenues and is present across three major verticals: travel & transportation, insurance & banking and financial services. These collectively account for 70% of revenues. It has a niche positioning in both travel as well as insurance verticals. The company underwent a management change around three years ago and under the new leadership has consistently demonstrated strong improvement across all Key Performance Indicators (KPIs) including order intake, the number of million-dollar clients, large deal wins, digital business growth and client diversification. The stock

price outperformed during the year due to continued robust performance and a strong growth outlook.

Infosys is India's second largest IT services company with \$13 billion in revenues, a strong global presence, and a high-quality customer portfolio. It operates across seven major verticals: (a) banking, financial services, and insurance, (b) retail & Consumer Packaged Goods (CPG), (c) communications, (d) energy and utilities, (e) manufacturing, (f) hi-tech, and (g) life sciences. Since Salil Parekh's appointment as CEO in January 2018, Infosys has made strong investments in building digital capacities, onshore talent acquisition and increased sales and marketing efforts. The results of these initiatives are showing up in strong deal wins translating into industry leading growth with improving margins. The stock price outperformed on the back of several multi-billion-dollar deal wins over the past few quarters and continued strength in the overall demand environment.

ICICI Bank is the second largest private sector bank in India with a strong retail deposit franchise, leading CASA (Current and Savings accounts) metrics and one of the lowest cost of funds across private banks. Post a leadership change in October 2018, the bank has strengthened credit underwriting and risk functions, thereby creating a foundation for industry leading performance over the coming years. The company's asset quality has remained resilient during the two waves of COVID-19 with only 1.16% of Net Non-Performing Assets (NPAs) as of Q1 of the financial year ending 2022. Given the provision coverage on existing NPAs of 78% and contingent provisions of 0.9% of advances available to absorb any fresh shocks, ICICI Bank is well poised to gain market-share and deliver mid-teens Return on Equity over the medium term. The strong business performance has also resulted in a commensurately strong stock performance.

Detractors

Bharti Airtel is India's second largest telecom operator providing wireless and fixed line broadband services. The Indian telecom industry is worth approximately \$25 billion in revenues and has consolidated into a three-player market with Reliance Jio, Bharti Airtel and Vodafone-Idea controlling 93% of the market after a period of unprecedented disruption and intense price competition. Bharti Airtel has demonstrated superior execution on the back of its high-quality customer base and continues to gain market share from Vodafone Idea which is struggling with a highly leveraged balance sheet. Whilst we broadly expect price discipline to be observed by the industry over time, we are likely to see intermittent instances of price aggression along the way which we anticipate to be unsettling for competitors. This was seen in September 2020 when Reliance Jio, the market leader introduced a slightly aggressive post-paid plan causing Bharti's stock price to underperform. We have exited this position.

Nestle India is India's largest food products company. With household brands like Maggi, KitKat, Nescafe, Cerelac and Nan in its portfolio, it is a market leader in most of the categories that it operates in. Under the leadership of its new CEO, Suresh Narayanan, it has significantly increased focus on volume growth driven by new product development and distribution. It has launched more than 40 products in various categories over the past two years and is following a cluster-based approach to enhance distribution. We expect Nestle to continue to deliver strong performance led by increasing penetration and new product introductions. Given the defensive nature of the business, the stock often tends to lag in a sharply rising market. We remain invested in the business.

Indigo Paints is one of the fastest growing companies in the decorative paints industry with a strong position in certain niche product segments. Its revenue has grown by 39% annually over the last decade as the company has expanded its distribution and tinting machines network. Indigo has created a portfolio of differentiated products such as floor coatings which command leadership

positions in terms of brand recall and market share in several states across the country. The company derives approximately 30% of its revenue from these products which have higher profitability compared to peers. The stock underperformed, due to concerns around higher raw material prices impacting profitability in the near term. We remain invested.

Investment Outlook

The steep fall in the markets in the first quarter of Calendar Year 2020 was followed by a sharp recovery throughout the rest of the year and this has continued during 2021. India underwent one of the most stringent lockdowns in the second quarter of 2020, and as restrictions gradually relaxed, economic activity too gained momentum, buoyed by strong pent-up demand. The fiscal response, while modest, was well-directed towards ensuring food security and support for small businesses.

The government also used this crisis as an opportunity to introduce other long-standing, growth-enhancing reforms, including production-linked incentives (PLI) for manufacturing and a landmark overhaul of labour legislation, which significantly simplify an archaic set of complex laws, many of which were written in the pre-independence era. This reform significantly reduces the compliance burden and encourages formalisation with more than 40 laws being merged into four codes.

While there was a severe second wave of COVID-19 over April and May 2021, the impact on the economy, with only localized lockdowns, was far less damaging than during the first wave. Most manufacturing and construction activity was allowed, albeit with some restrictions, and corporates in general were better prepared to deal with these restrictions. It was a health crisis more than an economic crisis, as India's healthcare system, just like many other countries, was not equipped to handle the peak of the second wave of COVID-19.

India's vaccination roll-out has been the largest globally with over 660 million doses administered as of August 2021. Approximately 37% of the total population has received at least one dose. The more important metric

to look at is the vaccination progress within the adult population where almost 55% have received at least one dose. In large urban centres, which are the big drivers of economic growth, the adult vaccination rate is even higher, with at least 75% receiving their first dose. The pace of vaccination had ramped up to five million doses per day in mid-August, and at this rate the entire adult population could be vaccinated by March 2022.

The normalisation of economic activity continues to gather pace following the second wave. After the dip in April and May 2021, most high-frequency economic indicators have shown continued improvement over the last three months. A potential third wave is a risk, although most estimates suggest a much milder wave, with the faster vaccination rate as a possible mitigating factor.

The annual budget presented in February 2021 has been termed as possibly the most pro-reform and pro-growth budget in over a decade. The budget made several simplifying changes to the administration of direct taxes, thereby addressing the key pain points of 'ease of doing business' in India. The key announcement was the privatisation of state-owned banks and insurance companies, with the enabling legislation having been enacted since. In addition, infrastructure spending was increased with a focus on executing the National Infrastructure Pipeline (NIP), which entails a capital outlay of US\$1.4 trillion over five years.

The PLI scheme mentioned above, offers US\$27 billion in incentives across 13 key industries such as automobiles, electronics and pharmaceuticals, and is progressing well. This, along with the sharp cut in corporate tax rates and labour reforms is part of the 'Make in India' push, which could transform India's manufacturing capabilities over the next decade. Global players like Apple, Samsung, Dell, and Foxconn have either set up or are in the process of setting up operations in India.

Over the last few years, the government has also taken many steps to improve the ease of doing business. A recent example is a rollback of the Retrospective Taxation clause, which had been a cause of uncertainty

for foreign investors and corporates. As per the United Nations Conference on Trade and Development, India was the only country in the Calendar Year 2020 (excluding China) to show yearly positive change in Foreign Direct Investment flows.

Our investment philosophy of seeking compelling combinations of great businesses at attractive valuations continues to place us in good stead. Overall, the companies in our portfolio have shown immense resilience in dealing with intermittent lockdowns. We expect our companies to emerge even stronger as economic normalisation gathers pace.

Despite the overhang of the pandemic, corporate fundamentals remain intact, with secular trends such as balance sheet improvement, consolidation, and market share shifts from the unorganised sector to the organised sector playing out. Additionally, several large corporates have been quick to leverage digital technologies and online delivery models, making them far better prepared to deal with disruptions. It is particularly true of our portfolio companies, which are market leaders in their respective segments. Despite a pandemic year, when GDP declined by 7.5%, earnings growth for the NIFTY (India's most commonly used benchmark) came in at a decade high of 14% for the Financial Year 2021. As per consensus expectations, earnings growth over the next two years is expected to be in the high teens.

Another notable feature over the last year has been the buoyant capital market sentiment in India, with initial public offerings (IPOs) worth US\$10 billion to date in 2021. While the public listings pipeline is broad-based, a particular segment that has generated significant interest is that of 'new-age' tech companies. The listing of Zomato, India's leading food tech company, is being hailed as the coming-of-age moment for the internet and start-up ecosystem in the country. India has a vibrant start-up ecosystem with 60 'unicorns' (privately held start-ups each valued at more than US\$1 billion), the third highest globally after the US and China. Many more technology-enabled, new-age companies are expected to IPO in the coming months.

Many of these technology companies are fundamentally changing the way consumers and businesses interact with each other. Traditional industries are being disrupted in more ways than one, and a new crop of digital-native, mobile-first companies are scaling up at speed. We believe that these will become a larger part of the market over the next decade and, given the heterogeneous nature of business models, will create large winners and losers. As investors, we focus on identifying dominant companies with large and fast growing markets, positive unit economics, and strong management teams. As with all investments, these companies should be attractively valued in our discounted cash flow based OpcoFinco™ framework. At Acorn, we have also been able to make successful investments in selected IPOs over the past few years.

We pay special emphasis on corporate governance standards of the companies we evaluate. We qualitatively screen out companies where we believe corporate governance is below average or otherwise of unacceptable standard. This approach has helped us to side-step many of the recent corporate governance disasters.

Your Investment Manager employs significant research resources to build a deep understanding of various business models across emerging and developed markets, including engaging with experts and industry professionals from across the world. As a result, the firm has delivered best-in-class performance and has scaled up its research and investment team, including a dedicated resource to track Environmental Social Governance (ESG) issues. The portfolio outperformed in Q1 of 2020 when markets fell by 40% and also in the subsequent periods when the markets rallied sharply by almost 100%. This outperformance across various market cycles has been due to the balanced portfolio construction approach, which ensures that alpha generation is a function of stock selection, rather than sector rotation or other top-down bets.

In closing, we remain cautiously optimistic and continue to believe that the structural growth drivers of the Indian economy are deep rooted and, near-term challenges notwithstanding, India presents an attractive long-term investment opportunity.

Acorn Asset Management Ltd

29 September 2021

Top Ten Holdings

As at 30 June 2021	Sector	% of net assets
Icici Bank Limited	Financials	6.7
Infosys Limited	Information Technology	5.8
Axis Bank Limited	Financials	5.6
Coforge Limited	Information Technology	5.2
Laxmi Organic Industries Limited	Materials	4.3
Asain Paints Limited	Materials	3.5
Nestle India Limited	Consumer Staples	3.4
Crompton Greaves Consumer El	Consumer Discretionary	3.4
Cartrade Tech Limited	Consumer Discretionary	3.4
Bajaj Finserv Limited	Financials	3.2
Top ten holdings		44.5
Other holdings		63.4
Total holdings in companies		107.9
Cash and other net assets		(7.9)
Total Net assets		100.0

Investment Policy

The Company shall invest primarily in securities listed on any recognised stock exchange in India and securities of companies with a Significant Presence in India that are listed on stock exchanges outside India. The Company may also invest up to 10 per cent. of Gross Assets (calculated at the time of investment) in unquoted companies with a Significant Presence in India.

A company has a "Significant Presence in India" if, at the time of investment, it has its registered office or principal place of business in India, or exercises a material part of its economic activities in India.

The Company shall primarily invest in equities and equity-related securities (including preference shares, convertible unsecured loan stock, rights, warrants and other similar securities). The Company may also, in pursuance of the investment objective:

- hold publicly traded and privately placed debt instruments (including bonds, notes and debentures);
- hold cash and cash equivalents including money market liquid/debt mutual funds;
- hold equity-linked derivative instruments (including options and futures on indices and individual securities);
- hedge against directional risk using index futures and/or cash;
- hold participation notes; and
- invest in index funds, listed funds and exchange traded funds.

Notwithstanding the above, the Company does not intend to utilise derivatives or other financial instruments to take short positions, nor to increase the Company's gearing in excess of the limit set out in the borrowing policy, and any restrictions set out in this investment policy shall apply equally to exposure through derivatives.

The Company will invest no more than 15 per cent. of Gross Assets in any single holding or in the securities of any one issuer (calculated at the time of investment) and will typically invest no more than 40 per cent. of Gross Assets in any single sector (calculated at the time of investment).

The Company is not restricted to investing in the constituent companies of any benchmark. It is expected that the Company's portfolio will comprise approximately 25 to 50 investments.

In order to comply with the Listing Rules, the Company will not invest more than 10 per cent. of its Gross Assets in other listed closed-ended investment funds, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds. Additionally, in any event the Company will itself not invest more than 15 per cent. of its gross assets in other investment companies or investment trusts which are listed on the Official List.

The Company does not expect to take controlling interests in investee companies and will at all times invest and manage the portfolio in a manner consistent with spreading investment risk and in accordance with the FPI Regulations and applicable law.

It is expected that the Company's investments will predominantly be exposed to non-Sterling currencies (principally Rupees) in terms of their revenues and profits. The base currency of the Company is Sterling, which creates a potential currency exposure. Whilst the Company retains the flexibility to do so, it is expected in the normal course that this potential currency exposure will not be hedged using any sort of foreign currency transactions, forward transactions or derivative instruments.

Borrowing policy

The Company may deploy gearing to seek to enhance long-term capital growth and for the purposes of capital flexibility and efficient portfolio management.

The Company may be geared through bank borrowings, the use of derivative instruments that have the effect of gearing the Company's portfolio, and any such other methods as the Board may determine. Gearing will not exceed 20 per cent. of Net Asset Value at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate.

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

Asset allocation at period end

The breakdown of the top ten holdings and the industrial classification of the portfolio at the Company's year end are shown on page 10.

Dividend policy

The Board intends to manage the Company's affairs to achieve Shareholder returns through capital growth rather than income. Therefore, it should not be expected that the Company will pay a significant annual dividend, if any.

Regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011 provides that, subject to certain exceptions, an investment trust may not retain more than 15 per cent. of its income in respect of each accounting period. Accordingly, the Company may declare an annual dividend from time to time for the purpose of seeking to maintain its status as an investment trust.

Results and dividend

The Company's revenue surplus after tax for the year amounted to £55,000 (30 June 2020: revenue surplus of £14,000). The Company made a capital surplus after tax of £40,299,000 (30 June 2020: capital deficit of £3,409,000). Therefore, the total surplus after tax for the Company was £40,354,000 (30 June 2020: deficit of £3,395,000).

As per the amended ITC regulations by the Investment Trust (Approved Company) (Tax) (Amendment)

Regulations 2013 (SI 2013/1406), which allows an investment trust with an accumulated deficit on revenue reserves brought forward to utilise this against a revenue surplus in an accounting period. As such, the Board is not proposing that a dividend be paid in respect of the year to 30 June 2021.

Key performance indicators ('KPIs')

The Board measures the Company's success in attaining its investment objective by reference to the following KPIs:

(i) Achievement of NAV and share price growth over the long term

The Board monitors both the NAV and share price performance and compares with the MSCI India IMI Index (in Sterling) and other similar investment trusts. A review of performance is undertaken at each quarterly Board meeting and the reasons for relative under and over performance against various comparators is discussed. The Company's NAV and share price total returns for the year to 30 June 2021 were 52.6% and 65.0% (30 June 2020: -4.3% and -9.6%) respectively compared to a total return of 45.2% (30 June 2020: -16.0%) for the MSCI India IMI Index (Sterling).

The Chairman's statement on page 4 incorporates a review of the highlights during the year. The Investment Manager's Report on page 7 highlights investments made during the year and how performance has been achieved.

(ii) Maintenance of a reasonable level of premium or discount of share price to NAV

The Company's Broker monitors the premium or discount on an ongoing basis and keeps the Board updated as and when appropriate. At quarterly Board meetings the Board reviews the premium or discount in the period since the previous meeting in comparison with other investment trusts with a similar mandate. The Company has a redemption facility through which Shareholders will be entitled to request the redemption of all or part of

their holding of Ordinary Shares on an annual basis. The Company's shares traded at a premium of 2.3% on 30 June 2021 (30 June 2020: discount of 5.4%).

(iii) Maintenance of a reasonable level of ongoing charges (excluding performance fee)

The Board receives monthly management accounts which contain an analysis of expenditure, and these are formally reviewed at quarterly Board meetings. The Management Engagement Committee formally reviews the fees payable to the Company's main service providers on an annual basis. The Board reviews the ongoing charges on a quarterly basis and considers these to be reasonable in comparison to the Company's peers.

Based on the Company's average net assets during the year ended 30 June 2021, the Company's ongoing charges figure calculated in accordance with the AIC methodology was 0.5% (30 June 2020: 0.9%).

Principal and emerging risks and uncertainties

Description	Mitigation
<p>Market risks</p> <p>Economic conditions Changes in economic conditions in India (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events and other factors) and securities of companies with a significant presence in India that are listed on stock exchanges outside India, could substantially and adversely affect the Company's prospects.</p> <p>Sectoral diversification Concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.</p>	<p>The Investment Manager has a proven track record of investment in Indian securities.</p> <p>The Company is invested in a diversified portfolio of investments.</p> <p>The Company's investment policy states that no single holding will represent more than 15% of the Company's Gross Assets and no more than 40% of Gross Assets will be invested in any single sector (calculated at the time of investment). The portfolio will have between 25 to 50 holdings (although there is no guarantee that this will be the case and it may contain a lesser or greater number of holdings at any time).</p> <p>Whilst the Company does not have a benchmark, the Board measures performance for reference purposes against the MSCI India IMI Index (in Sterling). The Board also monitors performance relative to the Company's peer group over a range of periods, taking into account the differing investment policies and objectives.</p>
<p>Corporate governance and internal control risks (including cyber security) The Board has contractually delegated to external agencies the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the registration services and the accounting and company secretarial services.</p> <p>The main risk areas arising from the above contracts relate to allocation of the Company's assets by the Investment Manager, and the performance of administrative company secretarial, registration and custodial services. These could lead to various consequences including the loss of the Company's assets, inadequate returns to Shareholders and loss of investment trust status. Cyber security risks could lead to breaches of confidentiality, loss of data records and inability to make investment decisions.</p>	<p>Each of these contracts were entered into after full and proper consideration of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company. All of the above services are subject to ongoing oversight of the Board and the performance of the principal service providers is reviewed on a regular basis. The Board monitors key personnel risks as part of its oversight of the Investment Manager. The Company's key service providers report periodically to the Board on their control procedures including those in respect of cyber security risks.</p>

Description	Mitigation
<p>Regulatory risks Breaches of Section 1158 of the Corporation Tax Act could result in loss of investment trust status. Loss of investment trust status would lead to the Company being subject to tax on any gains on the disposal of its investments. Breaches of the Financial Conduct Authority ("FCA")'s rules applicable to listed entities could result in financial penalties or suspension of trading of the Company's shares on the London Stock Exchange ("LSE"). Breaches of the Companies Act 2006, The Financial Services and Markets Act, The Alternative Investment Fund Managers' Directive, Accounting Standards, The General Data Protection Regulation, The Listing Rules, Disclosure Guidance Transparency Rules and Prospectus Rules could result in financial penalties or legal proceedings against the Company or its Directors. Failure of the Investment Manager to meet its regulatory obligations could have adverse consequences on the Company.</p>	<p>The Company has contracted out relevant services to appropriately qualified professionals. The Investment Manager and the Company Secretary report on regulatory matters to the Board on a quarterly basis. The assessment of regulatory risks forms part of the Board's risk assessment programme.</p>
<p>Financial risks The Company's investment activities expose it to a variety of financial risks which include foreign currency risk and interest rate risk.</p>	<p>The investment policy states that while the Company retains the flexibility to do so, it is expected in the normal course of business that currency exposure will not be hedged. The Company does not currently have any borrowings, therefore is not exposed to interest rate risk. The Company's financial risks are disclosed in note 15 to the financial statements.</p>
<p>Risks associated with COVID-19 The rapid spread of COVID-19 to implement policies to restrict the gathering, interaction, or movement of people. These policies have inevitably changed the nature of the operations of some aspects of the Company, its key service providers, and the companies in which it invests. As cited under Market Risks, share prices respond to assessments of future economic activity as well as their own forecast performance and the pandemic has had a materially negative impact on the economy and will continue do so for an unpredictable period of time.</p>	<p>The Investment Adviser and other key service providers share regular updates on operational resilience with the Board. The Board are satisfied that the key service providers have the ability to continue their operations efficiently in a remote or virtual working environment. Teams are able to operate effectively whilst working remotely/ from home. This was more than adequately demonstrated throughout 2020 and into 2021.</p> <p>As a consequence of the COVID-19 pandemic, the Investment Manager, Investment Adviser and other service providers have implemented comprehensive arrangements enabling staff to operate effectively whilst working remotely / from home, which has been evidenced during the global pandemic.</p> <p>The Board continues to monitor this situation carefully.</p>

Description	Mitigation
Emerging risks	
<p>Weather and Climate Change Extreme weather events could potentially impair the operations of individual investee companies, potential investee companies, their supply chains, and their customers.</p>	<p>The Investment Manager takes such risks into account, along with the downside risk to any company – whether in the form of its business prospects, market valuation or sustainability of dividends – that is perceived to be making a detrimental contribution to climate change. The Company invests in a broad portfolio of businesses with operations spread across India, which should limit the impact of location – specific weather events. The Investment Manager also closely monitors the businesses which have a greater exposure to climate change related risks and their progress towards a low-carbon dioxide transition.</p>

As an investment company with no employees, property or activities outside investment, environmental policy has limited application. The Company’s Investment Adviser White Oak Capital Management Consultants LLP (“White Oak Capital” or the “Investment Adviser”) considers various factors when evaluating potential investments, and as such the Board and the Company have adopted the Investment Adviser’s ESG Policy below.

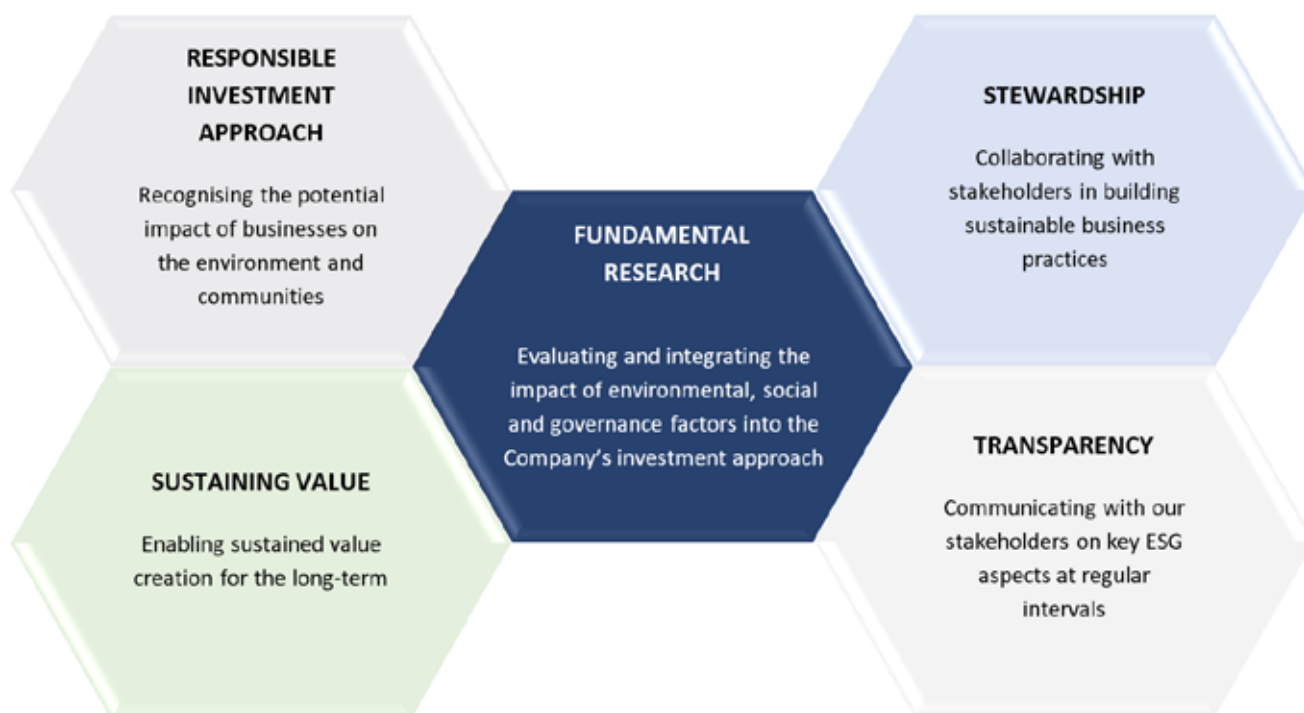
Sustainability of returns and corporate governance form an important element of the Company’s investment philosophy. Thus, our investment approach naturally integrates ESG factors in our decision-making process. The Company values businesses that follow industry-leading environmental compliance practices and that demonstrate ethical business conduct and fair dealings with stakeholders. The Company believes

that a sustainable investment strategy preserves long-term shareholder and stakeholder value by balancing financial and commercial analysis with sound ESG practices serving a wider community.

As part of the Company’s commitment to responsible investing we are pleased that White Oak Capital is a signatory to The United Nations-backed Principles for Responsible Investment Initiative (PRI).

ESG Investment Approach

The Board and the Investment Adviser believe in a holistic sustainable framework driven by the Company’s guiding principles, which helps to integrate the tenets of sustainable business practices into the investment approach:



The Company’s ESG framework is designed to evaluate ESG issues through three fundamental facets: **Policy**, **Risk Management** and **Strategy**. Investee and potential investee companies are evaluated on their commitment

to manage ESG issues effectively as well as integrating ESG into their risk management process and on their approach to making ESG a strategic priority.

Environmental, Social and Governance (“ESG”) Policy

(continued)

18

POLICY

Appropriate policies assist in shaping and defining corporate culture which is required to address pertinent issues. Investee businesses must have stated policies towards environmental protection, safeguarding social interests, and ethical business conduct.

RISK MANAGEMENT

Integrated risk management frameworks assist in the identification of potential future risks, thereby improving resilience and enabling stronger future growth and value creation. Businesses are encouraged to integrate ESG aspects in their overall risk management processes as relevant.

STRATEGY

Investee businesses are encouraged to integrate ESG into their core business strategy, so that they factor ESG considerations into all key decisions and capitalize on growth opportunities emanating from an ESG focus.

ESG Integration and Engagement

The assessment of ESG aspects is integrated into both the investment research and valuation processes. The Investment Adviser focuses on identifying the relevant ESG aspects in each of the underlying businesses, understanding the key ESG risks, evaluating systems and controls for monitoring such ESG risks, and assessing performance against the ESG parameters. An ESG framework is applied to identifying topics relevant to the specific sectors which the Company invests in.

As part of the overall process, the perspectives of the investment analysts, management team, and third-party discussions are combined to form a holistic view of investee and potential investee companies and the issues they face. This process helps the Investment Adviser to understand the ESG data to identify relevant information and to address the key issues identified through the framework, which forms the basis of engagement with the companies we invest in on ESG topics.

Approach to Climate Change

The implications of climate change are creating rapidly changing regulations and consumer demands around

the world. Mitigation of climate change and reduction of greenhouse gas emissions are now widely perceived as major global challenges. Governments, businesses, and investors have a responsibility towards ensuring a climate-resilient economy.

The Investment Adviser supports the recommendations of the Task Force on Climate-related Financial Disclosures and promotes increased transparency, encourages the development of tools and methods to manage climate-related risks and opportunities and contributes to the best practices in the industry. Businesses which have a greater exposure to climate change related risks and their progress towards a low-carbon transition are closely monitored.

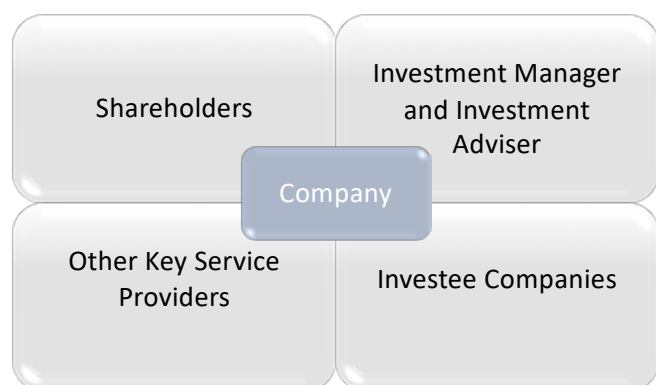
Company values

The Board has adopted a policy of fostering high standards of corporate governance in all its activities. This principle is the cornerstone of creating and preserving long term shareholder value.

The Directors have a duty to promote the success of the Company for the benefit of Shareholders as a whole and to describe how this duty has been performed with regards to Section 172 of the Companies Act 2006. In undertaking this duty, the Directors consider the likely consequences of their decisions in the long term and on other stakeholders and the environment.

Key stakeholders

The Company is an externally managed investment company and therefore it does not have any employees or customers in the conventional sense. The Board performs its role as outlined in the schedule of matters reserved for the Board and taking into account the interests of the key stakeholders. This schedule is available for inspection at the registered office of the Company and on the Company’s website at <https://ashokaindiaequity.com/>. The key stakeholders are identified in the diagram below:



The Board is cognisant of the need to foster the Company’s business relationships with its key stakeholders through its stakeholder engagement activities as described below.

Stakeholder engagement

The Company’s Ordinary Shares commenced trading on the London Stock Exchange (“LSE”) on 6 July 2018. During the year, the Company’s Ordinary Shares have seen strong investor demand and the share price has traded at a premium to net asset value. The Board is mindful that there should be an active, liquid market in the Company’s shares. As a closed-ended fund listed on the Premium segment of the LSE main market, reasonable liquidity is expected in normal market conditions. The Board recognises the importance of Shareholders being able to sell at a price that is not disadvantageous to them and the premium/discount to net asset value at which the Company’s Ordinary Shares trade is continuously monitored. Aware of shareholder demand, the Board has established a share issuance programme whereby during the year, 18,310,388 new shares have been issued by way of block listing, generating additional funds of £25,855,000. During the year, the Company made two block listing applications, one for 13,529,700 new Ordinary Shares on 8 January 2021 and another for 10,000,000 new Ordinary Shares on 28 June 2021. These block listing applications give the Company authority to issue new Ordinary Shares on a non-pre-emptive basis. The Ordinary Shares may be issued inter alia to satisfy market demand and for the purposes of managing the premium to net asset value (cum income) per Ordinary Share at which the Ordinary Shares are trading.

The Company has a redemption facility through which Shareholders will, provided normal market conditions prevail, be entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis allowing Shareholders to realise their investment. This annual redemption facility is subject to the final approval of the Board. On 3 September 2021, the Company announced that 5,386,826 valid redemption requests had been received at the Redemption Point (representing 6.3% of the issued share capital at that point).

Shareholder engagement

The Board actively promotes engagement with the Company's Shareholders through various channels. The Board encourages all Shareholders to attend and vote at the AGM; the AGM typically includes a presentation from the Investment Manager and provides an opportunity for Shareholders to engage directly with the Board and the Investment Manager. However, the well-being and safety of Shareholders and service providers is a primary concern for the Directors of the Company and under Government regulations, the AGM in December 2020 unfortunately had to be held as a closed meeting. Shareholders were given the opportunity to vote by proxy and to communicate with the Board by asking questions electronically. The Board maintains regular contact with Shareholders through the Investment Adviser and Broker's programme of Shareholder meetings with reports back to the Board on findings, questions, or concerns for the Board's consideration. Due to COVID-19, it was difficult to meet in person this year, but the Investment Manager maintained and grew shareholder relationships with virtual meetings and webinars.

The Company communicates with Shareholders through its half-yearly and annual financial reports and other announcements which together provide Shareholders with a comprehensive insight into the Company's progress and results. Shareholders are encouraged to visit the Company's website (www.ashokaindiaequity.com) where they can find useful information and documents such as monthly factsheets, investment research, interviews with the Manager and the annual and half-yearly financial reports.

In addition, the Company employs Kepler Partners (www.trustintelligence.co.uk) to undertake research, providing detailed analysis of the Company and the markets in which it operates for professional advisers and other registered users.

Investment Manager and Investment Adviser

The Company's business model is such that it has no employees and relies on services provided by third

party service providers to manage the Company's operations. The Investment Manager and Investment Adviser are the most significant service providers to the Company and a description of their roles can be found on page 26. As permitted by the terms of the Investment Management Agreement, the Investment Manager has, with the consent of the Company, appointed the Investment Adviser, White Oak Capital Management Consultants LLP, a boutique investment advisory firm in India, to provide certain non-binding, non-exclusive and recommendatory investment advisory services.

The Board receives regular reports from the Investment Adviser, discusses the portfolio at each Board meeting and maintains a constructive dialogue between meetings. A representative of the Investment Manager and the Investment Adviser attend all Board meetings. The Investment Manager's remuneration is by way of a performance fee subject to the Company delivering excess returns above the MSCI India IMI Index in the medium-term, which aligns the Investment Manager's interests with those of Shareholders. The Management Engagement Committee reviews the performance of the Investment Manager, its remuneration and discharge of its contractual obligations at least annually.

The Investment Manager and Investment Adviser remained fully operational throughout COVID-19 restrictions and focused on providing a seamless service to clients and shareholders whilst ensuring the well-being of their staff.

Other Key Service Providers

In ensuring the smooth operation of the Company, the Board also monitors the performance of its other service providers such as the Company's Broker, Administrator, Company Secretary and Custodian (details of the activities of the Management Engagement Committee are outlined on page 32) and maintains regular contact through direct reports at Board meetings or through the Company Secretary.

The Board engaged frequently with service providers throughout the COVID-19 pandemic to ensure that they

continued to meet their obligations and had resilient business continuity plans in place.

In maintaining the Company's reputation and high standards of business conduct, the Board is provided with regular reports from the Company's Broker and Company Secretary alerting the Board to recent and forthcoming changes in regulation and market practice, as well as any likely reputational risks. The Company's approach to oversee the internal controls of each of its service providers can be found on page 34.

Investee companies

As an investment trust with no trading activity, the Company has no direct social, community, or environmental responsibilities. However, the Company does have such responsibilities through its investment portfolio. The Company is a long-term investor, and the Investment Manager and Investment Adviser incorporate ESG issues into their analysis and decision-making processes. The Company's ESG Policy can be found on page 17.

Significant events

There were a number of significant events during the period to the date of this report that the Board would like to highlight;

- The Company has been the best-performing India specialist investment trust since it launched in July 2018. In that time the Company NAV in total return terms has delivered more than the return of its benchmark, the MSCI India IMI index, whilst peers have underperformed the index over this same time period.
- Strong demand for the Company's shares meant that over the year shares mostly traded at a premium. The Board has, therefore, continued to employ a programme of share issuance in order to ensure that the level of premium is not excessive in normal markets.

- The Board gained overwhelming shareholder approval to extend its authority to issue Ordinary Shares on a non-pre-emptive basis at a General Meeting on 24 May 2021, with Shareholder authority to allot up to 125 million new Ordinary Shares in connection with a new share issuance programme. The Company also published a prospectus in connection with the Share Issuance Programme on 28 May 2021. The Board believes that this is in the best interests of Shareholders as a whole; it spreads the fixed costs over a larger capital base and improves liquidity in the shares of the Company.
- During the year, the Company issued 18,310,388 new shares by way of block listing, generating additional funds of £25,855,000. The Company also made two block listing applications, one for 13,529,700 new Ordinary Shares on 8 January 2021 and another for 10,000,000 new Ordinary Shares on 28 June 2021.

Board's key decisions

The Board's key decisions on share issuances and dividend policy are disclosed on pages 28 and 29.

Conclusion

The Directors have considered their duty under Section 172 when making decisions throughout the financial year. The Board of Directors has sought to consider the interests of the Company's Shareholders, to understand their views and to promote transparency. The Directors see this as crucial to fulfilling their duty under Section 172.

Exercise of voting powers and stewardship code

The Board has delegated to the Investment Manager the power to vote on behalf of the Company at shareholder meetings of investee companies. The provisions of the UK Stewardship Code do not apply to the Company as all investments are outside the United Kingdom. The Investment Manager's investment process includes research into the corporate governance practices of potential investee companies, regular shareholder engagement and active stewardship. The Investment Manager's voting policy and conflicts of interest policy are reviewed by the Board annually.

Modern slavery disclosure

The Board acknowledges the requirement to provide information about human rights in accordance with the UK Modern Slavery Act. The Board conducts the business of the Company ethically and with integrity and has a zero tolerance policy towards modern slavery in all its forms. As the Company has no employees, its Directors are non-executive and all functions are outsourced, there are no further disclosures to be made in respect of employees and human rights.

Greenhouse Gas Emissions and Streamlined Energy and Carbon Reporting (SECR)

The Company has no employees or premises, and therefore has no greenhouse gas emissions to report. Nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

As the Company has no material operations and therefore has low energy usage, it has not included an energy and carbon report.

Anti-bribery and corruption

It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with

integrity in all its business dealings and relationships wherever it operates. The Company's policy and the procedures that implement it are designed to support that commitment.

Prevention of the Facilitation of Tax Evasion

The Board has adopted a zero-tolerance approach to the criminal facilitation of tax evasion.

Employees

The Company has no employees. As at 30 June 2021, the Company had four non-executive Directors, of whom three are male and one is female. The Board's policy on diversity is contained in the corporate governance report (see page 33).

Viability statement

The Board has assessed the viability of the Company for the period to 30 June 2024 (the 'Period'). The Board believes that the Period, being three years, is an appropriate time frame over which to assess the viability of the Company, particularly when taking into account the long-term nature of the Company's investment strategy, which is modelled over three years and the principal and emerging risks outlined above. Based on this assessment, the Board have a reasonable expectation that the Company will be able to continue to operate and to meet its liabilities as they fall due over the Period.

In its assessment of the prospects of the Company, the Board has considered each of the principal and emerging risks and uncertainties set out above and the liquidity and solvency of the Company. The Board has considered the Company's income and expenditure projections and the fact that the Company's investments comprise readily realisable securities, which could, if necessary, be sold to meet the Company's funding requirements including buying back shares in order for the Company's discount control policy to be achieved.

Portfolio changes, market developments, level of premium/discount to NAV and share buybacks/share issues are discussed at quarterly Board meetings. The internal control framework of the Company is subject to a formal review on at least an annual basis.

The Board does not expect there to be any material increase in the annual ongoing charges of the Company over the Period and as the Company grows the annual ongoing charges ratio is expected to decrease. The Company's income from investments and cash realisable from the sale of its investments provide substantial cover to the Company's operating expenses, and any other costs likely to be faced by the Company over the period of the assessment.

This assessment has included a detailed review of the issues arising from the COVID-19 pandemic as discussed in the Chairman's Statement on page 3, the Investment Manager's Report on page 6 and in the principal and emerging risks section on page 14.

Outlook

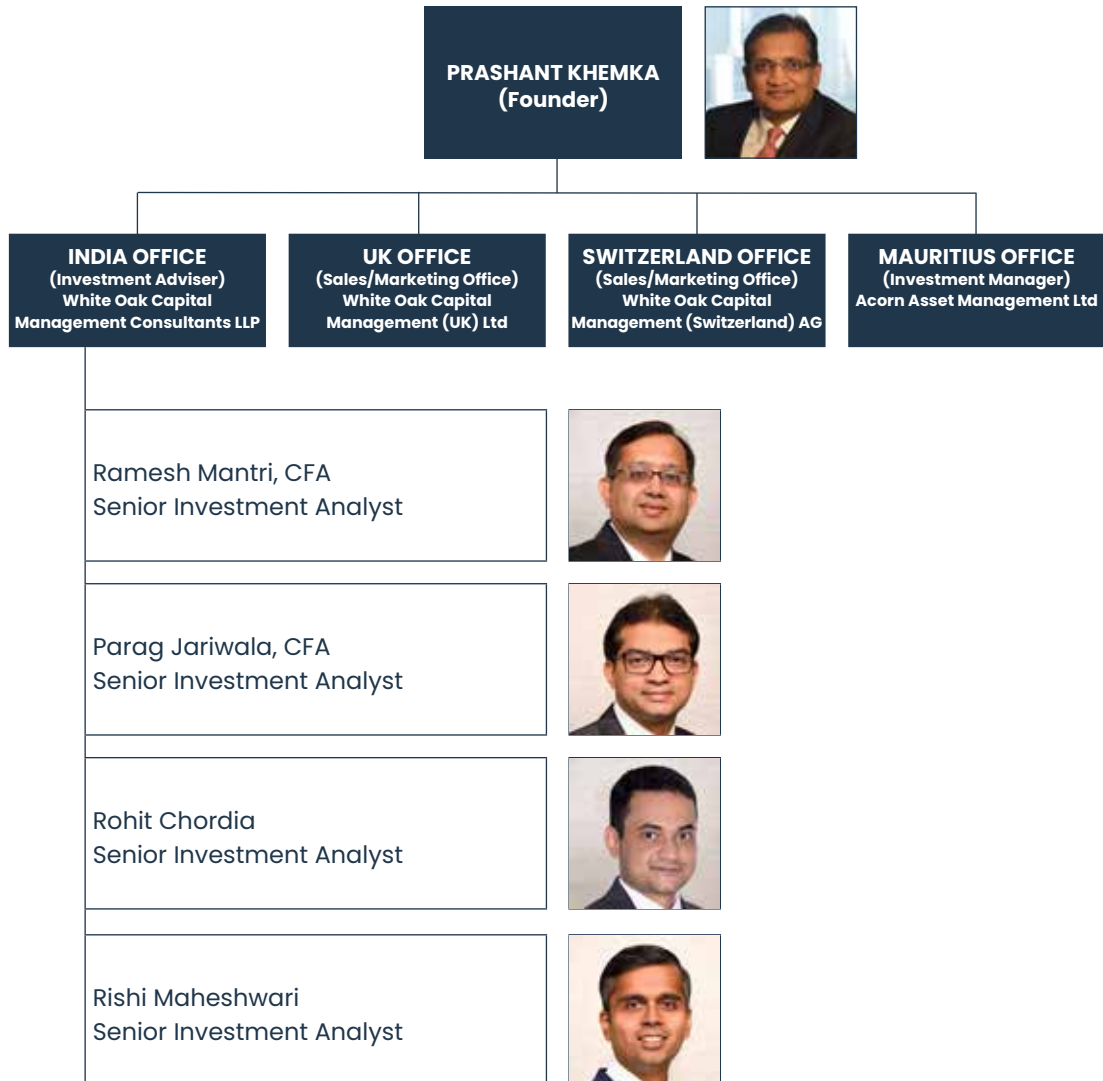
The outlook for the Company is discussed in the Chairman's Statement on page 4 and Investment Manager's Report on pages 6 to 9.

For and on behalf of the Board

Andrew Watkins
Chairman of the Board

29 September 2021

Investment Team



The Directors present their report and accounts for the year ended 30 June 2021.

Strategic report

The Directors' Report should be read in conjunction with the Strategic Report on pages 3 to 23.

Corporate governance

The Corporate Governance Statement on pages 30 to 34 forms part of this report.

Principal and emerging risks and uncertainties

The Principal and emerging risks and uncertainties on pages 14 to 16 forms part of this report.

Legal and taxation status

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company conducts its affairs in order to meet the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. The Company has received approval as an investment trust and the Company must meet eligibility conditions and ongoing requirements in order for investment trust status to be maintained. In the opinion of the Directors, the Company has met the conditions and requirements for approval as an investment trust for the year ended 30 June 2021.

Alternative Investment Fund Managers Directive ('AIFMD')

The Company is classified as an Alternative Investment Fund under AIFMD and is therefore required to have an Alternative Investment Fund Manager. Acorn Asset Management Limited has been appointed as the Alternative Investment Fund Manager (the 'AIFM') of the Company for the purposes of the AIFMD.

Market information

The Company's Ordinary Shares are listed on the LSE. The NAV per Ordinary Share is calculated in Sterling for each business day that the LSE is open for business. The daily NAV per Ordinary Share is published through a regulatory information service.

Retail distribution of Investment Company shares via financial advisers and other third-party promoters

As a result of the FCA rules determining which investment products can be promoted to retail investors, certain investment products are classified as 'non-mainstream pooled investment products' and face restrictions on their promotion to retail investors.

The Company has concluded that the distribution of its Ordinary Shares, being shares in an investment trust, is not restricted as a result of the FCA rules described above.

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by financial advisers to retail investors and intends to continue to do so for the foreseeable future.

Investment Manager

Acorn Asset Management Limited ('Acorn') has been appointed as the Company's Investment Manager ('Investment Manager'). The Investment Manager is responsible for management of the Company's assets.

The Investment Manager does not receive a fixed management fee in respect of its portfolio management services to the Company. The Investment Manager is instead entitled to a performance fee only when the investment returns of the portfolio outperform the MSCI India IMI Index (sterling terms) over a three-year period. The Investment Manager's accrued performance fee is due to be paid at the end of the Performance Period with the first Performance Period ending approximately three years from the date of First Admission, at the balance sheet date of the Company's third annual financial results in 2021. The Investment Manager has

agreed to be paid the performance fee in Ordinary Shares. A resolution was put to the Shareholders at last year's AGM in December 2020 to allot new shares (the "performance shares") in connection with any performance fees payable to the Investment Manager. This resolution was passed with 100% of the proxy votes cast being in favour of the resolution. The performance shares will be allotted to the Investment Manager in the first week of October 2021.

The Company's Net Asset Value, which is calculated and released daily, always reflects the full liability of the performance fee.

Further details on the performance fee can be found on page 68.

The Investment Management Agreement is terminable by either the Investment Manager or the Company giving to the other not less than six months' written notice, such notice not to expire earlier than the third anniversary of first admission to trading on the premium segment of the Main Market of the LSE.

Investment Adviser

As permitted by the terms of the Investment Management Agreement, the Investment Manager has, with the consent of the Company, appointed the Investment Adviser, White Oak Capital Management Consultants LLP, a boutique investment advisory firm in India, to provide certain non-binding, non-exclusive and recommendatory investment advisory services to it. The Investment Adviser is not entitled to any fees from the Company.

Management engagement

In accordance with the FCA's Listing Rules, the Board confirms that it has reviewed whether to retain Acorn Asset Management Limited as the Investment Manager of the Company.

The Board is satisfied that the Investment Manager has the suitable skills and experience to manage the Company's investments and believe that the continuing appointment of the Investment Manager is in the best interests of Shareholders as a whole.

Company Secretary and Administrator

PraxisIFM Fund Services (UK) Limited has been appointed to provide company secretarial and administration services to the Company. The Board has had continuous direct access to the advice and services of the Company Secretary who is responsible for ensuring that the Board and Committee procedures are followed, and that applicable rules and regulations are complied with.

The Company Secretary provides full company secretarial services to the Company, ensuring that it complies with all legal, regulatory, and corporate governance requirements and officiating at Board meetings and Shareholders' meetings. The Company Secretary is also responsible to the Board for ensuring timely delivery of information and reports and that the statutory obligations of the Company are met. Finally, the Company Secretary is responsible for advising the Board through the Chairman on all governance matters.

Custodian

Kotak Mahindra Bank Limited has been appointed as the Company's Custodian to safeguard the Company's cash and investments.

Capital structure and voting rights

As at 30 June 2021, the Company's issued share capital comprised 85,958,888 Ordinary Shares (30 June 2020: 67,648,500). Each Ordinary Share held entitles the holder to one vote. All shares carry equal voting rights and there are no restrictions on those voting rights. Voting deadlines are stated in the Notice of Meeting and Form of Proxy and are in accordance with the Companies Act 2006.

Since the year end the Company has issued no new Ordinary Shares.

There are no restrictions on the transfer of shares, nor are there any limitations or special rights associated with the Ordinary Shares.

Substantial shareholding

As at 30 June 2021, the Directors have been formally notified of the following interests in the Company's Ordinary Shares, comprising 3% or more of the issued share capital of the Company:

Company	Holding	% Holding as at 30 June 2021
Rathbone Investment Management Limited	7,531,275	8.76
Charles Stanley Group plc	6,760,993	7.87
Schroders plc	5,250,908	6.11
Standard Life Aberdeen plc	5,200,000	6.05
Tilney Smith & Williamson Limited	4,366,111	5.08
Wesleyan Assurance Society	3,200,000	3.72
J.M. Finn & Co Ltd	3,141,500	3.65

Since the year end, the Company has been formally notified that the Rathbones Investment Management Limited holding has increased to 8,593,387 Ordinary Shares and EQ Investors Limited now hold 5,657,828 Ordinary Shares.

Settlement of Ordinary Share transactions

Ordinary Share transactions in the Company are settled by the CREST share settlement system.

Re-appointment of the Auditor

The Company's Auditor, Ernst & Young LLP, having expressed their willingness to continue in office as auditors, will be put forward for re-appointment at the Company's Annual General Meeting and the Board will seek authority to determine their remuneration for the forthcoming year.

Going concern

The Directors have adopted the going concern basis in preparing the accounts. The following is a summary of the Directors' assessment of the going concern status of the Company.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 31 December 2022. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. The Company's net assets at 30 June 2021 were £136.6 million (30 June 2020: £70.5 million). As at 30 June 2021, the Company held £141.1 million (30 June 2020: £72.1 million) in quoted investments and cash of £7.4 million (30 June 2020: £1.6 million). The total expenses (excluding performance fees) for the year ended 30 June 2021 were £0.5 million (30 June 2020: £0.6 million), which represented approximately 0.5% (30 June 2020: 0.9%) of average net assets during the year. At the date of approval of these Financial Statements, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

In light of the COVID-19 pandemic, the Directors have considered the ongoing impact of the virus and the influence on the Company's portfolio of investments from the response of governments around the world. Any future prolonged and deep market decline would likely lead to falling values in the Company's investments. However, as explained above, the Company has more than sufficient liquidity available to meet its expected future obligations and as the Company is a listed vehicle, its shares are always tradeable on the London Stock Exchange. In addition, the Board believes that the Company and its key third party service providers have in place appropriate business continuity plans and have been and will continue to be able to maintain service levels throughout the pandemic.

Auditor independence and information

The Board believes that auditor independence is safeguarded by the following measures: the extent of non-audit work which may be carried out by the auditor is restricted and receives pre-approved by the Audit Committee; the auditor has provided its independence policies and the safeguards and procedures it has developed to respond to challenges to its objectivity; it

also confirms that it is independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit team is not impaired.

Each of the Directors at the date of the approval of this report confirms that:

- (i) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (ii) the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Annual General Meeting ('AGM')

The following information is important and requires your immediate attention. If you are in doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant, or other financial adviser authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM:

Resolution 10 Authority to issue shares and to disapply pre-emption rights

The Board is seeking authority to allot up to a maximum of 17,191,778 Ordinary Shares (representing approximately 20% of the shares in issue at the date of this document) and to dis-apply pre-emption rights when allotting those Ordinary Shares at the forthcoming Annual General Meeting. Authority granted under this resolution will expire at the conclusion of the Annual General Meeting to be held in 2022 unless renewed prior to this date via a General Meeting. The full text of resolution 10 is set out in the Notice of Meeting on page 88.

The authority granted by Shareholders to issue shares will provide flexibility to grow the Company and spread its fixed costs. Shares will only be issued at a premium to the Net Asset Value (cum income) after the costs of issue. Share issues are at the discretion of the Board.

Resolution 11 renewal of authority to purchase own shares

The Companies Act 2006 permits companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This provides the Company with the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the (cum-income) Net Asset Value per existing Ordinary Share at the time of their sale unless they are first offered pro rata to existing Shareholders. At the year end the Company did not hold any shares in treasury.

The Authority to make market purchases will expire at the conclusion of the Company's AGM in 2022. The Directors recommend that a new authority to purchase up to 12,885,237 Ordinary Shares (subject to the condition that not more than 14.99% of the Ordinary Shares in issue, excluding treasury Shares, at the date of this notice of AGM are purchased) be granted and a resolution to that effect will be put to the AGM. Any Ordinary Shares purchased will either be cancelled or, if the Directors so determine, held in treasury. The Directors consider that the renewing of the authority is in the interests of Shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining shares. Resolution 11 will give the Company authority to buy-back its own issued Ordinary Shares in the market as permitted by the Companies Act 2006. The authority also sets the minimum and maximum prices which will be paid on any buy-back of shares. During the year ended 30 June 2021, the Company did not utilise its authority to purchase its own shares. The full text of resolution 11 is set out in the Notice of Meeting on page 88.

Resolution 12 Notice of general meetings

Resolution 12 in the notice to the AGM is required to reflect the requirements of the Shareholder Rights Directive. The Company is currently able to call General Meetings, other than an AGM, on 14 clear days' notice and would like to preserve this ability. In order to be able to do so, Shareholders must have approved the calling of meetings on 14 clear days' notice.

Resolution 12 seeks such approval. The approval would be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company will ensure that it offers the facility for Shareholders to vote by electronic means, and that this facility is accessible to all Shareholders, if it is to call general meetings on 14 days' notice. Short notice will only be used by the Board under appropriate circumstances.

By order of the Board

Brian Smith

For and on behalf of

PraxisIFM Fund Services (UK) Limited

Company Secretary

29 September 2021

Introduction

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance 2019 (the "AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code 2018 (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders. The Company has complied with the Principles and Provisions of the AIC Code. The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive
- the appointment of a senior independent director
- the need for an internal audit function
- executive directors' remuneration

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

The Board

Composition

At the date of this report, the Board consists of four non-executive directors including the Chairman. Dr Booth and Ms Dhut were appointed on 7 June 2018. Mr Watkins and Mr Skinner were appointed on 11 May 2018.

The Board believes that during the year ended 30 June 2021 its composition was appropriate for an investment company of the Company's nature and size. All of the Directors are independent of the Investment Manager and are able to allocate sufficient time to the Company to discharge their responsibilities effectively. All Board members actively participate in Board meetings, provide constructive challenge, specialist advice and strategic guidance.

The Directors have a broad range of relevant experience to meet the Company's requirements and their biographies are given below.



Andrew Watkins (non-executive Chairman)

Andrew Watkins has over 30 years' experience in the investment companies sector in senior sales and client relations positions with Robert Fleming, Jupiter and Invesco Perpetual, retiring from full-time employment in June 2017. He is a current non-executive director of BMO UK High Income Trust plc, Chelverton UK Dividend Trust plc, Baillie Gifford European Growth Trust plc and Consistent Unit Trust Management Ltd.

Jamie Skinner (Chair of the Audit Committee)

Jamie Skinner is a qualified accountant and a fellow of the Chartered Institute for Securities and Investment. He joined Cazenove & Co in 1989 as a corporate finance executive working principally on investment companies and also other sector IPO activity. In 1999 he joined Martin Currie Investment Management Limited as a Director and in 2014 was appointed Head of Client Services. He served as President and CEO of The China Fund, Inc. until 2012, President and CEO of The Taiwan Fund, Inc. until 2014 and President of the Martin Currie Business Trust until 2015. He was appointed to the board of Martin Currie, Inc. in March 2013 and to the board of the Martin Currie Japan Absolute Return Fund in January 2016 and retired from these roles on 17 May 2018 and 10 May 2018 respectively. He is currently a non-executive director of Ediston Property Investment Company plc, the Asian Opportunities Absolute Return Fund Limited and Baillie Gifford Shin Nippon plc.

Dr. Jerome Booth (Chair of the Nomination Committee)

Dr. Jerome Booth is a well-known economist and leading expert on emerging markets. He has a D.Phil and an M.Phil, in Economics from the University of Oxford as well as a degree in Geography from the University of Bristol. In 2013 he retired from Ashmore Group, a world leading emerging markets asset management group that he helped establish in 1999 in a management buy-out from ANZ Bank. Prior to ANZ he worked in the Strategic Planning unit of the Inter-American Development Bank from 1991 to 1994 in Washington, D.C. Prior to this, he had appointments as a Lecturer in Economics at Christ Church, Oxford, a consultancy business advising on aid issues and a position in the mid-1980s in Her Majesty's Department of Trade and Industry. He retired from his position as Chairman of the Governing Board of Anglia Ruskin University on 31 July 2020.

Rita Dhut (Chair of the Management Engagement Committee)

Rita Dhut has over 25 years of varied investment experience having gained industry recognition and multiple awards during her Fund Management career. In 1994 she joined M&G Investment Management as UK equity Fund Manager before being appointed Director of European Equities. In 2001 she joined Aviva Investors and was appointed Head of European Equities in 2004 and in 2006 became Head of UK & European Equity for value-based investment responsible for over £6bn of equity

funds. She left Aviva Investors in 2012 and is now an active investor in, and adviser to early stage companies. She is on the Investment committee for Newable's range of Scale up funds. She is also a Non-Executive Director of Integrafina plc and JP Morgan European Investment Trust plc. Rita has pursued other personal interests close to her heart and is currently a Trustee for the Girls' Day School Trust and a Trustee of The Financial Times Financial Literacy Charity. She is an associate of the CFA Institute and a graduate of City University, London.

The Directors have appointment letters which do not provide for any specific term. Copies of the Directors' appointment letters are available on request from the Company Secretary. Upon joining the Board, any new Director receives an induction and further relevant training is available to Directors on an ongoing basis. When considering new appointments to the Board the Directors will consider other demands on the Director's time and any significant time commitments should be disclosed prior to appointment. Additional external appointments will not be undertaken without prior Board approval.

Independent advice

A procedure has been adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

Conflicts of interest

In accordance with the Companies Act 2006, the Company has put in place procedures to deal with conflicts of interest, which have operated effectively. The Board is aware of the other commitments of its Directors and is satisfied that these duties do not conflict with their duties as Directors of the Company. Any changes to these commitments are reported to the Board.

Board committees

The Board decides upon the membership and chairmanship of its committees.

Audit Committee

A report on page 39 provides details of the role, composition, and meetings of the Audit Committee together with a description of the work of the Audit Committee in discharging its responsibilities. Mr Skinner is the Chairman of the Audit Committee.

Management Engagement Committee

All of the Directors are members of this committee. The Management Engagement Committee meets at least once a year or more often if required. Its principal duties include consideration of the terms of appointment of the Investment Manager and the Company's other service providers, and it will annually review those appointments and the terms of the Investment Management Agreement. Ms Dhut is the Chair of the Management Engagement Committee.

Nominations Committee

The Board as a whole fulfils the function of the Nomination Committee. The Nomination Committee meets at least once a year or more often if required. Its principal duties include identifying and nominating to the Board new Directors and undertaking an annual performance evaluation of the Board, led by the Committee Chairman. Dr Booth is the Chair of the Nomination committee.

Each Committee has adopted formal terms of reference, which are reviewed at least annually, and copies of these are available on the Company's website or on request from the Company Secretary.

Meeting attendance

	Quarterly Board Meetings	Audit Committee	Nomination Committee	Management Engagement Committee
Number of meetings held	4	2	1	1
Andrew Watkins	4/4	2/2	1/1	1/1
Jamie Skinner	4/4	2/2	1/1	1/1
Dr Jerome Booth	4/4	2/2	1/1	1/1
Rita Dhut	4/4	2/2	1/1	1/1

Board diversity

The Company's policy is that the Board should have an appropriate level of diversity in the boardroom, considering relevant skills, gender, social and ethnic backgrounds, cognitive and personal strengths. Consideration is also given to the recommendations of the AIC Code and other guidance on boardroom diversity. As at 30 June 2021 the Company had four Directors, three of whom are male and one of whom is female.

The Board supports the recommendations of the Davies Report and notes the recommendations of the Parker review into ethnic diversity and the Hampton-Alexander review on gender balance in FTSE leadership. The Board supports the widening of its diversity, whilst ensuring the capabilities, experience and background of each member remain appropriate to the Company and continue to contribute to the Board's overall effectiveness.

Tenure Policy

Each Director is subject to annual re-election by Shareholders. Although this is not required by the Company's Articles of Association, it is good governance practice. The Board recommends all of the Directors for re-election at the upcoming AGM in December 2021. The Company has no fixed policy regarding tenure of directorships. The Board recognises the benefits to the Company of having longer serving Directors together with progressive refreshment of the Board in line with corporate governance best practice.

The Board are mindful that the entire Board will reach their ninth anniversary simultaneously during summer 2027. In order to ensure continuity, the Board has adopted a succession plan that allows for a gradual refreshment. Accordingly, the Board may decide to recommend a director with more than nine years' service for re-election should the need arise.

Board Evaluation

A formal annual performance evaluation was conducted on the Board, the Chairman, the Committees, the Investment Manager, and the main service providers for the year ended 30 June 2021. The Directors recognise the importance of the AIC Code's recommendation in respect of evaluating the performance of the Board as a whole, the Committees of the Board and individual Directors. Following careful consideration of available options, the Board appointed the Company Secretary, PraxisIFM Fund Services (UK) Limited, to conduct an internal evaluation of the Board, its Committees, and individual Directors.

The results of this evaluation were reviewed by the Chairman and discussed with the Board. A separate appraisal of the Chairman was carried out by the other Directors and the results reported back to the Chairman by the Chair of the Nominations Committee. The results of the performance evaluation demonstrated that the Directors showed the necessary commitment for the effective fulfilment of their duties. In the Board's considered view, all Directors were and remain independent.

Internal control

The AIC Code requires the Board to review the effectiveness of the Company's system of internal controls. The Board recognises its ultimate responsibility for the Company's system of internal controls and for monitoring its effectiveness. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives and it can provide only reasonable assurance against material misstatement or loss. The Board has undertaken a review of the aspects covered by the guidance and has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as being matters of particular importance upon which it requires reports from the relevant key service providers. The Board believes that the existing arrangements, set out below, represent an appropriate framework to meet the internal control requirements. By following these procedures, the Directors have kept under review the effectiveness of the internal control system throughout the year and up to the date of this report.

Financial aspects of internal control

These are detailed in the Report of the Audit Committee on page 39.

Other aspects of internal control

The Board holds at least four regular meetings each year, plus additional meetings as required. Between these meetings there is regular contact with the Investment Adviser, the Company Secretary, and the Administrator.

The Administrator, PraxisIFM Fund Services (UK) Limited, reports separately in writing to the Board concerning risks and internal control matters within its purview, including internal financial control procedures and company secretarial matters. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

Engagement with the Investment Manager and the Administrator enable the Board to monitor the Company's progress towards its objectives and encompass an analysis of the risks involved. The effectiveness of the Company's risk management and internal control systems is monitored regularly and a formal review, utilising a detailed risk assessment programme, takes place at least annually. This includes a review of the internal controls reports of the Administrator, Investment Manager, Registrar and Custodian.

Principal and emerging risks

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal and emerging risks and how they are being managed are set out in the Strategic Report on pages 3 to 23.

Shareholder relations

The Board encourages all Shareholders to attend the AGM and seeks to provide twenty working days' notice of that meeting. The Notice of AGM sets out the business of the AGM and any item not of an entirely routine nature is explained in the Directors' Report. Separate resolutions are proposed for each substantive issue. The Investment Manager has a regular program of meetings with Shareholders and reports back to the Board on its findings. Additionally, the Company's Broker regularly provides Shareholder feedback to the Board.

The Board is pleased to present the Remuneration Report for the year ended 30 June 2021 which has been prepared in accordance with sections 420-422 of the Companies Act 2006. The law requires the Company's auditor to audit certain sections of the Remuneration Report; where this is the case the relevant section has been indicated as such.

Annual Chairman's Statement

During the Company's financial year ended 30 June 2021, there has been no change in the Board's composition from the disclosures contained in the Company's prospectus. During the year the Board reviewed Directors' fees and considered that the level of remuneration should be increased.

In reaching their decision, the Board considered information, including the fee rates of comparable investment companies. The Directors' fees have not been increased since IPO in 2018 and these increases bring the fee level more in line with market rates of the Company's peers.

Remuneration Policy

The Remuneration Policy was approved by Shareholders at the AGM held on 30 October 2019. The remuneration report was last approved by Shareholders at the AGM held on 9 December 2020. All the Directors are non-executive directors, and the Company has no other employees. The components of the remuneration package for non-executive directors, which are contained in the Remuneration Policy are as detailed below:

Current and future policy

Component	Director	Purpose of reward	Operation
Annual fee ^{1,2}	Chairman of the Board	For services as Chairman of a plc	Determined by the Board
Annual fee ^{1,2}	Other Directors	For services as non-executive Directors of a plc	Determined by the Board
Additional fee ^{1,2}	Chairman of the Audit Committee	For additional responsibility and time commitment	Determined by the Board
Expenses	All Directors	Reimbursement of expenses incurred in the performance of duties	Submission of appropriate supporting documentation

1 **Payment in shares** - The Board has determined that with effect from 24 June 2021, Directors' may elect to receive their Directors fee in cash, rather than in shares. The Directors (excluding the Chairman from 30 June 2021) have agreed that any fees payable to them shall, save where the Company determines otherwise, be satisfied in Ordinary Shares acquired at market value, such Ordinary Shares to be acquired on behalf of the Directors and for their account by the Company's broker. Any Ordinary Shares acquired by the Directors pursuant to these arrangements shall be subject to the terms of the Directors' Lock-in Deed and not accounted under share-based payments. The Chairman of the Board has elected to be paid fees in cash, rather than in shares, from the quarter ended 30 June 2021.

2 **Lock-in Deed** - Each Board member is subject to a Deed between themselves, the Company and Peel Hunt (the "Broker") dated 19 June 2018. The Directors have agreed that they will not sell, grant options over or otherwise dispose of any interest in any Ordinary Shares acquired by them in satisfaction of their entitlement to Directors' fees (save in certain circumstances, including: (i) in acceptance of a general offer made for the entire issued share capital of the Company; or (ii) pursuant to an intervening court order; or (iii) following termination of their appointment as a non-executive Director of the Company) prior to the first anniversary of the date of acquisition of the relevant Ordinary Shares. The Directors' Lock-in Deed is governed by the laws of England and Wales.

Directors' service contracts

The Directors do not have service contracts with the Company. The Directors have appointment letters which do not provide for any specific term. They are subject to re-election by Shareholders at a maximum interval of three years although, for good governance, they submit themselves for annual re-election. Subject to the

provision of the Lock-in-Deed, there are no restrictions on transfers of the Company's shares held by the Directors, or any special rights attached to such shares.

Fees payable on recruitment

The Board will not pay any incentive fees to any person to encourage them to become a Director of the

Company. The Board may, however, pay fees to external agencies to assist the Board in the search and selection of Directors.

Remuneration Implementation Report (Audited)

The table below provides a single figure for the total remuneration of each Director for the year ended 30 June 2021 together with the prior year comparative:

Director	Fees to 30 June 2021 £	Fees to 30 June 2020 £	Annual percentage change in Directors fees (%)
Andrew Watkins	35,000	35,000	Nil
Jamie Skinner	27,500	27,500	Nil
Dr. Jerome Booth	25,000	25,000	Nil
Rita Dhut	25,000	25,000	Nil
Total	112,500	112,500	Nil

Information on Directors' costs is disclosed on Note 6 of these Financial Statements.

Voting at last Annual General Meeting

The resolution to approve the Remuneration Policy contained in the Annual Report for the year ended 30 June 2019 was passed at the AGM held on 30 October 2019 with 100% of the shares voted being in favour of the resolution. The resolution to approve the Director's Remuneration Report contained in the Annual Report for the year ended 30 June 2020 was put forward to shareholders at the AGM held on 9 December 2020. The resolution was passed with 99.99% of the shares voted being in favour of the resolution and 12,232 votes were withheld.

Remuneration Committee

Given the size of the Board, being four members in number, the Board is of the view that a separate Remuneration Committee is not required to be established. The Nomination Committee is responsible, inter alia, for reviewing the remuneration payable to the

Directors considering the relevant circumstances of the Company.

Fees

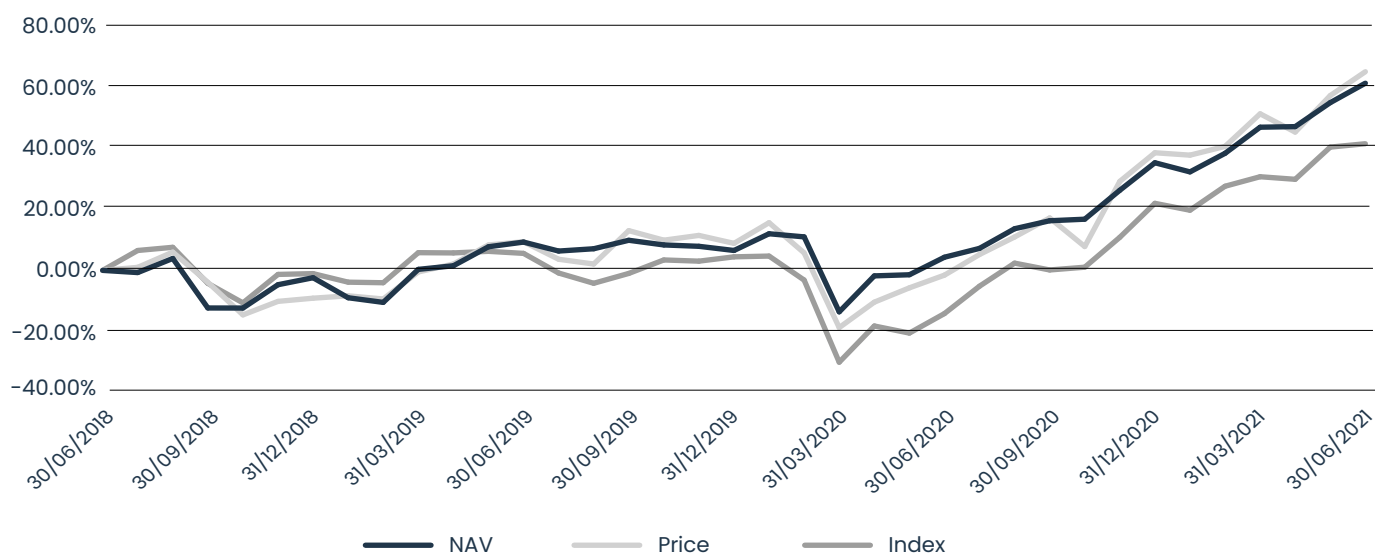
Directors' fees have remained unchanged since the commencement of the Company's operations in July 2018. The fees were payable at an annual rate of £35,000 to the Chairman and £25,000 to each Director. In addition, the Chairman of the Audit Committee received an additional fee of £2,500 per annum. During the year ended 30 June 2021, a review of Directors' remuneration has been performed. The Board has taken into account independent analysis of current market rates of Directors' fees for investment trust companies and has approved, that, with effect from 1 July 2021, the fees will be payable at an annual rate of £40,000 to the Chairman and £27,500 to each Director. In addition, the Chairman of the Audit Committee will receive an additional fee of £5,000 per annum.

Directors' indemnities

The Company has agreed to indemnify, defend and hold harmless its Directors from and against all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, legal costs, reasonable expenses or disbursements (other than those resulting from fraud or negligence).

Performance

The following chart shows the performance of the Company's net asset value and share price (total return) by comparison to the MSCI India IMI Index (total return in Sterling) for the period since the Company was listed assuming £100 was invested at the point the Company was listed. The Company does not have a specific benchmark but has deemed the MSCI India IMI Index (in Sterling) to be the most appropriate comparator for its performance.



Relative importance of spend on pay

The following table sets out the total level of Directors' remuneration compared to the distributions to Shareholders by way of dividends and share buybacks, and the performance fees and operating expenses incurred by the Company for the year ended 30 June 2021, together with the prior year comparative.

	Year to 30 June 2021 £	Year to 30 June 2020 £
Income	628,000	586,000
Net investment gains/(losses)	52,812,000	(114,000)
Spend on Directors' fees	112,500	112,500
Performance fees	5,105,000	2,835,000
Operating expenses	511,000	554,000
Dividends paid to Shareholders	nil	nil

The disclosure of the information in the table above is required under The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 with the exception of performance fees and operating expenses which have been included to show the total expenses of the Company.

Directors' holdings (audited)

At 30 June 2021 and at the date of this report the Directors had the following holdings in the Company. All holdings were beneficially owned.

	Ordinary Shares as at 30 June 2021	Ordinary Shares as at 30 June 2020	Ordinary Shares as at the date of this report
Andrew Watkins	94,425	82,542	94,425
Jamie Skinner	75,023	64,603	75,023
Rita Dhut	74,425	62,032	74,425
Dr Jerome Booth	54,839	40,017	54,839

Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Remuneration Policy and Remuneration Implementation Report summarises, as applicable, for the year ended 30 June 2021:

- (a) the major decisions on Directors' remuneration;
- (b) any substantial changes relating to Directors' remuneration made during the year; and
- (c) the context in which the changes occurred and decisions have been taken.

Andrew Watkins
Chairman of the Board
29 September 2021

Role and responsibilities of the Audit Committee

The AIC Code of Corporate Governance (the "AIC Code") recommends that Boards should establish an audit committee consisting of at least three, or in the case of smaller companies, two independent non-executive Directors. The Board is required to satisfy itself that the audit committee has recent and relevant financial experience. The main role and responsibilities of the audit committee should be set out in written terms of reference covering certain matters described in the Code. The Company complies with the AIC Code.

The Committee has formal written terms of reference which clearly set out its main role and responsibilities including certain matters provided for in the Code. Copies of the terms of reference are available on the Company's website or on request from the Company Secretary.

The principal responsibilities of the Committee are:

- to monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- to review the Company's internal financial controls and the internal control and risk management systems of the Company and its third party service providers;
- to make recommendations to the Board in relation to the appointment of the external Auditor and their remuneration;
- to review and monitor the external Auditor's independence and objectivity and the effectiveness of the audit process; and
- to develop and implement policy on the engagement of the external Auditor to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm.

The Audit Committee meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and objectivity, and remuneration of the Auditor and to review the annual accounts and half-yearly financial report. The Audit Committee also reviews the Company's internal financial controls and its internal control and risk management systems. Where non-audit services are provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement are considered before proceeding. These are non-recurring services, and the work was performed by a team independent of the audit team and the audit team place no reliance on the output of the services provided.

Composition of the Committee

All of the Directors of the Company are members of the Committee which is chaired by Mr Skinner. All members of the Committee have recent and relevant financial experience. The Chairman of the Company is a member of the Committee. The Board and the Committee believe that it is appropriate for the Chairman of the Board to remain a member of the Committee because he has recent and relevant financial experience and was independent on his appointment as Chairman and remains so.

Activities of the Committee

There were two Audit Committee meetings held during the year ended 30 June 2021 at which all Committee members were in attendance.

The Committee, amongst other things, considered the appointment, independence and objectivity, and remuneration of the external Auditor and reviewed the annual accounts and half-yearly financial report. The Committee also reviewed the Company's internal financial controls and its internal control and risk management systems. Where non-audit services were provided by the external Auditor, full consideration of the financial and other implications on the independence of the external Auditor arising from any such engagement were considered before proceeding.

Financial aspects of internal control

The Directors are responsible for the internal financial control systems of the Company and for reviewing its effectiveness. The aim of the internal financial control system is to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication and that the assets of the Company are safeguarded. As stated above, the Board has contractually delegated to external agencies the services the Company requires, but they are fully informed of the internal control framework established by each relevant service provider who have provided reasonable assurance on the effectiveness of internal financial controls.

Where controls reports were not coterminous with the Company's year end bridging letters were obtained. The Audit Committee also received papers in relation to the controls at the Custodian, Investment Manager and Investment Adviser.

The key procedures include monthly production of management accounts and NAV calculations, monitoring of performance at regular Board meetings, supervision by Directors of the valuation of securities, segregation of the administrative function from that of securities and cash custody and of both from investment management, maintenance of appropriate insurance and adherence to physical and computer security procedures. The Audit Committee received and reviewed control reports from the Company's Administrator and Registrar which contain reporting accountant's reports.

The Audit Committee considered the control observations noted within the external auditor's report. The control observation related to the valuation of unquoted investments, calculation of Indian capital gains taxes and the completeness of special dividends.

The Audit Committee discussed these observations with the relevant service providers and has requested the controls to be reviewed. The control observations did not result in a material misstatement for the year ended 30 June 2021.

The Statement of Directors' Responsibilities in respect of the accounts is on page 43 and a Statement of Going Concern is on page 27.

The Report of the Independent Auditor is on pages 45 to 55.

Financial statements and significant accounting matters

The Audit Committee reviewed the financial statements and considered the following significant accounting issues in relation to the Company's financial statements for the year to 30 June 2021:

Valuation and existence of investments

The Company holds its assets in quoted investments. The existence and valuation of these investments is the most material matter in the production of the financial statements. The Audit Committee reviewed the procedures in place for ensuring accurate valuation and existence of investments and discussed the valuation of the Company's investments at the year end with the Investment Manager and reviewed their existence with the Administrator and other service providers. Investments are valued using independent pricing sources by the Administrators and the holding quantities at the year end were agreed to the Company's custodian's records.

The Company also holds unquoted investments in the portfolio. The Investment Manager provided a valuation recommendation for the unquoted investments held at the year end which was discussed and approved by the Directors. The Investment Managers' valuation approach for investments in unlisted companies is described on page 62.

Recognition of income

Income may not be accrued in the correct period and/or incorrectly allocated to revenue or capital. The Audit Committee reviewed the Administrator's procedures for recognition of income and reviewed the treatment of any special dividends receivable in the period under review.

Calculation of performance fees

Incorrect amounts may be paid to the Investment Manager and recognised in the accounts if the fees are not calculated correctly. Performance fee calculations are circulated to the Directors prior to payment. The Audit Committee reviewed the procedures in place for the calculation of performance fees.

Tax status and Indian capital gains provision

The Company may suffer tax on gains on the realisation of investments if investment trust status is not maintained. The Audit Committee reviewed the compliance of the Company during the year with the eligibility conditions and ongoing requirements in order for investment trust status to be maintained.

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 Audit Committee reviewed the procedures in place for the calculation of Indian capital gains tax. The details of the Indian capital gains calculation and the assumptions used can be found on page 61.

Going concern

The Audit Committee reviewed the Company's financial resources and concluded that it is appropriate for the Company's financial statements to be prepared on a going concern basis as described in the Directors' Report on page 27.

Conclusion with respect to the annual report and financial statements

The Audit Committee has concluded that the annual report for the year to 30 June 2021, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's business model, strategy and performance. The Audit Committee has reported its conclusions to the Board of Directors. The Audit Committee reached this conclusion through a process of review of the document

and enquiries to the various parties involved in the production of the annual report.

Ernst & Young LLP

Ernst & Young LLP was appointed as the Company's Auditor for the period ended 31 March 2019, with Sue Dawe as the lead audit partner. The audit partner responsible for the audit is to be rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. Ernst & Young LLP has confirmed that it believes it is independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired. Having carried out the review described below, the Committee is satisfied that the Auditor remains independent and effective for the purposes of this year's audit and, as such, has not considered it necessary to put the audit services contract out to tender. In accordance with regulations in relation to the statutory audits of listed companies, the Company is required to put the audit out to tender for the 2029 year end. There are no contractual obligations restricting the Committee's choice of external Auditor.

Effectiveness of external audit

The Audit Committee is responsible for reviewing the effectiveness of the external audit process. The Audit Committee received a presentation of the audit plan from the external Auditor prior to the commencement of the audit and a presentation of the results of the audit following completion of the main audit testing. Additionally, the Audit Committee received feedback from the Administrator regarding the effectiveness of the external audit process and the Audit Quality Inspection Report on Ernst & Young LLP issued by the FRC's Audit Quality Review Team (AQRT). Following the above review, the Audit Committee has agreed that the re-appointment of the external Auditors should be recommended to the Board and the Shareholders of the Company.

Provision of non-audit services

The Audit Committee has put a policy in place on the supply of any non-audit services provided by the external Auditor. Such services are considered on a case-by-case basis and may only be provided to the Company if the provision of such services is at a reasonable and competitive cost and does not constitute a conflict of interest or potential conflict of interest which would prevent the external Auditor from remaining objective and independent.

During the year ended 30 June 2021, the Auditor performed reporting accountant services in connection with the Company's new prospectus and fees of £25,000 (excluding VAT of £5,000) were paid in respect of these services.

The Audit Committee has assessed that this non-audit service is a permissible service in accordance with the FRC Ethical Standard.

Internal Audit

The Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company. The Committee keeps the need for an internal audit function under periodic review.

Jamie Skinner

Audit Committee Chairman

29 September 2021

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

The Companies Act 2006 (the "company law") requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, the Company's financial statements are required to be prepared in accordance with IFRSs in conformity with the Companies Act 2006 and IFRSs adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company during and as at the end of the year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates, which are reasonable and prudent;
- present information including accounting policies and additional disclosures as required to ensure the report is presented in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the Company's website at <https://www.ashokaindiaequity.com>, which is maintained by the Investment Manager. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the accounts since being initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmation statement

The Directors each confirm to the best of their knowledge that:

- (a) the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.1.12R; and
- (b) this Annual Report comprising the Strategic Report and Governance Statements includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal and emerging risks and uncertainties that it faces as required by DTR 4.1.8R and DTR 4.1.9R.

Having taken advice from the Audit Committee, the Directors consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

For and on behalf of the Board

Andrew Watkins
Chairman

29 September 2021

Opinion

We have audited the financial statements of Ashoka India Equity Investment Trust plc (the 'Company') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirmation of our understanding of the Company's going concern assessment process and engaged with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- Inspection of the Directors' assessment of going concern, including the revenue forecast, for the period to 31 December 2022 which is at least twelve months from the date the financial statements were authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Review of the factors and assumptions, including the impact of the COVID-19 pandemic, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.
- Consideration of the mitigating factors within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements.

- Review of the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 31 December 2022 which is at least 12 months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"> • Risk of incorrect valuation or ownership of the investment portfolio and the resulting impact on the Statement of Comprehensive Income • Risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital in the Statement of Comprehensive Income • Risk of incorrect calculation of the performance fee
Materiality	• Overall materiality of £1.37m which represents 1% of net assets.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Incorrect valuation or ownership of the investment portfolio and the resulting impact on the Statement of Comprehensive Income (refer to the Report of the Audit Committee set out on page 40 and the accounting policy set out on page 61).</p> <p>The valuation of the investment portfolio at 30 June 2021 was £147.4m (2020: £72.1m) consisting of quoted investments with an aggregate value of £141.08m and unquoted investments with an aggregate value of £6.32m (2020: £0)</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title to the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders.</p> <p>The fair value of quoted investments is determined by reference to bid value or the last traded price on the relevant exchange.</p>	<p>We performed the following procedures:</p> <p>We obtained an understanding of the processes and controls surrounding investment valuation, legal title, gains and losses and Indian capital gains taxes by performing walkthroughs in which we evaluated the design and implementation of controls.</p> <p>For quoted investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end.</p> <p>We inspected the stale pricing reports produced by the Administrator to identify prices that have not changed around the year end and verified whether the quoted price is a valid fair value through review of trading activity.</p> <p>For the unquoted investments held as at the year-end we utilised our specialist Valuations team to review and challenge the valuations. This included:</p> <ul style="list-style-type: none"> • Reviewing the valuation papers prepared by the Manager for the year end valuation; • Assessing whether the valuations have been performed in line with the IPEV guidelines; 	<p>We reported immaterial audit differences relating to the unquoted investment valuations and the Indian Capital Gains Tax provision and made recommendations in relation to the controls in these areas. We identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio and the resulting impact on unrealised gains and losses.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Unquoted investments are valued at fair value by the Directors following a review of the valuations proposed by the Investment Manager. The unquoted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ("IPEV").</p>	<ul style="list-style-type: none"> Assessing the appropriateness of the data inputs and challenging the assumptions used to support the valuations; Assessing other facts and circumstances, such as market movement and comparative Company information, that have an impact on the fair market value of the investments; and 	
<p>The valuation of the unquoted investments, and the resultant impact on the unrealised gains/ (losses), is an area requiring judgement and estimation in the preparation of the financial statements.</p>	<p>Determining a fair value range for the valuation and assessing whether Management's valuation is reasonable.</p>	
<p>The Company incurs Indian capital gains taxes on realised gains made from the investment portfolio and is also required to recognise a capital gains tax provision based on unrealised gains and relevant tax rates as at the year end. The capital gains tax provision as at 30 June 2021 was £7.63m (2020: £1.00m). Incorrect calculation of the capital gains tax provision could impact on the Company's net asset value.</p>	<p>We recalculated the realised gains and losses arising on a sample of disposals and ensured the average cost method was consistently and correctly applied.</p> <p>We recalculated the total unrealised gains/losses on investments as at the year-end using the book-cost reconciliation.</p> <p>We compared the Company's investment holdings at 30 June 2021 to an independent confirmation received directly from the Company's Custodian, testing any reconciling items to supporting documentation.</p>	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Statement of Comprehensive Income (refer to the Report of the Audit Committee set out on page 40 and the accounting policy set out on page 63).</p> <p>The total revenue for the year to 30 June 2021 was £0.63m (2020: £0.59m), consisting of dividend income from quoted equity investments.</p> <p>There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p>	<p>We reviewed the application of Indian capital gains tax rates with reference to tax legislation and the length of investment ownership. We discussed and challenged the calculation with the Investment Manager and the Company tax advisor, as preparer of the calculation. We recalculated the Indian capital gains tax provision recognised at the year-end and agreed the inputs to the calculation to our audit workpapers including a sample of transaction details.</p> <p>We have performed the following procedures:</p> <p>We obtained an understanding of the processes and controls surrounding revenue recognition and the classification of special dividends by performing our walkthrough procedures to evaluate the design and implementation of controls For all dividends received and accrued we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. For a sample of dividends received and all dividends accrued we agreed amounts to bank statements and where applicable, agreed the exchange rates to an external source.</p>	<p>We made a recommendation in relation to controls around the identification of special dividends We identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital in the Statement of Comprehensive Income.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>In addition to the above, the Directors may be required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.</p>	<p>For dividends accrued, we reviewed the investee company announcements to assess whether the dividend obligations arose prior to 30 June 2021.</p> <p>To test completeness of recorded income, we tested that expected dividends for each investee company held during the year had been recorded as income with reference to investee company announcements obtained from an independent data vendor.</p> <p>For all investments held during the year, we reviewed the type of dividends paid with reference to an external data source and confirmed that there were no special dividends received.</p> <p>We identified which of the dividends above our testing threshold were special dividends with reference to an external source. There were two special dividends above our testing threshold however for a sample of special dividends below our testing threshold, we recalculated and assessed the appropriateness of management's classification and agreed that the revenue treatment was appropriate.</p>	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Incorrect calculation of the performance fee (refer to the Audit Committee report set out on page 41 and the accounting policy set out on page 63).</p> <p>The performance fee amounted to £5.11m for the year ended 30 June 2021 (2020: £2.84m) which resulted in a year end provision of £7.99m (2020: £2.89m).</p> <p>The performance fees payable by the Company for investment management services are a significant component of the Company's cost base and, therefore impacts the Company's total return.</p> <p>If the performance fee is not calculated in accordance with the methodology prescribed in the investment management agreement ('IMA') and incorrect data is used this could have a significant impact on both costs and total return.</p>	<p>We performed the following procedures:</p> <p>We obtained an understanding of the processes and controls surrounding the performance fee calculation by performing our walkthrough procedures to evaluate the design and implementation of controls.</p> <p>We recalculated the performance fee recognised in the year ended 30 June 2021 and recalculated the total performance fee recognised over the three year performance period with reference to the methodology prescribed in the IMA.</p> <p>We validated all inputs used in the calculation to our audited financial information, the IMA and to underlying audit evidence.</p>	<p>The results of our procedures are:</p> <p>The results of our procedures identified no material misstatement in relation to the risk of incorrect calculation of the performance fee.</p>
<p>We re-assessed the risks during the year and we revised our risk assessment to include the key audit matter 'Risk of incorrect calculation of the performance fee' given the materiality of the fee and in recognition that 30 June 2021 was the end of the Company's first 3 year performance period. Our Key Audit Matter named 'Incorrect valuation or ownership of the investment portfolio' was also updated with reference to the addition of unquoted assets and the resulting impact on unrealised gains/(losses) in the period to 30 June 2021. In the prior year, our auditor's report included a key audit matter in relation to the impact of COVID-19. The impact of COVID-19 on going concern continued to be relevant to our audit of the Company and we considered this as</p>	<p>part of our overall work on going concern which is set out under "Conclusions relating to going concern". The other elements of the prior year key audit matter have not been included as a separate key audit matter as it was determined that they did not have a significant impact on our audit strategy for this year's audit.</p> <p>Our application of materiality</p> <p>We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.</p>	

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £1.37m (2020: £0.7m) which is 1% of Net Assets. We believe that Net Assets provides us with materiality aligned to the users interests as it represents a key measurement of the Company's position.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2020: 75%) of our planning materiality, namely £1.02m (2020: £0.53m).

Given the importance of the distinction between revenue and capital for the Company, we have also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.07m (2020: £0.03m) which is set as our reporting threshold, calculated as 5% of our planning materiality.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.07m (2020: £0.03m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the parts of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the parts of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 27;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 27;
- Directors' statement on fair, balanced and understandable set out on page 41;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 14;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 14; and;
- The section describing the work of the audit committee set out on page 39

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 43, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are International Accounting Standards in conformity with the Companies Act 2006, the Companies Act 2006, the Listing Rules, UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice,

Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.

- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of Board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through the incorrect classification of special dividends and incorrect valuation of the unquoted investments and the resulting impact on the unrealised gains/(losses). Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- We were appointed by the Company on 28 March 2019 to audit the financial statements for the period ending 30 June 2019 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is three years, covering the years ending 30 June 2019 to 30 June 2021.

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Susan J Dawe (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh**

29 September 2021

Notes:

1. The maintenance and integrity of the Ashoka India Equity Investment Trust plc web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FINANCIAL STATEMENTS

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Statement of Comprehensive Income

For the financial year ended 30 June 2021

	Note	For the year ended 30 June 2021			For the year ended 30 June 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	4	–	52,929	52,929	–	(48)	(48)
Losses on currency movements		–	(117)	(117)	–	(66)	(66)
Net investment gains/(losses)		–	52,812	52,812	–	(114)	(114)
Income	5	628	–	628	586	–	586
Total income		628	52,812	53,440	586	(114)	472
Performance fees	7	–	(5,105)	(5,105)	–	(2,835)	(2,835)
Operating expenses	8	(511)	–	(511)	(554)	–	(554)
Operating profit/(loss) before taxation		117	47,707	47,824	32	(2,949)	(2,917)
Taxation	9	(62)	(7,408)	(7,470)	(18)	(460)	(478)
Profit/(loss) for the year		55	40,299	40,354	14	(3,409)	(3,395)
Earnings/(loss) per Ordinary Share	10	0.07p	54.65p	54.72p	0.02p	(5.55)p	(5.53)p

There is no other comprehensive income and therefore the 'profit/(loss) for the year' is the total comprehensive income for the year ended 30 June 2021.

The total column of the above statement is the profit and loss account 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.

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

The notes on pages 60 to 77 form an integral part of these financial statements.

Statement of Financial Position

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As at 30 June 2021

	Note	30 June 2021 £'000	30 June 2020 £'000
Non-current assets			
Investments held at fair value through profit or loss	4	147,399	72,120
Current assets			
Cash and cash equivalents		7,447	1,629
Sales for Settlement		–	623
Dividend receivable		59	56
Other receivables		604	38
		8,110	2,346
Total assets		155,509	74,466
Current liabilities			
Purchases for future settlement		(3,227)	–
Other payables	6	(86)	(128)
Performance fee payable		(7,992)	–
Non-Current liabilities			
Performance fee provision		–	(2,887)
Capital gains tax provision	9	(7,629)	(1,001)
Total liabilities		(18,934)	(4,016)
Net assets		136,575	70,450
Equity			
Share capital	12	860	676
Share premium account		49,099	23,512
Special distributable reserve	13	44,276	44,276
Capital reserve		42,466	2,167
Revenue reserve		(126)	(181)
Total equity		136,575	70,450
Net asset value per Ordinary Share	14	158.9p	104.1p

Approved by the Board of Directors on 29 September 2021 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 60 to 77 form an integral part of these financial statements.

Statement of Changes in Equity

For the financial year ended June 2021

	Note	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 July 2020		676	23,512	44,276	2,167	(181)	70,450
Profit for the year		–	–	–	40,299	55	40,354
Issue of Ordinary Shares		184	25,671	–	–	–	25,855
Share issue costs		–	(84)	–	–	–	(84)
Closing balance as at 30 June 2021		860	49,099	44,276	42,466	(126)	136,575

For the financial year ended June 2020

	Note	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 July 2019		501	4,372	44,276	5,576	(195)	54,530
(Loss)/profit for the year		–	–	–	(3,409)	14	(3,395)
Issue of Ordinary Shares	12	175	19,602	–	–	–	19,777
Share issue costs		–	(462)	–	–	–	(462)
Closing balance as at 30 June 2020		676	23,512	44,276	2,167	(181)	70,450

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

The notes on pages 60 to 77 form an integral part of these financial statements.

For the financial year ended 30 June 2021

	Note	For the year ended 30 June 2021 £'000	For the year ended 30 June 2020 £'000
Cash flows from operating activities			
Operating profit/(loss) before taxation		47,824	(2,917)
Taxation paid		(1,125)	(288)
(Increase)/decrease in receivables		(569)	57
Increase in payables		5,063	2,843
(Gains)/losses on investments	4	(52,929)	48
Net cash flow used in operating activities		(1,736)	(257)
Cash flows from investing activities			
Purchase of investments		(95,557)	(84,694)
Sale of investments		74,469	66,096
Capital distributions received		2,871	41
Net cash flow used in investing activities		(18,217)	(18,557)
Cash flows from financing activities			
Proceeds from issue of shares	12	25,855	19,777
Share issue costs		(84)	(462)
Net cash flow from financing activities		25,771	19,315
Increase in cash and cash equivalents		5,818	501
Cash and cash equivalents at start of year		1,629	1,128
Cash and cash equivalents at end of year		7,447	1,629

The notes on pages 60 to 77 form an integral part of these financial statements.

1. Reporting entity

Ashoka India Equity Investment Trust plc is a closed-ended investment company, registered in England and Wales on 11 May 2018. The Company's registered office is 1st Floor, Senator House, 85 Queen Victoria Street, London, EC4V 4AB. Business operations commenced on 6 July 2018 when the Company's Ordinary Shares were admitted to trading on the LSE. The financial statements of the Company are presented for the year from 1 July 2020 to 30 June 2021.

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

Statement of compliance

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the applicable legal requirements of the Companies Act 2006. In addition to complying with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared on a historical cost basis, except for the measurement at fair value of investments.

When presentational guidance set out in the Statement of Recommended Practice ('SORP') for Investment Companies issued by the Association of Investment Companies ('the AIC') in April 2021 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

Going concern

The Directors have concluded that there is a reasonable expectation that the Company will have adequate liquidity and cash balances to meet its liabilities as they fall due and continue in operational existence for the foreseeable future and continue as a going concern for the period to 31 December 2022. As such the Directors have adopted the going concern basis in preparing the financial statements.

Details of the Directors assessment of the going concern status of the Company, which considered the adequacy of the Company's resources and the impacts of the COVID-19 pandemic, are given on page 27.

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Basis of preparation (continued)

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 on when the Company disposes of investments. The current provision for 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 year end. Currently, the short-term tax rate is 15% and the long-term tax rate is 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 as at 30 June 2021 of £7,629,000 (30 June 2020: £1,001,000) in respect of unrealised gains on investments held.

The Directors do not believe that any accounting judgements or estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The Company's investments are denominated in Indian Rupees. However, the Company's shares are issued in Sterling and the majority of its investors are UK based. The Company's expenses and dividends are also paid in Sterling. Therefore, the financial statements are presented in Sterling, which is the Company's functional currency. All financial information has been rounded to the nearest thousand pounds.

The key estimate in the financial statements is the determination of the fair value of the unlisted investments by the Investment Manager for consideration by the Directors. This estimate is key as it significantly impacts the valuation of the unlisted investments at the year end. The fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The key inputs considered in the valuation are described on page 74.

Fair value estimates are cross-checked to alternative estimation methods where possible to improve the robustness of the estimates. The risk of an over or under estimation of fair values is greater when methodologies are applied using more subjective inputs.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

3. Accounting policies

(a) Investments

Listed investments

Upon initial recognition, investments are classified by the Company "at fair value through profit or loss" as they are equity instruments. They are accounted for on the date they are traded and are included initially at fair value which is taken to be their cost. Subsequently quoted investments are valued at fair value, which is the bid market price, or if bid price is unavailable, last traded price on the relevant exchange.

3. Accounting policies (continued)

Changes in the fair value of investments held at fair value through profit or loss and gains or losses on disposal are included in the capital column of the Statement of Comprehensive Income within "gains/(losses) on investments".

Investments are derecognised on the trade date of their disposal, which is the point where the Company transfers substantially all the risks and rewards of the ownership of the financial asset.

Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised under gains/(losses) on investments.

Unlisted investments

The Investment Manager unlisted investment valuation policy applies techniques consistent with the IPEV Guidelines.

The techniques applied are predominantly market-based approaches or discounted cash flows where appropriate forecasts can be done. The market-based approaches available under IPEV Guidelines are set out below and are followed by an explanation of how they are applied to the Company's unlisted portfolio:

- Multiples;
- Industry Valuation Benchmarks; and
- Available Market Prices.

The nature of the unlisted portfolio currently will influence the valuation technique applied. The valuation approach recognises that, as stated in the IPEV Guidelines, the price of a recent investment, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. However, consideration is given to the facts and circumstances as at the subsequent measurement date, including changes in the market or performance of the investee company. Milestone analysis is used where appropriate to incorporate the operational progress of the investee company into the valuation. Additionally, the background to the transaction must be considered. As a result, various Multiples-based techniques are employed to assess the valuations particularly in those companies with established revenues. Discounted cashflows are used where appropriate. An absence of relevant industry peers may preclude the application of the industry valuation benchmarks technique and an absence of observable prices may preclude the available market prices approach. All valuations are cross-checked for reasonableness by employing relevant alternative techniques.

(b) Foreign currency

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At the date of each Statement of Financial Position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the

rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the Statement of Comprehensive Income within the revenue or capital column depending on the nature of the underlying item. Foreign exchange movements on investments are included in the Statement of Comprehensive Income within "losses on currency" movements.

(c) Income from investments

Dividend income from shares is accounted for on the basis of ex-dividend dates. Overseas income is grossed up at the appropriate rate of tax.

Special dividends are assessed on their individual merits and may be credited to the Statement of Comprehensive Income as a capital item if considered to be closely linked to reconstructions of the investee company or other capital transactions. All other investment income is credited to the Statement of Comprehensive Income as a revenue item.

Interest on fixed income instruments is accounted on an accrual basis.

(d) Capital reserves

Profits or losses arising on the sale of investments and changes in fair value arising upon the revaluation of investments are credited or charged to the capital column of the Statement of Comprehensive Income and allocated to the capital reserve.

Company's redemption facility is subject to approval by the Board and as such the redemption facility does not represent a contractual obligation on the Company and the shares are accordingly classified as equity.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses are recognised through the Statement of Comprehensive Income as revenue items except as follows:

Performance fees

Performance fees, if any, are payable directly by reference to the capital performance of the Company as per the Investment Management Agreement and are therefore charged to the Statement of Comprehensive Income as a capital item. No other management fees are payable.

(f) Cash and cash equivalents

Cash comprises cash at hand and demand deposits. For purposes of the statement of cash flows, cash equivalents, including bank overdrafts, are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risks of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(g) Taxation

Irrecoverable taxation on dividends is recognised on an accruals basis in the Statement of Comprehensive Income. Indian tax rates for dividends with ex-dividend dates post 1 April 2020 are subject to 20% withholding tax.

3. Accounting policies (continued)

The tax charges on Indian capital gains taxes are shown in the Statement of Comprehensive Income, recognised on an accrual basis. The Company is not subject to UK capital gains tax.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Investment trusts which have approval as such under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

(h) 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 2020. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Company.

At the date of authorisation of the financial statements, the following standards and interpretations were assessed to be relevant and are all effective for annual periods beginning on or after 1 January 2021:

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018–2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. This amendment is unlikely to have any impact on the financial statements of the Company.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 7, IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. These amendments have no impact on the financial statements of the Company.

There are no other accounting standards, amendments, or interpretations effective, that have or will have material impact on these financial statements. Furthermore, the Company has not been an early adopter of any such standards, amendments, and interpretations to existing standards prior to their effective date. The Directors expect that the adoption of the standards listed above will have either no impact or that any impact will not be material on the financial statements of the Company in future periods.

4. Investments held at fair value through profit or loss

(a) Investments held at fair value through profit or loss

	As at 30 June 2021	As at 30 June 2020
	£'000	£'000
-Quoted investments in India	141,076	72,120
-Unquoted investments in India	6,323	-
Closing valuation	147,399	72,120

(b) Movements in valuation

	As at 30 June 2021	As at 30 June 2020
	£'000	£'000
Opening valuation	72,120	54,234
Opening unrealised gains on investments	6,841	8,079
Opening book cost	65,279	46,155
Additions, at cost	98,926	84,539
Disposals, at cost	(62,927)	(65,415)
Closing book cost	101,278	65,279
Revaluation of investments	46,121	6,841
Closing valuation	147,399	72,120

Transaction costs on investment purchases for the year ended 30 June 2021 amounted to £142,000 (30 June 2020: £156,000) and on investment sales for the financial year to 30 June 2021 amounted to £121,000 (30 June 2020: £110,000). As at year end £9.8 million of investments were subject to lock in periods.

(c) (Losses)/gains on investments

	Year ended 30 June 2021	Year ended 30 June 2020
	£'000	£'000
Realised gains on disposal of investments	11,041	1,415
Transaction costs	(263)	(266)
Movement in unrealised gains/(losses) on investments held	39,280	(1,238)
Capital distributions received	2,871	41
Total gains/(losses) on investments	52,929	(48)

4. Investments held at fair value through profit or loss (continued)

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

Unadjusted quoted prices in an active market 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 (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

	As at 30 June 2021				As at 30 June 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investments at fair value through profit and loss – Quoted investments in India	141,076	–	–	141,076	72,120	–	–	72,120
Unquoted investments in India	–	–	6,323	6,323	–	–	–	–

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

	As at 30 June 2021	As at 30 June 2020
	£'000	£'000
Opening balance	–	–
Additions during the year	6,323	–
Closing balance	6,323	–

As at year end, the Company had two unquoted investments. Unquoted investments are valued by the Investment Manager in accordance with the International Private Equity and Venture Capital Valuation Guidelines 2018 ("IPEV") guidelines. The Investment Manager applies techniques consistent with the IPEV. The key inputs considered in the valuation are described on page 74.

Significant Holdings

Details of significant holdings are noted below in accordance with the disclosure requirements paragraph 82 of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in April 2021), in relation to unlisted investments included in the top ten holdings as disclosed on page 10.

Name	Business	Latest Financial Statements	Proportion of capital owned %	Book Cost £'000	Market Value £'000	Income recognised from holding in the period	Turnover £'000	Pre tax profit/(loss) £'000	Net Assets attributable to shareholders £'000
Cartrade Tech Limited	Consumer Discretionary	N/A	0.7	4,585	4,585	Nil	29,600	4,940	187,400

Financial assets and liabilities are held at fair value in the financial statements with the exception of short-term assets and liabilities where their carrying value approximates to fair value.

5. Income

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Income from investments		
Overseas dividends	620	586
Unfranked income	8	–
Total income	628	586

6. Other payables

	As at 30 June 2021 £'000	As at 30 June 2020 £'000
Accrued expenses	86	128
Total other payables	86	128

7. Performance fees expense

	Year ended 30 June 2021			Period ended 30 June 2020		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Performance fee provision	–	5,105	5,105	–	2,835	2,835

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 will be measured over periods of three years (Performance Period), with the first period ending (approximately three years from the date of Admission) on 30 June 2021. 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.

As at 30 June 2021, the performance fee payable to the Investment Manager amounted to £7.9 million (30 June 2020: £2.9 million. 30 June 2019: £52,000). This amount represents the total performance fee accrued in the three year performance period ending 30 June 2021 which will be paid following the publication of these financial statements.

8. Expenses

	Year ended 30 June 2021	Year ended 30 June 2020
	£'000	£'000
Administration & secretarial fees	136	111
Auditor's remuneration*		
– Statutory audit fee	30	30
Broker fees	32	30
Custody services	20	11
Directors' fees	113	113
Board trip to India costs	–	6
Board meeting costs	–	3
Tax compliance and advice	27	36
Printing and public relations	67	75
Registrar fees	15	16
Legal Fees	30	41
UKLA and other regulatory fees	10	18
Other expenses	31	64
Total	511	554

* Auditor's remuneration excludes VAT.

The Auditor performed reporting accountant services in connection with the Company's new prospectus and fees of £25,000 (30 June 2020: £23,000) were paid during the year, which have been treated as a capital expenses and included in 'share issue costs' in the Statement of Changes in Equity.

9. Taxation

(a) Analysis of charge in the year:

	Year ended 30 June 2021			Year ended 30 June 2020		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Capital gains unrealised tax provision	–	6,345	6,345	–	190	190
Capital gains realised tax expense	–	1,063	1,063	–	270	270
Indian withholding tax paid	62	–	62	18	–	18
Total tax charge for the year	62	7,408	7,470	18	460	478

A 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%.

On April 2020, the Indian Government withdrew an exemption from withholding tax on dividend income. 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 year:

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

	Year ended 30 June 2021	Year ended 30 June 2020
	£'000	£'000
Operating profit before taxation	47,824	(2,917)
UK Corporation tax at 19% (2020: 19.00%)	9,086	(554)
Effects of:		
Indian capital gains tax provision	7,408	460
Gains on investments not taxable	(10,035)	22
Overseas dividends not taxable	(118)	(111)
Unutilised management expenses	1,067	643
Indian withholding tax paid	62	18
Total tax charge	7,470	478

Company is not liable to UK Corporation tax on capital gains due to its status as an investment trust. The Company has an unrecognised deferred UK Corporation tax asset of £1,809,000 (2020: £744,000) based on the UK corporation tax rate of 19% in 2020 (2020: 19%). This asset has accumulated because deductible expenses exceeded taxable income for the year ended 30 June 2021. No asset has been recognised in the accounts because, given the composition of the Company's portfolio, it is unlikely that this asset will be utilised in the foreseeable future.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

In the Spring Budget 2020, it was announced that the corporation tax rate would remain at 19% from 1 April 2020 rather than reducing to 17%. This was substantively enacted on 17 March 2020.

(c) Movements on the capital gains tax provision for the year

The capital gains tax provision represents an estimate of the amount of tax provisionally payable by the Company on direct investment in Indian equities. It is calculated based on the long term or short term nature of the investments and the unrealised gain thereon at the applicable tax rate at the year end. As of 30 June 2021, the Company made a capital gains tax provision of £7,629,000 (30 June 2020: £1,001,000) in respect of unrealised gains on investments held.

10. Earnings per Ordinary Share

	Year ended 30 June 2021			Year ended 30 June 2020		
	Revenue	Capital	Total	Revenue	Capital	Total
Profit/(loss) for the year (£'000)	55	40,299	40,354	14	(3,409)	(3,395)
Earnings/(loss) per Ordinary Share	0.07p	54.65p	54.72p	0.02p	(5.55)p	(5.53)p

Earnings per Ordinary Share is based on the profit for the year of £40,354,000 (30 June 2020: loss of £3,395,000) attributable to the weighted average number of Ordinary Shares in issue during the year ended 30 June 2021 of 73,735,386 (30 June 2020: 61,425,509). Revenue and capital profits are £55,000 (30 June 2020: revenue profit of £14,000) and £40,299,000 (30 June 2020: capital loss of £3,409,000) respectively.

11. Dividend

The Company's objective is to provide shareholder returns through capital growth with income being a secondary consideration. It should not be expected that the Company will pay a significant annual dividend, but the Board intends to declare such annual dividends as are necessary to maintain the Company's UK investment trust status. The Company generated a revenue profit in the year ended 30 June 2021, however the Investment Trust (Approved Company) (Tax) (Amendment) Regulations 2013 (SI 2013/1406) allows an investment trust with an accumulated deficit on revenue reserves brought forward, to utilise this against a current year profit in an accounting period. Therefore the Directors do not recommend the payment of a final dividend in respect of the year.

12. Share capital

	As at 30 June 2021		As at 30 June 2020	
	No. of shares	£'000	No. of shares	£'000
Allotted, issued and fully paid:				
Redeemable Ordinary Shares of 1p each ('Ordinary Shares')	85,958,888	860	67,648,500	676
Total	85,958,888	860	67,648,500	676

Ordinary Shares

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

During the year, 18,310,388 Ordinary Shares have been issued; raising aggregate gross proceeds of £25,855,000 (30 June 2020: £19,777,000).

As at the date of this Annual Report, the total number of Ordinary Shares in issue is 85,958,888.

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

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 30 June 2021 is based on £136,575,000 (30 June 2020: £70,450,000) of net assets of the Company attributable to the 85,958,888 (30 June 2020: 67,648,500) Ordinary Shares in issue as at 30 June 2021.

15. Financial instruments and capital disclosures

(i) Market risks

The Company is subject to a number of market risks in relation to economic conditions in India. Further detail on these risks and the management of these risks are included page 14 in the Strategic report.

The Company's financial assets and liabilities comprised:

	As at 30 June 2021			As at 30 June 2020		
	Interest bearing	Non-interest bearing	Total	Interest bearing	Non-interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investments	–	147,399	147,399	–	72,120	72,120
Total investment	–	147,399	147,399	–	72,120	72,120
Cash and cash equivalent		7,447	7,447		1,629	1,629
Short term debtors	–	663	663	–	717	717
Short term creditors	–	(11,305)	(11,305)	–	(128)	(128)
Other (liabilities)/assets	–	(3,195)	(3,195)	–	2,218	2,218
Total financial assets and liabilities	–	144,204	144,204	–	74,338	74,338

Market price risk sensitivity

The effect on the portfolio of a 10.0% increase or decrease in market prices would have resulted in an increase or decrease of £14,740,000 (30 June 2020: £7,212,000) in the investments held at fair value through profit or loss at the year end, which is equivalent to 10.8% (30 June 2020: 10.2%) of the net assets attributable to equity holders. This analysis assumes that all other variables remain constant.

The Company's portfolio of unlisted level 3 investments is not necessarily affected by market performance,

however the valuations may be affected by the performance of the underlying securities in line with the valuation criteria in note 3.

The unlisted securities sensitivity analysis recognises that the valuation methodologies employed involve different levels of subjectivity in their inputs. The valuations as at 30 June 2021 were primarily driven by recent transactions however the manager also considered the impact of market changes.

15. Financial instruments and capital disclosures (continued)

Valuation Technique	Fair value of investments	Key variable input	Variable input sensitivity (%)	Positive impact	Negative impact
	£'000			£'000	£'000
Recent Transaction led with considerations made to benchmark change and comparable company indicators	6,323	Selection of appropriate benchmark Selection of comparable companies Probability estimation of liquidation event Application of valuation basis	±10	632	-632

Key variable inputs

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each unlisted company valuation. An explanation of each of the key variable inputs is provided below and includes an indication of the range in value for each input, where relevant.

Selection of appropriate benchmarks

The selection of appropriate benchmarks is assessed individually for each investment. The industry and geography of each company are key inputs to the benchmark selection, with either one or two key indices or benchmarks being used for comparison.

Selection of comparable companies

The selection of comparable companies is assessed individually for each investment at the point of investment, and the relevance of the comparable companies is continually evaluated at each valuation. The key criteria used in selecting appropriate comparable companies are the industry sector in which they operate and the geography of the company's operations.

Application of valuation basis

Each investment is assessed and the valuation basis applied will vary depending on the circumstances of each investment. For those investments where a trading multiples approach can be taken, the methodology will factor in revenue, earnings or net assets as appropriate for the investment. Discounted cash flows will be considered where appropriate forecasts are available. The valuation will also consider any recent transactions, where appropriate.

Estimated sustainable earnings and cash flows

The selection of sustainable revenue or earnings and cash flows will depend on whether the company is sustainably profitable or not, and where it is not then sustainable revenues will be used in the valuation. The valuation approach will typically assess companies based on the last twelve months of revenue or earnings, as they are the most recent available and therefore viewed as the most reliable. Where a company has reliably forecasted earnings previously or there is a change in circumstance at the business which will impact earnings going forward, then forward estimated revenue or earnings may be used instead.

Application of liquidity discount

A liquidity discount may be applied either through the calibration of a valuation against the most recent transaction, or by application of a specific discount.

(ii) Liquidity risks

Liquidity risk is that the Company will not be able to meet its obligations when due. An analysis of the Company's portfolio that could be liquidated over different time periods as at the year end is shown below:

	30 June 2021	30 June 2020
	%	%
Within one to seven days	87.8	95.1
Between seven days to one month	1.8	3.2
Between one and three months	2.2	1.7
Greater than three months	8.2	–
Total	100.0	100.0

Management of liquidity risks

The Company has a diversified portfolio which is readily realisable. The liquidity of the portfolio is reviewed regularly by the Investment Manager and the Board.

(iii) Currency risks

Although the Company's performance is measured in Sterling, a high proportion of the Company's assets are denominated in Indian Rupees. Change in the exchange rate between Sterling and Indian Rupees may lead to a depreciation of the value of the Company's assets as expressed in Sterling and may reduce the returns to the Company from its investments.

15. Financial instruments and capital disclosures (continued)

Currency sensitivity

The below table shows the foreign currency profile of the Company.

Foreign currency risk profile

	30 June 2021			30 June 2020		
	Investment exposure	Net monetary exposure	Total currency exposure	Investment exposure	Net monetary exposure	Total currency exposure
	£'000	£'000	£'000	£'000	£'000	£'000
Indian Rupees	147,399	(399)	147,000	72,120	488	72,608
Total investment	147,399	(399)	147,000	72,120	488	72,608

Based on the financial assets and liabilities at 30 June 2021, and with all other variables remaining constant, if Sterling had weakened/strengthened against the Indian Rupee by 10%, the impact on the Company's net assets at 30 June 2021 would have been an increase/(decrease) in fair value as follows:

	30 June 2021		30 June 2020	
	Increase in Fair Value	Decrease in Fair Value	Increase in Fair Value	Decrease in Fair Value
	£'000	£'000	£'000	£'000
Indian Rupees	14,740	(14,740)	7,212	(7,212)

Management of currency risks

The Company's Investment Manager monitors the currency risk of the Company's portfolio on a regular basis. Foreign currency exposure is regularly reported to the Board by the Investment Manager.

The Board does not intend to use hedge currency risk using any sort of foreign currency transactions, forward transactions or derivative instruments.

(iv) Credit risks

Credit risk is the risk that the issuer of a financial instrument will fail to fulfil an obligation or commitment that it has entered into with the Company.

Cash and other assets are held by the custodian.

Management of credit risks

The Company has appointed Kotak Mahindra Bank Limited ('Kotak') as its depository. The credit rating of Kotak was reviewed at the time of appointment and will be reviewed on a regular basis by the Investment Manager and/or the Board.

The Investment Manager monitors the Company's exposure to its counterparties on a regular basis and trades in equities are performed on a delivery versus payment basis. Impairment assessment based on an expected credit loss model is not considered material to the Company.

At 30 June 2020, the Depository held £147,399,000 (30 June 2020: £72,120,000) in respect of quoted investments and £7,447,000 (30 June 2020: £1,433,000) in respect of cash on behalf of the Company.

(v) Capital management policies and procedures

The Company considers its capital to consist of its share capital of Ordinary Shares of 1p each, Management Shares of £1 each, and reserves totalling £136,575,000 (30 June 2020: £70,450,000).

The Company is not subject to any externally imposed capital requirements.

The Investment Manager and the Company's Broker monitor the demand for the Company's shares and the Directors review the position at Board meetings.

16. Related party transactions

Performance fees payable to the Investment Manager are disclosed in Note 7.

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

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

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

	As at 30 June 2021	As at 30 June 2020
Andrew Watkins	94,425	82,542
Jamie Skinner	75,023	64,603
Rita Dhut	74,425	62,032
Dr Jerome Booth	54,839	40,017

17. Post balance sheet events

As announced on 3 September 2021, the total number of Ordinary Shares in respect of redemption requests were received for this Redemption Point was 5,386,826.

OTHER INFORMATION

Alternative Performance Measures

Alternative Performance Measures 30 June 2021

Ordinary share price to NAV discount

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

As at 30 June 2021		Page	As at 30 June 2021	As at 30 June 2020
NAV per Ordinary Share (pence)	a	2	158.9	104.1
Share price (pence)	b	2	162.5	98.5
Premium/(Discount)	(b÷a)-1		2.3%	(5.4%)

Ongoing charges

A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.

As at 30 June 2021		Page	As at 30 June 2021	As at 30 June 2020
Average NAV	a	n/a	96,992,556	63,637,102
Annualised expenses*	b	n/a	511,000	554,000
Ongoing charges	(b÷a)		0.5%	0.9%

* Annualised expenses excludes performance fee expenses.

Share price/NAV total return

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

Year ended 30 June 2021		Page	Share price	NAV
Opening at 1 July 2020 (p)	a	n/a	98.5	104.1
Closing at 30 June 2021 (p)	b	2	162.5	158.9
Total return	(b÷a)-1		65.0%	52.6%

Year ended 30 June 2020		Page	Share price	NAV
Opening at 1 July 2019 (p)	a	n/a	109.0	108.8
Closing at 30 June 2020 (p)	b	2	98.5	104.1
Total return	(b÷a)-1		(9.6%)	(4.3%)

AIC	Association of Investment Companies
Alternative Investment Fund or "AIF"	An investment vehicle under AIFMD. Under AIFMD (see below) the Company is classified as an AIF.
Alternative Investment Fund Managers Directive or "AIFMD"	A European Union directive which came into force on 22 July 2013 and has been implemented in the UK.
Annual General Meeting or "AGM"	A meeting held once a year which Shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask directors questions about the company in which they are invested.
Alternative Performance Measures "APMs"	Financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
Custodian	An entity that is appointed to safeguard a company's assets.
Discount	The amount, expressed as a percentage, by which the share price is less than the net asset value per share.
DTR	Disclosure Guidance and Transparency Rule.
Dividend	Income receivable from an investment in shares.
Ex-dividend date	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to Shareholders.
Financial Conduct Authority or "FCA"	The independent body that regulates the financial services industry in the UK.
Gearing	A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.
IFRS	International Financial Reporting Standards.
Index	A basket of stocks which is considered to replicate a particular stock market or sector.
Investment Company	A company formed to invest in a diversified portfolio of assets.
Investment Trust	An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.

Liquidity	The extent to which investments can be sold at short notice.
London Stock Exchange or “LSE”	The primary stock exchange in the United Kingdom and the largest in Europe.
Management Shares	Non-redeemable Management Shares of £1.00 each in the capital of the Company held.
MSCI India IMI	The MSCI India Investable Market Index measures the performance of the large, mid and small cap segments of the Indian market. It is used by the Company as a comparative performance measure.
Net assets or net asset value (‘NAV’)	An investment company’s assets less its liabilities.
NAV per Ordinary Share	Net assets divided by the number of Ordinary Shares in issue
Ongoing charges	A measure of the regular, recurring annual costs of running an investment company, expressed as a percentage of average net assets.
Ordinary Shares	Redeemable ordinary shares of £0.01 each in the capital of the Company.
Principles for Responsible Investment Initiative “PRI”	Principles for Responsible Investment is a United Nations-supported international network of investors working together to implement its six aspirational principles, often referenced as “the Principles”.
Portfolio	A collection of different investments held in order to deliver returns to Shareholders and to spread risk.
Premium	The amount, expressed as a percentage, by which the share price is more than the net asset value per share.
Redemption Point	The date and time at which all redemption requests and relevant documentation for annual redemption of Ordinary Shares must be received by the Company’s Registrar from Shareholders.
Redemption Price	The price at which shares in the Company are redeemed from Shareholders.
Relative Performance	Measurement of returns relative to an index.
Share buyback	A purchase of a company’s own shares. Shares can either be bought back for cancellation or held in treasury.
Share price	The price of a share as determined by a relevant stock market.

Total return

A measure of performance that takes into account both income and capital returns. This may take into account capital gains, dividends, interests and other realised variables over a given period of time.

Treasury shares

A company's own shares which are available to be sold by a company to raise funds.

Volatility

A measure of how much a share moves up and down in price over a period of time.

Directors

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

Investment Manager and AIFM

Acorn Asset Management Ltd
4th Floor, 19 Bank Street
Cybercity, Ebene 72201
Republic of Mauritius

Broker

Peel Hunt LLP
Moor House
120 London Wall
London EC2Y 5ET

Custodian

Kotak Mahindra Bank Limited
3rd Floor, 27 BKC
C-27 G-Block
Bandra Kurla Complex
Bandra East
Mumbai 400051
India

Auditors

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Registered Office

1st Floor, Senator House
85 Queen Victoria Street
London EC4V 4AB
Registered in England under No.11356069

Investment Adviser

White Oak Capital Management Consultants LLP
Unit 6, 2B, 6th Floor
Energy Building
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400025
India

Company Secretary & Administrator

PraxisIFM Fund Services (UK) Limited
1st Floor, Senator House
85 Queen Victoria Street
London EC4V 4AB

Registrar

Computershare Investor Services Plc
The Pavilions
Bridgwater Road
Bristol BS13 8AE

Legal Adviser

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Ashoka India Equity Investment Trust plc will be held at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London, EC2M 7SH on 8 December 2021 at 10:45 am for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 9 will be proposed as ordinary resolutions and resolutions 10 to 12 will be proposed as special resolutions.

Ordinary Resolutions

1. To receive and adopt the Company's Annual Report and Accounts for the year ended 30 June 2021, with the reports of the Directors and Auditor thereon.
2. To approve the Directors' Remuneration Report included in the Annual Report for the year ended 30 June 2021.
3. To re-elect Andrew Watkins as a Director of the Company.
4. To re-elect Dr Jerome Booth as a Director of the Company.
5. To re-elect Rita Dhut as a Director of the Company.
6. To re-elect Jamie Skinner as a Director of the Company.
7. To re-appoint Ernst & Young LLP as Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.
8. To authorise the Directors to fix the remuneration of the Auditor until the conclusion of the next Annual General Meeting of the Company.
9. That the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") (in addition to any subsisting authorities to the extent unused) to exercise all the powers of the Company to allot up to 17,191,778 ordinary shares of 1 pence each in the capital of the Company ("**Ordinary Shares**") (equivalent to 20% of the Ordinary Shares in issue at the date of this notice of Annual General Meeting), such authority to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement, and the Directors may allot Ordinary Shares in pursuance of such offer or agreement as if such authority had not expired.

Special Resolutions

10. That, subject to the passing of Resolution 9 above, the Directors be and are hereby empowered (pursuant to sections 570 and 573 of the Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in Resolution 9 above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2022 or, if earlier, on

the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired.

11. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares, provided that:
 - a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 12,885,237 (representing 14.99 per cent of the Company's issued Ordinary Share capital (excluding shares held in Treasury) at the date of this notice of Annual General Meeting);
 - b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1 pence;
 - c) the maximum price (excluding expenses) which may be paid for an Ordinary Share is not more than the higher of (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five business days before the purchase is made; and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares;
 - d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and
 - e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.
12. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting after the date of the passing of this resolution.

By order of the Board

Brian Smith

For and on behalf of
PraxisFM Fund Services (UK) Limited
Company Secretary

29 September 2021

1st Floor
Senator House
85 Queen Victoria Street
London EC4V 4AB

Notes to the notice of Annual General Meeting

Website address

1. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.ashokaindiaequity.com.

Entitlement to attend and vote

2. Only those holders of Ordinary Shares registered on the Company's register of members at close of business on 6 December 2021 or, if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting.

Appointment of Proxies

3. Members entitled to attend, speak and vote at the meeting (in accordance with Note 2 above) are entitled to appoint one or more proxies to attend, speak and vote in their place. If you wish to appoint a proxy please use the Form of Proxy enclosed with this document or follow the instructions at note 7 below if you wish to appoint a proxy through the CREST electronic proxy appointment service. In the case of joint members, only one need sign the Form of Proxy. The vote of the senior joint member will be accepted to the exclusion of the votes of the other joint members. For this purpose, seniority will be determined by the order in which the names of the members appear in the register of members in respect of the joint shareholding. The completion and return of the Form of Proxy will not stop you attending and voting in person at the meeting should you wish to do so. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you choose to appoint multiple proxies use a separate copy of this form (which you may photocopy) for each proxy, and indicate after the proxy's name the number of shares in relation to which they are authorised to act (which, in aggregate, should not exceed the number of Ordinary Shares held by you). Please also mark the box to indicate that the proxy instruction is one of multiple appointments being made. All forms must be signed and returned in the same envelope.
4. You can appoint the Chairman of the Meeting, or any other person, as your proxy. If you wish to appoint someone other than the Chairman, cross out the words 'the Chairman of the Meeting' on the Form of Proxy and insert the full name of your appointee.
5. You can instruct your proxy how to vote on each resolution by marking inside the 'For' and 'Against' boxes with an 'X' as appropriate (or entering the number of shares which you are entitled to vote). If you wish to abstain from voting on any resolution please mark the box which is marked 'Vote Withheld' with an 'X'. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' and 'Against' a resolution. If you do not indicate on the Form of Proxy how your proxy should vote, he/she can exercise his/her discretion as to whether, and if how so how, he/she votes on each resolution, as he/she will do in respect of any other business (including amendments to resolutions) which may properly be conducted at the meeting.

A company incorporated in England and Wales or Northern Ireland should execute the Form of Proxy under its common seal or otherwise in accordance with Section 44 of the Companies Act 2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be enclosed with the Form of Proxy.

Appointment of Proxy using Hard Copy Form

6. The Form of Proxy and any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed must be received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY at 10:45 am on 6 December 2021 in respect of the meeting. Any Forms of Proxy received before such time will be deemed to have been received at such time. In the case of an adjournment, the Form of Proxy must be received by Computershare no later than 48 hours before the rescheduled meeting.

On completing the Form of Proxy, sign it and return it to Computershare at the address shown on the Form of Proxy in the envelope provided. As postage has been pre-paid no stamp is required.

Appointment of Proxy through CREST

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy's appointee through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be lodged at 10:45 am on 6 December 2021 in respect of the meeting. Any

such messages received before such time will be deemed to have been received at such time. In the case of an adjournment, all messages must be lodged with Computershare no later than 48 hours before the rescheduled meeting.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company. Please send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare, Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.

In the case of a member which is a company, the revocation notice must be executed under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by an office or attorney whose power of attorney or other authority should be included with the revocation notice.

Once a proxy has been lodged, it can be amended up to the meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified in note 2 above then, subject to the paragraph directly below, your proxy will remain valid.

Completion of a Form of Proxy will not preclude a member from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

If you submit more than one valid proxy appointment in respect of the same Ordinary Shares, the appointment received last before the latest time for receipt of proxies will take precedence.

Nominated Persons

9. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights:
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the meeting.
 - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
 - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
 - If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in the notes to the form of proxy.

Questions at the meeting

10. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:
- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Issued Shares and total voting rights

11. As at the date of this Notice, the total number of shares in issue is 85,958,888 Ordinary Shares of 1p each. The total number of Ordinary Shares with voting rights is 85,958,888. On a vote by a show of hands, every holder of Ordinary Shares who (being an individual) is present by a person, by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member, shall have one vote. On a poll every holder of Ordinary Shares who is present in person or by proxy shall have one vote for every Ordinary Share held by him.

Communication

12. Except provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
- Calls to the Computershare shareholder helpline on 0370 703 6077 cost no more than a national rate from any type of phone or provider. If in doubt you should check with your phone line provider as to the exact cost involved for you to call this number. Lines are open 8.30am to 5.30pm, Monday to Friday excluding bank holidays; or
 - in writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ.

You may not use any electronic address provided either in this notice of meeting or in any related documents (including the Form of Proxy for this meeting) to communicate with the Company for any purposes other than those expressly stated.

Form of proxy

I/We _____

of _____

(BLOCK CAPITALS PLEASE)

being (a) member(s) of Ashoka India Equity Investment Trust plc appoint the Chairman of the meeting,

or (see note 1) of _____

as my/our proxy and, on a poll, to vote for me/us on my/our behalf at the Annual General Meeting of the Company

Please indicate with an 'X' in the spaces provided how you wish your votes to be cast on the resolutions specified.

Resolution	For	Against	Withheld	Discretionary
1. To receive and adopt the Company's Annual Report and Accounts.				
2. To approve the Directors' Remuneration Report.				
3. To re-elect Andrew Watkins as a Director of the Company.				
4. To re-elect Dr Jerome Booth as a Director of the Company.				
5. To re-elect Rita Dhut as a Director of the Company.				
6. To re-elect Jamie Skinner as a Director of the Company.				
7. To re-appoint Ernst & Young LLP as Auditor to the Company.				
8. To authorise the Directors to fix the remuneration of the Auditor.				
9. To give authority to allot new shares.				
10. To give authority to allot new shares free from pre-emption rights.				
11. To give authority for the Company to purchase its own shares.				
12. To authorise calling general meetings (other than Annual General Meetings) on 14 clear days' notice.				

Subject to any voting instructions so given the proxy will vote, or may abstain from voting, on any resolution as he may think fit.

Signature _____ Dated this _____ day of _____ 2021

