ASHOKA INDIA EQUITY INVESTMENT TRUST PLC

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Contents

Investment Objective, Financial Information and Performance Summary

Investment Objective

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

Financial information

	As at 30 June 2023	As at 30 June 2022
Net asset value ("NAV") per Ordinary Share (cum income)	206.2p	174.2p
Ordinary Share price	209.0p	175.0p
Ordinary Share price premium to NAV[1]	1.4%	0.5%
Net assets	£232.6million	£187.4million

Performance summary

	30 June 2023 % change	30 June 2022 % change
Share price total return per Ordinary Share[1,2]	19.4%	7.7%
NAV total return per Ordinary Share[1]	18.3%	9.6%
MSCI India IMI Index total return (sterling terms)[2,3]	11.8%	7.2%

1 These are Alternative Performance Measures.
2 Total returns in sterling for the year ended 30 June 2023 and 2022.
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 88.

Chairman's Statement

Welcome to the fifth annual results of Ashoka India Equity Investment Trust plc for the year to 30 June 2023. When the Company was launched in 2018, no-one could have predicted the events that soon followed, particularly the Covid pandemic that so damaged the world's economy and cost too many lives but also the devastating war in Ukraine that, at the very least, threatens food supplies globally, especially to the poorest countries. Neither, I think, would we have confidently predicted that both the Company's net asset value and share price would more than double in that period as the Investment Manager and Investment Adviser used their considerable skills to invest in the companies benefiting most from India's fast-growing economy.

But here we are, with Covid behind us but, very sadly, the war still raging. What a sad indictment this is of a modern, high-tech world that man should be fighting man in the equivalent of early twentieth century trench warfare.

I make no apologies for these references, yet again, in my annual statement because although global trade has made the world a much smaller place, such "disruptions" make the life of an investment manager increasingly difficult with many new obstacles to navigate and questions to ask before making confident investment decisions. This, then, makes the continuing outperformance of the Company even more impressive.

Acorn Asset Management and White Oak Capital Management (Investment Manager and Investment Adviser respectively) maintained their focus and remained diligent, producing performance ahead of the Company's benchmark index for the year under review. The five-year numbers are particularly impressive.

Performance

The Company's NAV returned 18.3% over the period and the share price 19.4% against its benchmark index, the India Investible Market Index ("MSCI IMI" or "MSCI India IMI Index (in sterling terms)"), which returned 11.8%. Impressively, since the Company's inception in July 2018, the NAV has increased by 110.4% and the Company's share price by 109%, both comfortably ahead of the benchmark index which grew by 60.9% (in sterling terms). The Company's share price stood at 209p at the year end, a 1.4% premium to NAV.

Since the end of the Company's 2023 financial year, both NAV and share price have been strong; as at 4 October 2023, the latest practicable date before publication of this report, the NAV was 226.26p and the share price stood at 229p.

Share Issuance

The Company continued to respond to demand, both from existing shareholders and new investors, to issue new shares, at a small premium to the prevailing net asset value. In total, 5,240,140 new shares were issued during the year under review, raising a total of £10,735,051. As at the year end there were 112,807,812 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 defray 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, total surplus income amounted to £128,000. No dividend has been declared.

Redemption Facility

The Company has a redemption facility through which shareholders are entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. The Redemption Point for the Ordinary Shares this year is 30 September 2023.

As announced on 5 September 2023, the total number of Ordinary Shares in respect of which valid redemption requests were received for this Redemption Point was 547,339.

On 2 October 2023, the Company announced that all of the 547,339 Ordinary Shares under the 2023 Redemption Facility were successfully matched with buyers, at a price of 225.23 pence per Ordinary Share.

Performance Fee

To remind shareholders of the Company's fee arrangements, no annual management fee is paid; the Investment Manager, Acorn Asset Management Ltd, is remunerated solely by means of a performance fee, based on the level of performance relative to the Company's benchmark index, the MSCI IMI, over a three-year period ending 30 June 2024. Details of the performance fee can be found on page 77 of this Report.

The Company's portfolio is actively managed and seeks an excess return relative to its benchmark index (known as "alpha"). This investment style may lead to occasional greater volatility than the benchmark index but has produced outstanding returns for shareholders since inception. The Board remains fully supportive of this investment approach and remuneration structure.

Board Committee visit to Singapore and India

It has been four years since the Board undertook a visit to the offices of the Company's Investment Manager and Investment Adviser. Since then, White Oak Capital Management has grown into a business that manages over $5.5 billion on behalf of clients, has increased in headcount, excluding salespeople, to over 50 investment professionals and analysts based in Mumbai, London, Madrid and in its recently-opened office in Singapore. A visit was, therefore, overdue so a Committee of the Board visited Singapore and Mumbai during March 2023. I am pleased to report that the Committee was suitably impressed with how the business had grown without compromising standards with regard to the stock selection process or pre-investment corporate governance.

Under normal circumstances and to give appropriate comfort to the Company's shareholders, the Board considers it best practice to make a due-diligence visit to the Investment Manager's office every three years. This year's trip took place in late March so the next is scheduled for 2026.

Annual General Meeting

The Company will hold its Annual General Meeting on 8 December 2023 at the offices of White Oak Capital Management Ltd at 13 Hanover Square, London W1S 1HN starting at 12 noon. An online presentation will be given by the Investment Manager (given they are not based in the UK) and the Board will be delighted to see all shareholders who are able to attend in person.

Outlook

The Investment Manager's report that follows goes into further detail on the portfolio's performance over the last year and the challenges they faced.

India has come a long way since Narendra Modi took over as Prime Minister in 2014, initiating a plan for India to become a developed nation within 25 years. It is certain that, come next year's election, he will make much of the progress over that 10-year period and he would be right to do so. India's population, at 1.4 billion, overtook China's this year and the differences between the world's largest autocracy and the world's largest democracy in the race for economic growth remain stark; China's leader favours a retention of power over a well-functioning economy thus reducing the potential for entrepreneurial flair that is so evident in India. It seems very likely that growth will expand for the foreseeable future with material investments in renewable energy, high-speed railways and new roads in a generational boost to India's economy. Of this expanding population, a significant number will grow up as well-educated, tech-savvy individuals who speak fluent English and, therefore, be well equipped to converse in the business markets of the world. Hosting the G20 conference in September added further to both India's and Modi's personal status.

The "global south", as this part of the world is now being referred to, is growing in importance, both geographically, politically and economically. It is not at all unreasonable to assume that India is the unelected leader of such a bloc and its relevance and importance is only likely to grow in direct proportion to its economic growth and continuing status as a democracy, perhaps eventually leading to a permanent seat on the UN Security Council, further burnishing Modi's personal credentials and India's world status.

Global inflation is easing and, war to one side, India is coping well with supply lines both in and out of the country. Growth is forecast to reach 6% this year, materially in excess of any other major economy, and is likely to continue apace into 2024-5.

Your Board is frequently informed of the innovative investment possibilities presenting themselves to the Company's management teams and, regardless of mentioned headwinds, the dynamism of Indian entrepreneurs is self-evident and undimmed. Whilst it is understandable for all parties to be excited by these investment opportunities, I will repeat my annual mantra to shareholders that strong corporate governance and research both continue to play prominent roles when selecting every investment within the Company's portfolio.

Here I go again, wishing that the following year is better than the current one. Looking at last year's wish list, only the satisfactory resolution of Russia's invasion of Ukraine has yet to come to pass. Other factors, such as inflation, interest rates and supply lines, all show signs of improvement. Stock markets anticipate events 12-18 months ahead but even optimistic investors require signs that the world is not coming to an end any time soon. I think the wish list remains the same, to which I will add "a period of stability, peace and calm". India is exceptionally well placed to continue its growth trajectory regardless but I'm sure its people would not be averse to agreeing with me.

As ever, thank you for being a shareholder in the Company. The Investment Manager and Investment Adviser remain as dedicated as ever to their task and your Board are equally confident in their ability to produce top quality returns for shareholders over the longer term.

Andrew Watkins
Chairman
6 October 2023

Market Review

The MSCI India IMI Index (in sterling terms) was up by 11.8% during the year to 30 June 2023, outperforming the broader emerging markets but underperforming the developed markets. In the same period, the MSCI Emerging Markets Index was down by 2.6%, the S&P 500 returned 13.9%, and the MSCI World Index was up by 13.5% (all in sterling terms). Crude oil prices fell by 32.4% and the Indian rupee depreciated by 7.3%. Amongst sectors, industrials, financials and consumer staples outperformed whilst utilities, energy and information technology underperformed.

Performance Review

The Company has delivered a sterling NAV total return of 18.3% during the year, outperforming the benchmark MSCI India IMI (in sterling terms) by 6.5%. Despite a turbulent market environment, the portfolio has generally outperformed during the year given that it is very well diversified and balanced across both cyclical and counter-cyclical sectors while consciously avoiding market timing, sector rotation and other such top-down bets.

Key contributors & detractors

Contributors

Kaynes Technology is a fully integrated electronic manufacturing service company with end-to-end operations delivering component assemblies and box-build solutions. It provides value-added electronics manufacturing services and original design manufacturing solutions. The company holds long-term relationships with multiple customers diversified across verticals such as automotive, industrial, and railways, which limit the impact of downturn associated with a particular vertical. The stock's outperformance was led by continued strong operating results driven by new customer additions across verticals and increased wallet share within existing customers.

Cholamandalam Investment and Finance (CIFC) is a non-banking financial company (NBFC) belonging to the Murugappa Group. It primarily operates in vehicle finance, home equity, and affordable home loan categories. In terms of customer profile, it caters predominantly to single truck and small fleet owners, self-employed non-professionals, in semi-urban and rural India. CIFC's strength lies in its ability to reach such customers in rural and semi-urban markets and underwrite and collect from customers with irregular income streams. The Vehicle Finance business is in an upcycle after a period of weak demand in the last couple of years. Apart from briskly scaling up its housing finance business, which on a low base could grow upwards of 25% in the coming years, CIFC has also made progress in three new segments, namely Consumer & Small Enterprise Loan (CSEL), Secured Business & Personal Loan (SBPL) and SME Loan (SME). The stock outperformed as the company continued to deliver sector leading return ratios despite being in the investment phase for the new lines of business.

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

Detractors

Infosys is India's second-largest IT services company. It has a strong global presence, including the key markets of North America and Europe and a high-quality customer portfolio. Banking and Financial Services (BFSI) is the largest vertical, contributing approximately 30% of overall revenues. It operates across seven major verticals (or revenue generating segments catering to a particular industry): (a) banking, financial services and insurance; (b) retail and Consumer Packaged Goods ("CPG"); (c) communications; (d) energy and utilities; (e) manufacturing; (f) hi-tech; and (g) life sciences. The company expects strong demand in retail banking, commercial banking, payments and wealth management segments leading to robust growth demonstrated by better win rates and a healthy deal pipeline over multiple years. However, the near-term global slowdown and aggressive cuts to discretionary tech spending by some corporations have led to relatively weak quarterly results for Infosys. Muted results and a moderate 4-7% growth projection for FY24 led to the stock's underperformance.

Tatva Chintan Pharma ("Tatva") is a specialty chemical manufacturing company which is a pioneer in processes such as conventional synthesis, electrolysis and developing continuous flow chemistry and generating higher efficiencies. It is the second largest manufacturer of SDAs for Zeolites globally and the largest commercial supplier in India, the largest producer of electrolyte salts for super capacitor batteries in India, the largest producer of Glymes in India and the third largest in the world. The stock underperformed due to the global semi-conductor shortage for most of 2022, resulting in muted demand for Tatva's products from the auto industry. It has since shown signs of recovery. Tatva has also recently expanded its capacity so that it can cater for higher demand going forward.

Shaily Engineering Plastics ("Shaily") manufactures precision injection moulded plastic components, sub-assemblies, moulds, and dies for various original equipment manufacturers. It is one of India's leading exporters of plastics components. Its plastics can be found worldwide covering a diverse range of products like medical devices, homewares, and automotive components. The stock underperformed due to headwinds to growth in its Furnishing and Toys segments, as a result of the adverse macro conditions both in the US and Europe. However, it was partially offset by an improved margin profile in the healthcare segment. Shaily is structurally moving towards higher margin precision injection moulded plastic components with their own technology which should drive performance going forward.

Investment Outlook

India's economy delivered solid, above expectation GDP growth of 7.2% for the fiscal year ending March 2023. Its healthy macro-fundamentals, resilient corporate earnings as well as promising growth prospects – garnered strong foreign and domestic investment against a global back drop of geopolitical tensions, higher commodity prices and credit costs, as well as fears of a recession in the US and Europe.

To take inflation, India recorded an average CPI of 6.7% for the year to 30 June 2023 compared to 7.4% and 8.8% in the US and EU, respectively. The government's focus on a capital expenditure push as opposed to a loose consumption stimulus (which was relatively lower during the pandemic, leading to increased availability of labour as the pandemic subsided) has kept India's inflation at manageable levels. For the current fiscal year, India's inflation is likely to be around 5.5% as global growth slows, keeping commodity prices benign. Moderating inflation will help contain the government's fiscal deficit through lower subsidies, providing room for the Reserve Bank of India to avoid raising policy rates, and help support the margins of Indian based corporations. India's external sector position is also likely to improve in FY24. The Current Account Deficit ("CAD") as a percentage of GDP is likely to be recorded at 1.5% in FY24 (compared to 2% in FY23). This coupled with healthy capital flows should ensure that India's Balance of Payments remains positive. Additionally, India's healthy foreign exchange reserve, which stands at US$607 billion results in one of the lowest debt-to-GDP (19%) positions globally, and provides comfort against any potential global macro volatility.

India's economy is experiencing the start of a growth phase as ingredients for a revival in the investment cycle seem to be in place. The twin balance sheet problem (overleveraged corporate balance sheets and high non-performing assets ("NPAs") of banks) which held back private investments in the last decade seem to be behind us. Corporate debt is at its lowest in many years and banks are enjoying one of the lowest bad-loans ratios in the last decade (gross and net bank NPA ratios stand at 3.9% and 1% respectively). This provides a conducive environment for private sector capex to pick up from here.

Government capex has also grown at a brisk pace recently, reflecting policy commitment to building infrastructure and facilitating private investment. The FY24 budget signalled continuity on public capex (roads, railways and housing), enhancing the ease of doing business and boosting exports and manufacturing. Given this is a pre-election year, public sector capex growth is likely to remain robust. As estimated by various global agencies, such as the IMF and the World Bank, India is likely to emerge as the fastest growing major economy over this decade.

The pandemic and geopolitical tensions over the last few years have accelerated supply chain diversification across various industries. India's favourable demographics, with 900 million people of working age, makes it an attractive destination for companies to set up their production base. The production linked incentives issued by the government since 2020, for setting up new manufacturing units producing and exporting from India, have started to show results. A number of global giants are in the process of starting production in India. Despite the strong growth in the export of electronics, India's global share in many other sectors such as chemicals and engineering goods is still small (approximately 2% to 4%). Even a 1% to 2% incremental market share gain from China, could result in high-teens growth rates for these sectors.

India's well diversified corporate sector continues to generate stable earnings growth. Earnings growth for the Nifty is projected to grow by mid-teens over the near term, marking the best phase of corporate profitability since the period 2003 to 2007. Despite periodically rising concerns over the impact of higher credit or raw material costs on the broader market, we believe several of our portfolio companies are market leaders and have managed inflationary scenarios fairly well. The underlying trend of market share consolidation in favour of stronger, well-run businesses continues. The unbranded (or unorganised) segment of the market has found it challenging to deal with higher input costs and frequent supply chain disruptions. Also, in the context of potentially slowing global growth, it is worth re-iterating that India's earnings have generally been more resilient than its emerging market peers during previous downcycles.

In view of these positives, the broader Indian equity market has seen a recovery rally since April 2023 and valuations are back to 23x (FY24 P/E multiple), as compared to the 10 year average of 19x for BSE Sensex. Although the market seems expensive, in the last 10 years, bar a few instances during market corrections between 2016 and 2020, India has consistently traded at a premium relative to other emerging markets. We never take a call on aggregate market valuations. What we are looking for are attractively valued businesses on a relative basis. Within the market, sectors or businesses trade at different valuations based on their respective risk-reward dynamics. It is the relative framework within which we identify investment opportunities. If a well-governed, scalable business is able to generate superior returns on incremental capital, and if after factoring in a certain projected growth we see material upside from current stock price levels, then we will invest. From the lens of our proprietary Opco-Finco framework, which evaluates businesses' economic cash flow over and above the cost of capital, Ashoka India Equity Investment Trust's FY24 P/E multiple would be 36.2x as opposed to 45.5x for the Sensex, highlighting the portfolio's reasonable valuations in our view.

India offers a diversified sector exposure relative to its international peers, with a good mix of cyclical and counter cyclical businesses. Our approach has always been to maintain a balanced portfolio, to ensure that our portfolio's performance is driven by stock selection rather than non-stock specific risk factors such as market timing, beta, sector rotation and so on.

Separately, from a potential risk perspective, general elections in India are likely to be held in April or May 2024. Although the current Prime Minister's popularity remains intact, and the risk of regime change appears low, such an event or a weak coalition government could be a negative surprise for the market. The markets would like to see policy continuity. Furthermore, any sustained weakness in global growth could weigh on market performance. On the other hand, a sharp reversal in anticipated global risk factors such as inflation, recession, or geopolitical tensions could boost investor sentiment.

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

Acorn Asset Management Ltd
Investment Manager
6 October 2023

Top Ten Holdings

As at 30 June 2023	Sector		% of net assets
ICICI Bank Limited	Financials	14,728,344	6.3
Cholamandalam Investment and Finance Company Limited	Financials	10,842,348	4.7
Kaynes Technology India	Information Technology	7,677,216	3.3
Titan Company Limited	Consumer Discretionary	7,616,073	3.3
Avalon Technologies Limited	Information Technology	7,471,660	3.2
Coforge	Information Technology	6,595,653	2.8
Nestlé India Limited	Consumer Staples	6,364,571	2.7
Maruti Suzuki India Limited	Consumer Discretionary	6,316,440	2.7
HDFC Bank Limited	Financials	5,802,955	2.5
Tega Industries Ltd	Industrials	5,361,168	2.3
Top ten holdings			**33.9**
Other holdings			67.9
Total holdings			**101.8**
Capital gains tax provision plus cash and other assets/liabilities			-1.8
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 50 to 100 investments although, in order to allow the Investment Manager and Investment Adviser flexibility to take advantage of opportunities as they arise, the portfolio may occasionally comprise holdings outside of this range.

In order to comply with the Listing Rules, the Company will not invest more than 10 per cent. of 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 year 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 an annual dividend.

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 £128,000 (30 June 2022: revenue surplus of £6,000). The Company made a capital surplus after tax of £34,452,000 (30 June 2022: capital surplus of £9,218,000). Therefore, the total surplus after tax for the Company was £34,580,000 (30 June 2022: surplus of £9,224,000).

The Board is proposing that no dividend be paid in respect of the year ended 30 June 2023 in accordance with the Company's Dividend policy as outlined in above paragraph.

Key performance indicators

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 them with the MSCI India IMI Index (in sterling). 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 2023 were 18.3% and 19.4% (30 June 2022: 9.6% and 7.7%) respectively compared to a total return of 11.8% (30 June 2022: 7.2%) for the MSCI India IMI Index (sterling).

The Chairman's statement on pages 3 to 5 incorporates a review of the highlights during the year. The Investment Manager's Report on pages 6 to 9 highlights investments made during the year and how performance has been achieved.

(ii) Performance of premium or discount of share price to NAV that is comparable to its peers

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 within the AIC India/Indian Subcontinent sector. 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 1.4% on 30 June 2023 (30 June 2022: premium of 0.5%).

(iii) Maintenance of a comparable 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 other investment trusts within the AIC India/Indian Subcontinent sector.

Based on the Company's average net assets during the year ended 30 June 2023, the Company's ongoing charges figure calculated in accordance with the AIC methodology was 0.5% (30 June 2022: 0.5%).

Principal and emerging risks

Description	Mitigation
Economic and market conditions Changes in general economic and market conditions in India including, for example, interest rates, cost increase, rates of inflation, industry conditions, competition, political events and trends, tax laws, national and international conflicts and other factors could substantially and adversely affect the Company's prospects. Weak economic and market conditions in Europe and the US may lead to foreign disinvestment in Indian equities (the "flight to quality").	The Investment Adviser has a proven and extensive track record with a focus on good corporate governance and will monitor the position and report regularly to the Board on market developments. India is to a degree protected from global economic downdrafts and increases in world inflation as it is a relatively closed economy and not as vulnerable to high and rising energy prices as in the past. Whilst not immune from disrupted global trade, India may benefit from a change of supply lines from, in particular, China. In addition, India is not saddled with the debt problems of Europe and the US and the currency should therefore remain stable or appreciate against the currencies of its main trading partners. The Investment Advisor has a proven and extensive track record and, together with the broker has an active and regular dialogue with Shareholders.
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.	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 investment policy allows approximately 50 to 100 stocks to be held in the portfolio to assist with diversification. The Board measures the Company's 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.

Description	Mitigation
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. 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.	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.
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 and 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.	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.
Financial risks The Company's investment activities expose it to a variety of financial risks which include foreign currency risk and interest rate risk.	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.

Description	Mitigation
Emerging risks **ESG and Climate Change**	
The Company could suffer as a result of increased investor demand for products which promote ESG investments. Climate change leads to additional costs and risks for portfolio companies.	In making investment decisions, the Investment Manager considers qualitative measures, such as the environmental and social impact of a company as well as financial and operational measures. The Company's ESG Policy, found on page •, is updated annually and is published on the Company's website. The ESG Policy includes ESG factors that are considered in the investment process where they are relevant and have a material impact on stock performance. It also includes information regarding the proprietary rating framework developed by the Investment Adviser to assess companies on ESG metrics. The framework consists of a sector-specific hierarchy of key Environmental and Social factors, against which a sector company is assessed based on its practices and disclosures. The Investment Adviser prioritises dialogue with companies that have greater scope for improvement in disclosures and/or practices.
Extreme weather events could potentially impair the operations of individual investee companies, potential investee companies, their supply chains, and their customers.	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. Whilst India witnessed extreme weather events during the year under review, most notably flooding across Northern India, the Company's portfolio is diversified across regions and sectors that are considered less vulnerable to the impact of such extreme weather events. The impact of extreme weather events are considered as part of the investment decision-making process by the Investment Adviser.
Potential reputational damage from non-compliance with regulations or incorrect disclosures.	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 Company Secretary and AIFM regularly report to the Board any changes in the regulatory environment. Whilst Investment trusts are currently exempt from the Task Force on Climate-Related Financial Disclosures ("TCFD") disclosure, White Oak Capital support the recommendations of TCFD and intend to continue to promote increased transparency, encourage the development of tools and methods to manage climate-related risks and opportunities and contribute to the best practices in the industry.

Description	Mitigation
Impact of War/Sanctions The impact of Russia's invasion of Ukraine on the Company's portfolio of investments and any future prolonged and deep market decline which would likely lead to falling values in the Company's investments or interruptions to cash flow. The extent and impact of military action, resulting sanctions and further market disruptions is difficult to predict which increases uncertainty and challenges confidence in financial markets. This could lead to a recession if the conflict were to move towards a broader regional or global conflict.	The Company does not have any direct or indirect exposure to investments in Ukraine or Russia. There are also no direct business relationships with counterparties from these countries.

Environmental, Social and Governance ("ESG") Policy

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 Partners ("White Oak Capital" or the "Investment Adviser") strive to help their clients achieve their long-term financial goals through a thoughtful and disciplined approach to managing investments. They believe that Environmental, Social, and Governance ("ESG") principles are crucial to developing resilient companies and assets that deliver long-term value for investors. White Oak Capital are committed to integrating ESG into their investment process and operating philosophy.

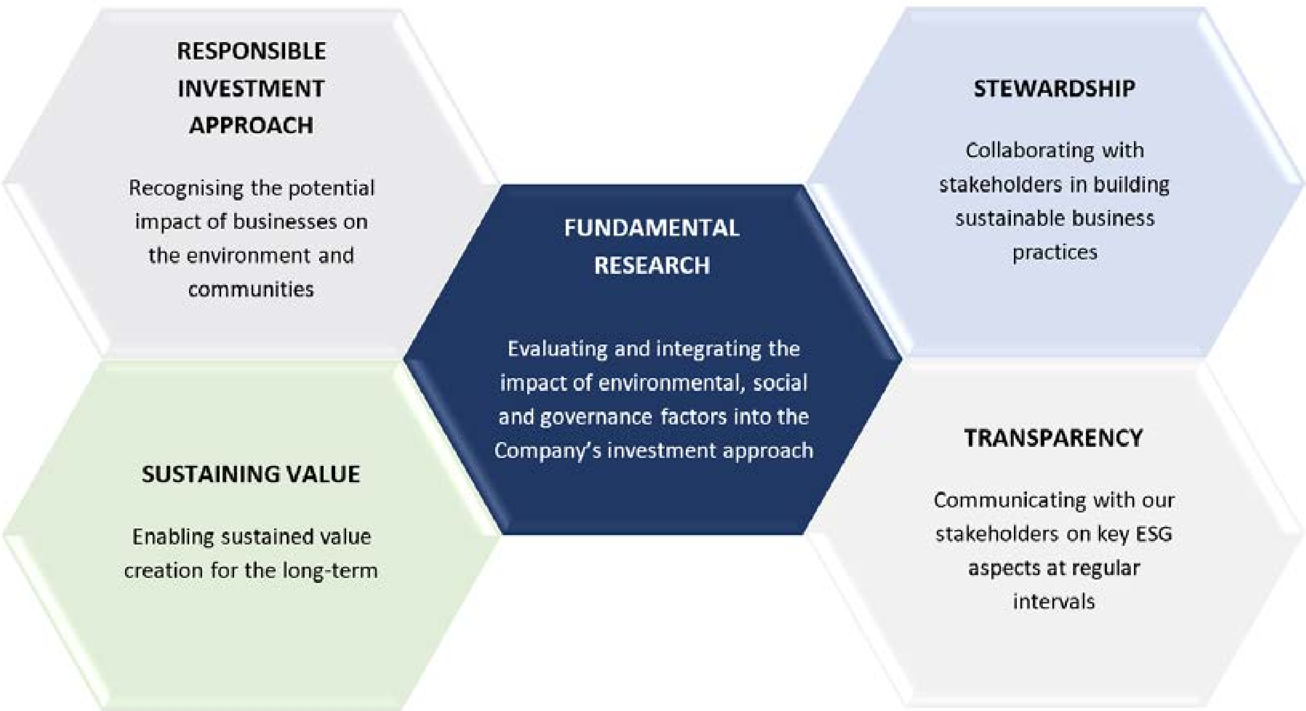
White Oak Capital seek to derive returns by investing in high-quality businesses. To assess the quality of a business, they seek to determine the long-term sustainability of return on capital, potential scalability of the business, execution capability of the management, and the organization's corporate governance culture. These insights help them identify great businesses that they seek to invest in.

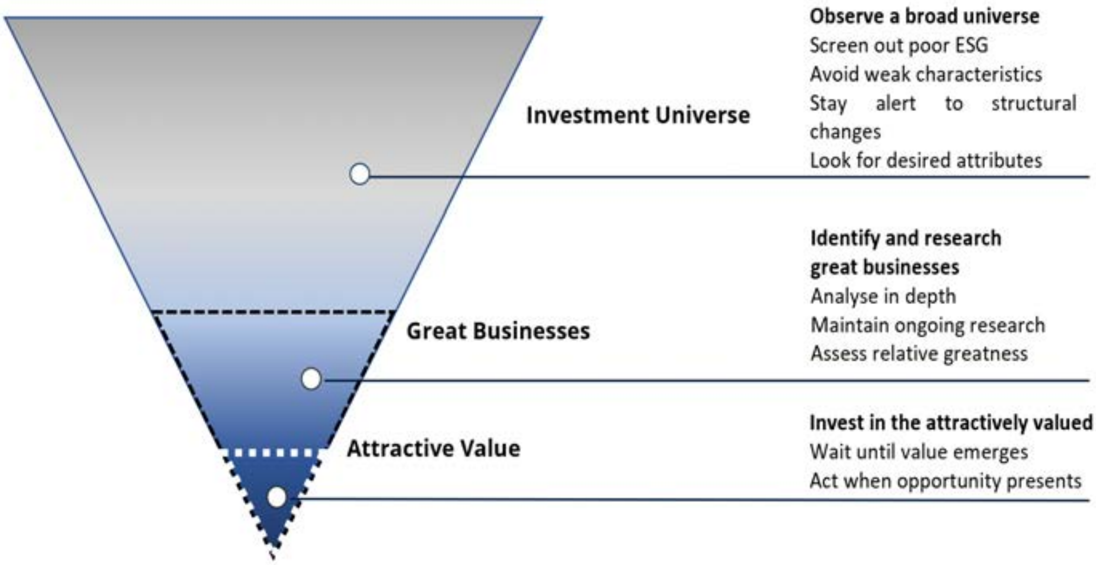
Since sustainability of returns and corporate governance form an important element of the investment philosophy, White Oak's investment approach naturally integrates Environment, Social, and Governance factors in the decision-making process. They value businesses with industry-leading environmental compliance practices and those that demonstrate ethical business conduct and fair dealings with stakeholders. White Oak believe that a business with sustainable ESG practices has a better chance at survival and growth in the longer term.

As part of the Company's commitment to responsible investing the Board 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. The following five principles are intended to be the guiding axioms under which the Firm's investment management and investment advisory activities are conducted:





ESG Integration

ESG integration is considered an important enabler at mitigating risk and enhancing overall returns. The Investment Adviser believes that good ESG practices can impact the performance of businesses positively and enable the generation of long-term value for the stakeholders. The Investment Adviser uses an internally developed framework called ABLEx™ (Assessment of business longevity and excellence) for ESG risk assessment. The framework contains a list of sector specific ESG risks and opportunities against which a company's performance is measured and rated. The result of this assessment is integrated into the valuation of a business.

Process of ESG Integration

a. Identification and Screening

b. ESG Research and Assessment

c. Stewardship

a. Identification and Screening

The initiation of the investment process happens by distilling from a broad investible universe of businesses, where investment opportunities are screened for poor governance policies, poor ESG track record (including material controversies) and weak business characteristics. Besides this, some of the strategies may have their exclusion list i.e., a list of companies that are excluded from the strategy's investment universe. This exclusion could be product-related and / or normative exclusions for companies with controversial behaviour. The investment universe is reviewed and refreshed on a semi-annual basis to ensure the team is abreast of addition/deletion of new names.

b. Research and Assessment

The primary reliance is made on publicly available data sources for the ESG research. Moreover, any critical ESG insights are also derived from management interactions, channel checks and factory visits. The information gathered from various sources are mapped against the relevant ESG risk factors and assessed under the ABLEx™ framework. This leads to understanding of the efficacy of a company's ESG policies and practices against the risk it faces.

The data provided by third party research providers is also leveraged and combined with the diligence in evaluation of ESG practices of a company.

Indicative list of factors considered under ESG assessment:

Environmental, Social and Governance ("ESG") Policy (continued)

Environment	Social	Governance
• Green House Gas emissions • Waste management • Natural resource utilization • Protection of biodiversity • Environmental Opportunities	• Employee benefits and welfare • Product safety to end users • Worker's health and safety • Human rights compliance	• Appropriate accounting practices • Anti-corruption and bribery • Board independence and diversity • Alignment of interests with minority shareholders • Ethical business conduct • Fair dealing with investors and other stakeholders

c. Stewardship

Stewardship comprises the identification of material investment risks, active monitoring of holdings, engagement and proxy voting (where applicable). Stewardship is a key element of our responsible investment approach because White Oak Capital believe in the steering power of capital and that how it is invested can contribute positively to society and the environment. White Oak Capital has adopted stewardship via engagement and voting.

i) Engagement

The Investment Adviser believe the value of engagement is best derived from direct dialogue with companies in which they invest. Hence, engagement forms an integral part of their ESG assessment process. They follow a positive engagement approach whereby they interact with managements of underlying businesses to gain additional understanding and encourage them to take necessary steps that would impact the business positively and enhance the value of our investments.

For businesses rated best in class, the Investment Adviser's engagement approach centers around leveraging opportunities for enhanced value creation. Conversely, they also engage with businesses where they see strong potential and scope for ESG performance improvement.

The Investment Adviser's engagement mechanism takes place through various modes such as meetings, emails, investor calls and proxy voting. They engage with businesses on a variety of issues including ESG matters that present a potential material risk to their performance.

ii) Voting

The Investment Adviser consider and vote on their investment decisions with the objectives of maximizing long-term investment returns and fostering best corporate governance practices, social responsibility and environmental stewardship. They adopt and implement their voting rights and duties as per their internal voting policy and procedures.

They ensure that all their voting decisions are taken in the best interests of their clients. The key identified issues related to underlying businesses are discussed within the investment team.

In case there is a conflict of interest or appearance

Objectives of engagement at White Oak Capital

Develop further understanding of ESG issues material to the business.	Maintain a dialogue on ESG issues to seek improvement in performance and processes.	Enhance analysis of the portfolios' risk and opportunities.

of a conflict of interest, they will cast the proxy votes in a manner consistent with the best interests of the clients. Voting may take place on several ESG related or investment matters and therefore each voting matter is considered on a case-by-case basis within the context of the policy.

Internal Reporting

White Oak Capital's ESG team, which includes dedicated ESG analysts and sector-level ESG analysts, regularly reports portfolio level ESG ratings (based on both internal and third-party ratings), rating changes in portfolio companies, engagement status, ESG regulations update etc. to the broader investment team. This helps the investment team understand portfolio strengths and realize the areas of improvement.

Internal reporting also includes details on portfolio performance on key ESG risk factors, which can further be drilled down to sector-wise performance on these factors. This provides more granular insights on the factors and sectors with scope for an improvement.

ESG Governance Process

Oversight and accountability of White Oak Capital's responsible investing activities fall under the responsibility of its Chief Investment Officer/s (CIO Office) and its ESG team, while implementation rests with the investment teams of their affiliate organisations as they are encouraged to integrate ESG in the way that best suits their investment style or asset class. As part of its continuous improvement process, White Oak Capital has established an ESG Committee ("Committee") that among others is entrusted with responsibility for overseeing the implementation of the ESG Policy. The Committee includes representatives from the CIO Office, investment team, ESG team, operations and compliance.

The Committee is responsible for ensuring consideration of ESG related factors in the relevant investment team discussions, so that those factors are considered while taking investment decisions.

The following sets out the Committee's key responsibilities:

- emphasising the importance of environmental measures, sustainability goals and performance, at all levels of the business;

- providing best practice on the structure, policies and regulations that impact the business;

- implementing and promoting common and workable standards of corporate governance for the business;

- maintaining, improving, and taking responsibility for the implementation of ESG policy;

Environmental, Social and Governance ("ESG") Policy (continued)

- staying abreast of systemic risks related to ESG issues, including climate change, to ensure that appropriate action is taken to mitigate and adapt to such risks;
- advancing responsible investing at White Oak Capital and furthering ESG capabilities and outcomes in line with industry best practices;
- creating awareness and educating the investment team and relevant stakeholders of ESG responsibilities and considerations; and
- reporting White Oak Capital's approach to sustainability and responsible investing to the relevant stakeholders and the PRI.

Commitment to ESG

As part of White Oak Capital's commitment to responsible investing, White Oak is a signatory to The United Nations-backed Principles for Responsible Investment Initiative (PRI). The PRI is a network of international investors working together to put the six Principles for Responsible Investment into practice.

Moreover, White Oak Capital support the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and they intend to continue to promote increased transparency, encourage the development of tools and methods to manage climate-related risks and opportunities and contribute to the best practices in the industry.

White Oak Capital refer to the frameworks provided under the United Nations Sustainable Development Goals and the UN principles on Business and Human Rights in assessing the impact of our portfolio companies' products, policies, and operations on sustainability outcomes.

Reporting

The Investment Adviser is committed to being transparent with its investors, shareholders, and other stakeholders about White Oak Capital's ESG initiatives, success, and goals. Their reporting includes White Oak Capital's UN PRI Transparency Report, which describes their initiatives and progress during the year as well as expected activities for the year to come, is produced annually and is available to its clients and beneficiaries upon request.

ESG Case Studies

Example case studies can be found below, demonstrating the Investment Adviser's approach to engagement with investee companies, with the objective of improving their overall ESG practices and policies:

Case Study 1

In a newly listed healthcare company, the disclosed details on its ESG practices were minimal in the IPO documents as companies going public are not mandated by the regulator to provide ESG-related details in the prospectus.

We engaged with the company to assess the ESG risks adequately, enabling us to reflect the same in our valuation process. The company provided important insights into their waste disposal practices and employee retention policies, which helped us better evaluate the company on our proprietary ABLEx framework.

Case Study 2

A small-cap industrials company had recurring material transactions with its related entities. A deep dive into the commercial activities of these related entities revealed that they were engaged in the same line of business as one of the company's key divisions.

A further study of the company's records showed that a few years back, it had acquired related entities with a subsequent commitment to stop such related party transactions. Our research showed that while the related transactions stopped for a year, they resumed with a newly incorporated related entity soon after. White Oak Capital engaged with the company to understand the rationale of such transactions. The response, though, was not satisfactory.

Thus, the deep dive into the corporate affairs of related entities and company records helped us avoid investing in a company White Oak Capital believe lacked adequate corporate governance.

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.

As mentioned above, 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

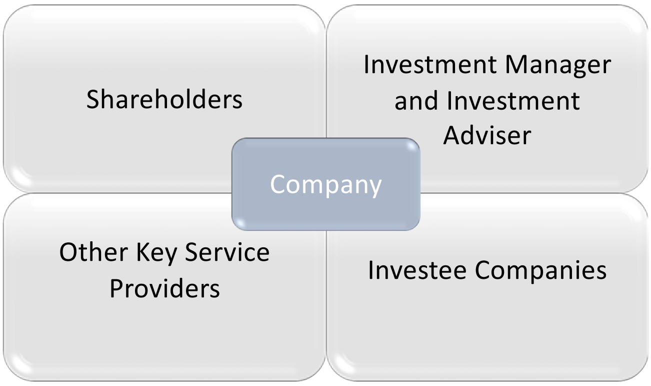
The Board has adopted a policy of fostering high standards of corporate governance in all its activities. This principle is the cornerstone of creating and preserving long-term shareholder value.

Section 172 Statement

This section of the Annual Report covers the Board's considerations and activities in discharging their duties under s.172(1) of the Companies Act 2006, in promoting the success of the Company for the benefit of its members as a whole.

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. In undertaking this duty, the Directors consider the likely consequences of the decisions of the Board in the longer term, how the Board has taken wider stakeholders' needs into account and the impact of the Company's operations on the environment.

The Company is an externally managed investment company and therefore it does not have any employees or customers in the conventional sense. Accordingly, it appoints external suppliers to fulfil a range of functions, including investment management, secretarial, administration, public relations, corporate brokering and custody services. The Board maintains ultimate responsibility for stakeholder engagement. 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. 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, 5,240,140 new shares have been issued by way of block listing, generating additional funds of £10,735,051. During the year, the Company made one block listing application for 5,000,000 new Ordinary Shares on 16 November 2022.This block listing application gave 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 5 September 2023, the Company announced that 547,339 valid redemption requests had been received for the 29 September 2023 Redemption Point (representing 0.5% 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. The Board maintains regular contact with Shareholders through the Investment Adviser and Broker's programme of Shareholder meetings. Both report back to the Board on their findings, questions, or concerns for the Board's consideration.

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 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 pages 30 to 31. 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 Partners, a boutique investment advisory firm, 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.

In March 2023, members of the Board engaged in a due diligence trip to Mumbai and Singapore to visit the Investment Adviser's offices. During their visit, the Directors met with several members of the White Oak senior management team in order to gain a better understanding of how they operated. They also met with several major shareholders. The Directors had been positively reassured by observing the work of the Manager and their interactions with investors.

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 pages 38 and 39) and maintains regular contact through direct reports at Board meetings or through the Company Secretary. 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 •.

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 pages 18 to 23 which explains how ESG matters have influenced its investment decisions.

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 one of the best-performing India specialist investment trust since it launched in July 2018, compared with its three main peers within the sector. In that time the Company's 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.
- During the year, the Company issued 5,240,140 new Ordinary Shares by way of block listing generating additional net funds of £10,735,051. The Company made one block listing application of 5,000,000 new Ordinary shares throughout the financial year.
- Additionally, 547,339 ordinary shares were redeemed as part of the Company's annual redemption facility.

Board's key decisions

The Board's key decisions during the year under review included:

- the share issuances programme, further details can be found on page • which was introduced in order to meet demand;
- Ms Dhut's appointment as the Company's Senior Independent Director which was agreed so that she can act as a sounding Board to the Chair and can liaise between other Board members and shareholders and the Chair;
- a number of unlisted investments were considered and approved, including an investment in Kaynes Technology India Limited; and
- a power of attorney which sets out the terms of delegated authority to the AIFM to execute all documentation in connection with an unlisted or unquoted holding.

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 2023, 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 pages 39 to 40).

Viability statement

The Board has assessed the viability of the Company for the period to 30 June 2026 (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 the Company's business model and each of the principal and emerging risks set out above, including the continued war in Ukraine and the impact this could have on 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.

Additionally, the Board has considered the liquidity and solvency of the Company and concluded that it remains viable.

Portfolio changes, market developments, level of premium or discount to NAV and share buybacks and share issues are discussed at quarterly Board meetings. Whilst the Company received redemption requests in respect of its redemption facility of 124,374 ordinary shares during the year under review, this was offset by the level of share issuances undertaken and positive performance during the year to 30 June 2023.

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.

Based on the results of this review, the Directors have formed a reasonable expectation that the Company will continue in its operations and meet its expenses and liabilities as they fall due over the course of the three year period.

Outlook

The outlook for the Company is discussed in the Chairman's Statement on pages 3 to 5 and Investment Manager's Report on pages 6 to 9.

For and on behalf of the Board

Andrew Watkins
Chairman of the Board
6 October 2023

ASHOKA INDIA EQUITY INVESTMENT TRUST PLC

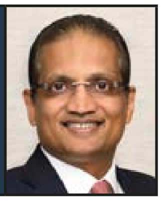
ACORN ASSET MANAGMENT (MAURITIUS)

(INVESTMENT MANAGER)

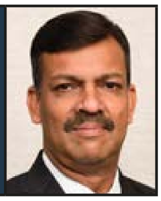
WHITE OAK CAPITAL PARTNERS PTE. LTD. (SINGAPORE)

(INVESTMENT ADVISER)

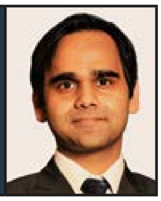
Prashant Khema
(Founder)



Manoj Garg
(Director – Investments)



Ayush Abhijeet
(Director – Investments)



Directors' Report

The Directors present their report and accounts for the year ended 30 June 2023.

Strategic report

The Strategic Report can be found on pages 3 to 29.

Corporate governance

The Corporate Governance Statement on page 36 forms part of this report.

Principal and emerging risks

The principal and emerging risks on pages 14 to 17 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 2023.

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 subject to the investment returns of the portfolio outperforming the MSCI India IMI Index (sterling terms) over a three-year period. The Investment Manager will only accrue a performance fee at the end of each Performance Period of three years, provided they outperform the benchmark. The first Performance Period ended approximately three years from 6 July 2018, at the balance sheet date of the

Company's third annual financial results in 2021. The Investment Manager agreed to be paid the performance fee in Ordinary Shares. A resolution was put to the Shareholders at the 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 were allotted to the Investment Manager in the first week of October 2021. The next Performance Period will be 2024, for which the Investment Manager will be paid a performance fee, subject to the investment returns of the portfolio outperforming the MSCI India IMI Index (in sterling) over the three-year period prior to payment of that performance fee. The Performance Fee in respect of each Performance Period will be paid at the end of the three-year period.

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 77.

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 Partners, a boutique investment advisory firm, to provide certain non-binding, non-exclusive and recommendatory investment advisory services to it. In April 2022 the Investment Adviser was relocated from India (White Oak Capital Management Consultants LLP) to Singapore (White Oak Capital Partners). Through its contractual arrangements with White Oak Capital Partners, the Company's Investment Manager, Acorn Asset Management Limited, continue to benefit from the expertise of key individuals within the White Oak Group. White Oak Capital Management and White Oak Capital Partners are both part of the White Oak Group, and the terms of appointment of White Oak Capital Partners are the same as those that applied to White Oak Capital Management.

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 believes that the continuing appointment of the Investment Manager is in the best interests of Shareholders as a whole.

Company Secretary and Administrator

On 17 January 2023, Sanne Group announced that it was acquired by Apex Group Limited. Subsequently the name of the Company's Administrator and Company Secretary changed from Sanne Fund Services (UK) Limited to Apex Listed Companies Services (UK) Limited. Apex Listed Companies 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, one of India's top five banks, 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 2023, the Company's issued share capital comprised 112,807,812 Ordinary Shares (30 June 2022: 107,567,672). 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 and up to 4 October, being the latest practical date prior to the release of this report, the Company has issued 5,707,135 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 2023, 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:

Name	Holding	%[1]
Evelyn Partners Limited	11,373,116	10.08
Rathbone Investment Management Limited	9,935,238	8.81
Charles Stanley Group plc	6,760,993	5.99
Acorn Asset Management/White Oak Capital[2]	5,789,836	5.13
J M Finn & Co	5,605,779	4.97
EQ Investors Ltd	5,500,152	4.88
Schroders plc	4,740,494	4.20
Tilney Smith & Williamson Limited	4,366,111	3.87

[1] Based on the number of Ordinary Shares in issue at the Company's year end.
[2] This is the amalgamated holdings of Acorn Asset Management Limited (3.76%), White Oak Capital Partners Pte (0.40%) Ltd and Prashant Khemka (0.98%).

Following the year end, the Company has not been formally notified of any other significant shareholdings comprising 3% or more of the issued share capital of the Company.

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 at least twelve months from the date of this document. 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 2023 were £232.6 million (30 June 2022: £187.4 million). As at 30 June 2023, the Company held £233.3 million (30 June 2022: £178.0 million) in quoted investments and cash of £6.5 million (30 June 2022: £7.0 million). The total expenses (excluding performance fees) for the year ended 30 June 2023 were £1.0 million (30 June 2022: £0.8 million), which represented approximately 0.5% (30 June 2022: 0.5%) 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.

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-approval 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 2 Directors' Remuneration Report

The Directors' Remuneration Policy (the 'Policy') is put before Shareholders for approval every three years and became effective following approval by Shareholders at the AGM on 30 October 2019. The Policy was subsequently approved by Shareholders at the AGM on 8 December 2022. The Policy will be put before Shareholders for approval again in December 2025. The policy is that the remuneration of Directors: be fair and reasonable in relation to that of other investment trusts and to the time commitment and responsibilities undertaken; be reviewed relative to movements in the Retail Price Index; be sufficient to retain and motivate appointees, as well as ensure that candidates of a high calibre are recruited to the Board but not be more than necessary for the purpose; and take into consideration any committee memberships and chairmanship duties.

Fees for the Directors are determined by the Board within the limits stated in the Company's Articles of Association ("Articles"). The maximum currently is £300,000 in aggregate per annum. Directors do not have service contracts. Directors are appointed under letters of appointment, copies of which are available for inspection at the registered office of the Company. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in the performance of their duties. Directors are not eligible for bonuses, pension benefits, share options or other incentives or benefits. There are no agreements between the Company and its Directors concerning compensation for loss of office. Notwithstanding the above, the Company's Articles also provide that, additional discretionary payments can be made for services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a director.

The level of Directors' remuneration is reviewed annually, although such review will not automatically result in any changes. This Directors' Remuneration Policy will apply to any new directors, who will be paid the appropriate fee based on the Directors' fees level in place at the date of appointment. The Board will consider, where raised, Shareholders' views on Directors' remuneration. The Board may amend the level of remuneration paid to Directors within the parameters of the Directors' Remuneration Policy. This Directors' Remuneration Policy is the same as that currently followed by the Board as disclosed in last year's Directors' Remuneration Report.

The Company has no employees and consequently has no policy on the remuneration of employees.

Resolutions 10 and 12 Authority to issue shares and to disapply pre-emption rights

The Board is seeking authority to allot up to a maximum of 23,702,989 Ordinary Shares (representing approximately 20% of the shares in issue at the date of this document) and to disapply 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 2024 unless renewed prior to this date via a General Meeting. The full text of resolutions 10 and 12 is set out in the Notice of Meeting on pages 93 to 94.

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.

Resolutions 11 and 13 Authority to issue shares and to disapply pre-emption rights

The Board is seeking authority to allot up to a maximum of 23,702,989 Ordinary Shares (representing approximately 20% of the shares in issue at the date of this document) in connection with any performance fee due and to disapply 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 2024 unless renewed prior to this date via a General Meeting. The full text of resolutions 11 and 13 is set out in the Notice of Meeting on pages 93 to 94.

The authority granted by Shareholders to issue shares in accordance with this authority will allow the Company to issue shares to the Investment Manager in accordance with the Investment Advisory Agreement.

Resolution 14 Renewal of authority to purchase own shares

The Directors recognise the importance to investors of ensuring that the Company's share price is as close to its underlying NAV as possible. Accordingly, the Directors monitor the share price closely and will consider share repurchases in the market if the discount widens significantly, or the issue of shares to the market to meet demand to the extent that the Company's shares are trading at a premium. For the year under review, the Company's Ordinary Shares have traded at an average discount to NAV of 0.38% and were trading at a premium of 2.22% on a cum-income basis as at 2 October 2023, the latest practicable date prior to the issue of this report.

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 2024. The Directors recommend that a new authority to purchase up to 17,776,056 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 14 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.

Since the Company's inception in July 2018 to 30 June 2023, the NAV has increased by 110.4% and the Company's share price has increased by 109%, both comfortably ahead of the benchmark index which grew by 60.9% (in sterling terms). The Company's share price stood at 209p at the year end, a 1.4% premium to NAV. Therefore, in the event of the Company's shares trading at a discount, it is considered unlikely that performance alone would have been the main contributor. The Board may require the authority to purchase shares in the event that the Company's discount becomes excessive in circumstances where they may have exhausted all other means to narrow the Company's discount, or where they require the power to buy back shares in periods of market volatility beyond their (or the Investment Manager's) control to protect the long-term interests of the Company's Shareholders.

Further to the above, the Company's Ongoing Charges ratio of 0.5%, which reflects expenses which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company is below average amongst investment trusts and is not believed by the Board to have had influence when the Company's share price has traded at a small discount to Net Asset Value. The Board reviews the ongoing charges and monitors the expenses incurred by the Company.

During the year ended 30 June 2023, the Company did not utilise its authority to purchase its own shares. The full text of resolution 14 is set out in the Notice of Meeting on pages 94 to 95.

Resolution 15 Notice of General Meetings

Resolution 15 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 15 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

Jenny Thompson
For and on behalf of
Apex Listed Companies Services (UK) Limited
Company Secretary
6 October 2023

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 establishment of a remuneration committee;
- the need for an internal audit function; and
- executive directors' remuneration

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company with an independent board and no employees. The Audit 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 as an externally managed investment company with external service providers. The Audit Committee keeps the needs for an internal audit function under periodic review.

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. Mr Watkins and Mr Skinner were appointed on 11 May 2018. Dr Booth and Ms Dhut were appointed on 7 June 2018.

Rita Dhut was appointed Senior Independent Director of the Company with effect from 1 October 2022.

The Board believes that during the year ended 30 June 2023 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 35 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 CT 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 Chairman of Baillie Gifford Shin Nippon plc.

Dr Jerome Booth (Chair of the Nomination Committee)

Dr Jerome 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 also a Non-Executive Director of Integrafin plc and Chair of JP Morgan European Investment Trust plc. Rita has pursued other personal interests close to her heart and is currently 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 Directors have declared any conflicts or potential conflicts of interest to the Board, which has the authority to approve such occurrences. The Company Secretary maintains the Register of Directors' Conflicts of Interests which is reviewed at each quarterly board meeting and when changes are notified. The Directors advise the Company Secretary and the Board as soon as they become aware of any conflicts of interest. Directors who have conflicts of interest do not take part in discussions which relate to any of their conflicts.

It is the responsibility of each individual Director to avoid an unauthorised conflict arising. Directors must request authorisation from the Board as soon as they become aware of the possibility that a conflict may arise. The Board is responsible for considering Directors' requests for authorisation of conflicts and for deciding whether or not the relevant conflict should be authorised. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to participate in the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Board are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances. The Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

Board committees

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

Audit Committee

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. Mr Skinner is the Chair 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.

Nomination 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	3/4*	2/2	1/1	1/1

* Due to illness Rita Dhut was unable to attend the meeting held on 8 December 2022.

Board diversity

Appointments to the Board are based on merit with due regard to the benefits of diversity. The Board considers many factors, including the balance of skills, knowledge, experience, gender, ethnicity, cognitive and personal strengths when reviewing its composition and appointing new Directors. The aim of the policy is to identify those with the best range of skills and experience to complement existing Directors in order to provide effective oversight of the Company and constructive support and challenge to the Investment Adviser. The Board currently comprises four Non-Executive Directors of which three are male and one is female. The Company has no employees. Summary biographical details of the Directors, including their relevant experience, are set out on pages 37 to 38.

The Board notes the new Listing Rules requirements (Listing Rule 9.8.7 R) which sets out targets for board diversity which is set out below:

- at least 40% of board members to be women;
- at least one senior board position (Chairman, chief executive officer (CEO), senior independent director or chief financial officer(CFO)) to be held by a women; and
- at least one individual on the board to be from a minority ethnic background, defined to include those from an ethnic background, defined to include those from an ethnic group, other than a white ethnic group, as specified in categories recommended by the Office for National Statistics.

It is noted that, as an externally managed investment trust there is no CEO or CFO. The Board considers that the Chairman of the Company, Chair of any of the Company's Committees and Senior Independent Director to be senior positions in the Company. As required by the Listing Rules the below table sets out the Company's Board against these targets in the prescribed format. The data was collected on a self-identifying basis. It was noted by the Board that, as at year end (30 June 2023) and at the time of signing of these financial statements, it did not meet the first target on gender diversity whilst it did meet the second as two of its senior positions were held by the Company's only female board member. The Board is committed to meeting the Listing Rule target set out above and has agreed to consider gender diversity when future appointments are made as part of its recruitment criteria.

Board Diversity as at 30 June 2023

Gender

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	3	75%	2[1]
Women	1	25%	1[2]
Prefer not to say	–	–	–

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or Other White (including minority-white groups)	3	75%	2[1]
Asian/Asian British	1	25%	1[2]

[1] Mr Watson is Chairman and Mr Skinner is Audit Chair
[2] Ms Dhut is Senior Independent Director

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 2023. 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. However, 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 2023. 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, Apex Listed Companies 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. The conclusions of the performance evaluations were positive and demonstrated that the Board, its Committees, the Investment Manager and Service Providers were operating effectively and showed the necessary commitment to the effective fulfilment of their duties. 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 48.

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, Apex Listed Companies 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 enabled 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 29.

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.

Directors' Remuneration Policy & Implementation Report

The Board is pleased to present the Remuneration Report for the year ended 30 June 2023 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 2023, there has been no change in the Board's composition from the disclosures contained in the Company's prospectus.

AGM approval of the Remuneration Policy and Remuneration Implementation Report

In accordance with the requirements of Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended (the Regulations), the Board is required to put forward for shareholder approval at its first Annual General Meeting ("AGM"), and on a triennial basis thereafter, a Remuneration Policy. Accordingly, the Remuneration Policy of the Company set out below was proposed to Shareholders via an ordinary resolution, which is a binding resolution, at the AGM held on 8 December 2022. The resolution was successfully passed at the AGM in 2022, and the provisions set out in the below Remuneration Policy applied from the date of the AGM and will next be submitted for shareholder approval at the Company's upcoming AGM in December 2025.

In the event of any proposed material variation to the Remuneration Policy or should the Remuneration Policy or the Remuneration Implementation Report fail at the forthcoming AGM, shareholder approval will be sought for a proposed revised Remuneration Policy prior to its implementation. The Remuneration Implementation Report will require approval via an ordinary resolution on an annual basis. This resolution is put to Shareholders on an advisory, non-binding, basis which means that, if the resolution were to fail to attract sufficient votes in favour, the Board would continue to be entitled to be remunerated and would not be required to amend their contractual relationship with the Company. However, if the Remuneration Implementation Report were to be voted down by Shareholders, the Board would be required to resubmit the Remuneration Policy to Shareholders at the AGM following the AGM at which the Remuneration Implementation Report failed.

Remuneration Policy

The Remuneration Policy and Report was approved by Shareholders at the AGM held on 8 December 2022. All the Directors are non-executive directors, and the Company has no 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 and Ms Dhut from 30 June 2022) 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 and Ms Dhut has made the same election from the quarter ended 30 June 2022.

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.

The current aggregate remuneration that can be paid to Directors under the Company's Articles of Association is £300,000 per annum.

In accordance with the Shareholder Rights Directive, the Board confirms there were no variable pay awards made to the Directors and there were no deferral periods. The annual percentage change in remuneration in respect of the current and prior financial years of each Directorship is as follows:

	% change in fees 30 June 2022 to 2023	% change in fees 30 June 2021 to 2022	% change in fees 30 June 2020 to 2021
Chairman	0.00%	14.29%	0.00%
Chair of the Audit Committee	0.00%	18.18%	0.00%
Chair of the Nomination Committee	0.00%	10.00%	0.00%
Chair of the Management Engagement Committee	0.00%	10.00%	0.00%
Total	**0.00%**	**13.33%**	**0.00%**

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 2023 together with the prior year comparative:

Director	To 30 June 2023 (£) Fees[1]	To 30 June 2022 (£) Fees[1]
Andrew Watkins	40,000	40,000
Jamie Skinner	32,500	32,500
Dr Jerome Booth	27,500	27,500
Rita Dhut	27,500	27,500
Total	**127,500**	**127,500**

[1] There were no taxable benefits paid in respect of the year to 30 June 2023 (30 June 2022: nil).

Director remuneration is reviewed on an annual basis by the Board. Following due consideration of peers within the sector, and analysis of current market rates of Directors' fees for investment trust companies, the Board decided to keep the fees unchanged.

Information on Directors' costs is disclosed on Note 8 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 2022 was passed at the AGM held on 8 December 2022 with 99.91% 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 2022 was put forward to Shareholders at the AGM held on 8 December 2022. The resolution was also passed with 99.91% of the shares voted being in favour of the resolution and 40,481 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

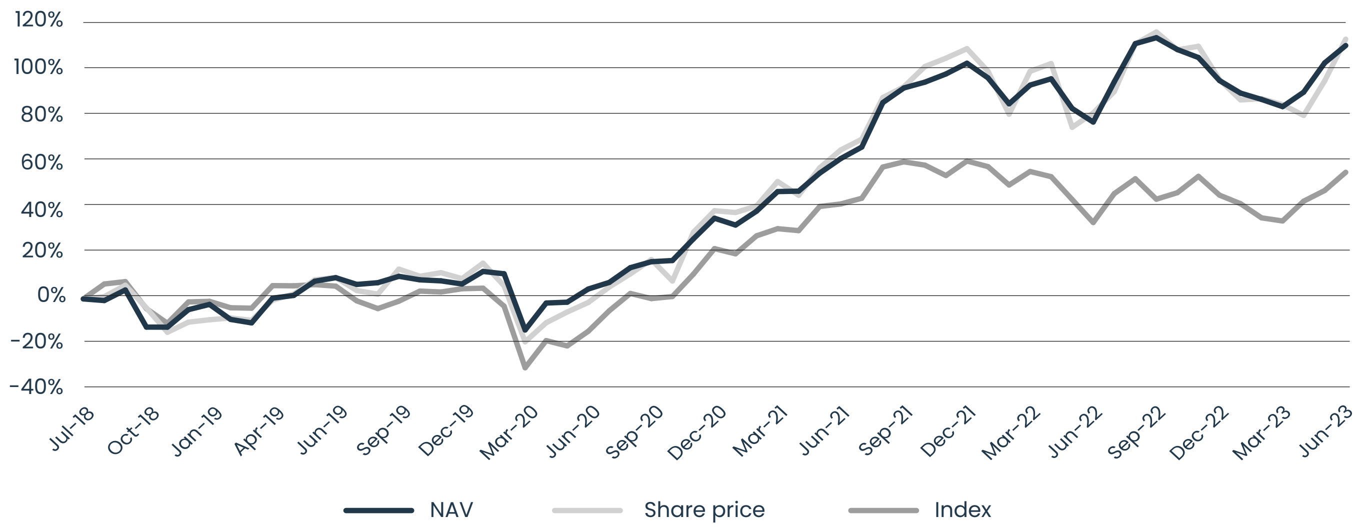
The fees were payable at an annual rate of £40,000 to the Chairman and £27,500 to each Director. In addition, the Chairman of the Audit Committee received an additional fee of £5,000 per annum. During the year ended 30 June 2023, a review of Directors' remuneration has been performed and the Board agreed that this remained appropriate.

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 income and capital gains, the distributions to Shareholders by way of dividends, and the performance fees and operating expenses incurred by the Company for the year ended 30 June 2023, together with the prior year comparative.

	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Income	1,308,000	1,040,000
Net investment gains	44,135,000	7,539,000
Spend on Directors' fees	127,500	127,500
Performance fees expense[1]	2,464,000	nil
Operating expenses	1,041,000	832,000
Dividends paid to Shareholders	nil	nil

[1] The performance fees are accrued but not paid and will adjust at the end of each period.

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 2023 the Directors had the following holdings in the Company. All holdings were beneficially owned.

	Ordinary Shares as at 30 June 2023	Ordinary Shares as at 30 June 2022	Ordinary Shares as at the date of this report
Andrew Watkins	94,425	94,425	94,425
Jamie Skinner	94,200	84,733	95,985
Rita Dhut	81,733	81,733	81,733
Dr Jerome Booth	77,623	66,202	80,213

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 2023:

(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
6 October 2023

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 2023 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 2023.

The Statement of Directors' Responsibilities in respect of the accounts is on pages 51 to 52 and a Statement of Going Concern is on pages 32 to 33.

The Report of the Independent Auditor is on pages 53 to 64.

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 2023:

Valuation and existence of investments

The Company holds the majority of 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 71.

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 on when the Company disposes of investments. The Audit Committee reviewed the procedures in place for the calculation of Indian capital gains tax.

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 pages 32 to 33.

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 2023, 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.

Audit tenure

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. In accordance with auditor rotation best practice, Sue Dawe was replaced by Mike Gaylor as Audit Partner for the year ended 30 June 2023. The appointment of the auditor is reviewed annually by the Committee and the Board and is subject to approval by Shareholders.

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 FRC guidance in relation to the statutory audits of listed companies, the Company is required to put out to tender within ten years of the initial appointment of Ernst & Young LLP, this will be during 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.

No non-audit services were provided in the year ending 30 June 2023 (30 June 2022: Nil).

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
6 October 2023

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 UK-adopted international accounting standards.

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 UK-adopted international accounting standards 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://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 UK adopted international financial reporting standards in conformity with the requirements of the Companies Act 2006, 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 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
6 October 2023

Opinion

We have audited the financial statements of Ashoka India Equity Investment Trust plc ("the Company") for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, 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 UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

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 that we have become aware of during our audit were considered in their assessment.
- Inspection of the Directors' assessment of going concern, including the revenue forecast and liquidity assessment, for the period to 31 December 2024 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 current economic environment and other significant events that could give rise to market volatility, as applied to the revenue forecast and the liquidity assessment of 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 included within the revenue forecasts that are 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 consistent with the financial statements and our understanding of the Company 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 2024.

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	• 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 £2.33m 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, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Company. The Company has determined that the most significant future impacts from climate change on its operations will be from extreme weather events that could potentially impair the operations of individual investee companies, their supply chains, and their customers, and that the Company may suffer from increased investor demand for products which promote ESG investments. This is explained on page 16 in the principal risks and uncertainties which form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 2 and concluded that there was no further impact of climate change to be taken into account as the investments are valued at fair value, being primarily quoted prices for investments in active markets at the balance sheet date, and therefore reflect market participant's view of climate change risk. Unlisted investments, valued by reference to appropriate valuation techniques, similarly reflect market participants' view of climate change risk. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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 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.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
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 48 and the accounting policy set out on page 71). The valuation of the investment portfolio at 30 June 2023 was £236.76m (2022: £183.36m) consisting of quoted investments with an aggregate value of £233.30m (2022: £178.00m) and unquoted investments with an aggregate value of £3.46m (2022: £5.36m).	**We performed the following procedures:** 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. For all 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.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio and the resulting impact on the Statement of Comprehensive Income.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
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. The fair value of quoted investments is determined by reference to bid value on the relevant exchange. If bid value is unavailable, then the last trade price on the relevant exchange is used. 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"). 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.	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. For the unquoted investments held as at the year-end we utilised our specialist valuations team to review and challenge the valuations. This included: • 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; • 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 • Determining a fair value range for the valuation and assessing whether Management's valuation is reasonable.	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
The Company incurs Indian capital gains taxes on realised gains made from the Indian 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 2023 was £7.71m (2022: £3.03m). Incorrect calculation of the capital gains tax provision could impact on the Company's net asset value.	We compared the Company's investment holdings at 30 June 2023 to an independent confirmation received directly from the Company's Custodian, testing any reconciling items to supporting documentation. We recalculated the total unrealised gains/losses on investments as at the year-end using the book-cost reconciliation. We recalculated the realised gains and losses arising on a sample of disposals and ensured the average cost method was consistently and correctly applied. 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 we agreed the key inputs for the calculation to our audited workpapers.	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
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 48 and the accounting policy set out on page 71). The total revenue for the year to 30 June 2023 was £1.31m (2022: £1.04m), consisting of dividend income from quoted equity investments. The investment income receivable by the Company during the year directly affects the Company's revenue return. 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. The Directors may be required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.	**We performed the following procedures:** We obtained an understanding of the processes and controls surrounding revenue recognition including the classification of special dividends by performing walkthrough procedures. For all dividends received, 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 we agreed amounts to bank statements and where applicable, agreed the exchange rates to an external source. For dividends accrued, we reviewed the investee Company announcements to assess whether the dividend obligations arose prior to 30 June 2023. We agreed the dividend rate to corresponding announcements made by the investee Company, recalculated the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements, where paid.	The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital in the Statement of Comprehensive Income.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	To test completeness of recorded income, we verified 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. For all investments held during the year, we compared the type of dividends paid with reference to an external data source to identify those which were 'special'. We confirmed two special dividends were received during the year. We selected a sample of one special dividend received and confirmed that the classification of revenue for the payments was consistent with the underlying rationale of the distribution.	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect calculation of the performance fee (refer to the Report of the Audit Committee set out on page 48 and the accounting policy set out on page 71). The performance fee amounted to £2.46m for the year ended 30 June 2023 (2022: nil) which resulted in a year end provision of £2.46m (2022: nil). 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. 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.	**We performed the following procedures:** We obtained an understanding of the processes and controls surrounding the performance fee calculation by performing our walkthrough procedures. We recalculated the performance fee recognised in the year ended 30 June 2023 with reference to the methodology prescribed in the IMA. We validated all inputs used in the calculation to our audited financial information, the IMA and to underlying audit evidence.	The results of our procedures identified no material misstatement in relation to the risk of incorrect calculation of the performance fee.

Our application of materiality

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.

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 £2.33m (2022: £1.87m), which is 1% (2022: 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% (2022: 75%) of our planning materiality, namely £1.74m (2022: £1.41m). We have set performance materiality at this percentage due to our experience from prior years and our assessment of the impact of any prior year errors.

Given the importance of the distinction between revenue and capital for investment trusts, we have applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.12m (2022: £0.09m), being our reporting threshold.

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 £0.12m (2022: £0.09m), 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 this gives rise to 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 part 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 part 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

We have reviewed 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 by the Listing Rules.

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 pages 32 to 33;
- 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 pages 27 to 28;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on 32 to 33;
- Directors' statement on fair, balanced and understandable set out on page 51;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 14 to 17;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 40 to 41; and;
- The section describing the work of the audit committee set out on pages 47 to 48.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 51 to 52, 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 UK adopted International Accounting Standards, 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 fraud risks 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 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

- Following the recommendation from the audit committee, 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 five years, covering the years ending 30 June 2019 to 30 June 2023

- 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.

Mike Gaylor (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
6 October 2023

Statement of Comprehensive Income

For the financial year ended 30 June 2023

		For the year ended 30 June 2023			For the year ended 30 June 2022		
		Revenue	Capital	Total	Revenue	Capital	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments	4	–	43,805	43,805	–	7,848	7,848
Gains/(losses) on currency movements		–	330	330	–	(309)	(309)
Net investment gains		**–**	**44,135**	**44,135**	**–**	**7,539**	**7,539**
Income	5	1,308	–	1,308	1,040	–	1,040
Total income		**1,308**	**44,135**	**45,443**	**1,040**	**7,539**	**8,579**
Performance fees	7	–	(2,464)	(2,464)	–	–	–
Operating expenses	8	(1,041)	–	(1,041)	(832)	–	(832)
Operating profit before taxation		**267**	**41,671**	**41,938**	**208**	**7,539**	**7,747**
Taxation	9	(139)	(7,219)	(7,358)	(202)	1,679	1,477
Profit for the year		**128**	**34,452**	**34,580**	**6**	**9,218**	**9,224**
Earnings per Ordinary Share	10	**0.14p**	**38.51p**	**38.65p**	**0.01p**	**9.46p**	**9.47p**

There is no other comprehensive income and therefore the 'Profit for the year' is the total comprehensive income for the year ended 30 June 2023.

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 69 to 87 form an integral part of these financial statements.

Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 £'000	30 June 2022 £'000
Non-current assets			
Investments held at fair value through profit or loss	4	236,764	183,361
Current assets			
Cash and cash equivalents		6,489	7,027
Dividend receivable		229	188
Other receivables		225	42
		6,943	**7,257**
Total assets		**243,707**	**190,618**
Current liabilities			
Purchases for future settlement		(459)	–
Other payables	6	(520)	(203)
Performance fees payable	7	(2,464)	–
Non-Current liabilities			
Capital gains tax provision		(7,713)	(3,029)
Total liabilities		**(11,156)**	**(3,232)**
Net assets		**232,551**	**187,386**
Equity			
Share capital	12	1,128	1,076
Share premium account		101,003	90,470
Special distributable reserve	13	44,276	44,276
Capital reserve		86,136	51,684
Revenue reserve		8	(120)
Total equity		**232,551**	**187,386**
Net asset value per Ordinary Share	14	**206.2p**	**174.2p**

Approved by the Board of Directors on 6 October 2023 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 69 to 87 form an integral part of these financial statements.

For the financial year ended 30 June 2023

	Note	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 July 2022		1,076	90,470	44,276	51,684	(120)	187,386
Profit for the year		–	–	–	34,452	128	34,580
Issue of Ordinary Shares	12	52	10,683	–	–	–	10,735
Share issue costs		–	(150)	–	–	–	(150)
Closing balance as at 30 June 2023		**1,128**	**101,003**	**44,276**	**86,136**	**8**	**232,551**

For the financial year ended 30 June 2022

	Note	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 July 2021		860	49,099	44,276	42,466	(126)	136,575
Profit for the year		–	–	–	9,218	6	9,224
Issue of Ordinary Shares	12	216	41,886	–	–	–	42,102
Share issue costs		–	(515)	–	–	–	(515)
Closing balance as at 30 June 2022		**1,076**	**90,470**	**44,276**	**51,684**	**(120)**	**187,386**

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

The notes on pages 69 to 87 form an integral part of these financial statements.

Statement of Cash Flows

For the financial year ended 30 June 2023

	Note	For the year ended 30 June 2023 £'000	For the year ended 30 June 2022 £'000
Cash flows from operating activities			
Operating profit before taxation		41,938	7,747
Taxation paid		(3,362)	(3,123)
(Increase)/decrease in receivables		(224)	433
Increase in payables		2,781	117
Gains on investments	4	(43,805)	(7,848)
Net cash flow used in operating activities		**(2,672)**	**(2,674)**
Cash flows from investing activities			
Purchase of investments		(120,344)	(118,600)
Sale of investments		111,893	87,259
Net cash flow used in investing activities		**(8,451)**	**(31,341)**
Cash flows from financing activities			
Net proceeds from issue of shares	12	10,735	34,110
Share issue costs		(150)	(515)
Net cash flow from financing activities		**10,585**	**33,595**
Decrease in cash and cash equivalents		**(538)**	**(420)**
Cash and cash equivalents at start of year		7,027	7,447
Cash and cash equivalents at end of year		**6,489**	**7,027**

The notes on pages 69 to 87 form an integral part of these financial statements.

1. Reporting entity

Ashoka India Equity Investment Trust plc is a closed-ended investment company, registered in England and Wales on 11 May 2018. The Company's registered office is 6th Floor 125 London Wall, London, England, EC2Y 5AS. Business operations commenced on 6 July 2018 when the Company's Ordinary Shares were admitted to trading on the LSE. The financial statements of the Company are presented for the year from 1 July 2022 to 30 June 2023.

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 applicable law and the UK-adopted international accounting standards. 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 July 2022 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.

In preparing these Financial Statements the Directors have considered the impact of climate change risk as a Principal and emerging risk as set out on page 16. In line with the UK-adopted international accounting standards, investments are valued at fair value, being primarily quoted prices for investments in active markets at the balance sheet date, and therefore reflect market participant's view of climate change risk. Unlisted investments, valued by reference to appropriate valuation techniques (see note 3), similarly reflect market participants' view of climate change risk.

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 2024. As such the Directors have adopted the going concern basis in preparing the financial statements.

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 ongoing 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 2023 of £7,713,000 (30 June 2022: £3,029,000) in respect of unrealised gains on investments held.

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 83.

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

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 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; and

— Industry Valuation Benchmarks.

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 cash flows are used where appropriate. An absence of relevant industry peers may preclude the application of the industry valuation benchmarks technique. All valuations are cross-checked for reasonableness by employing relevant alternative techniques.

3. Accounting policies (continued)

(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 that 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.

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 on or after 1 January 2023. None of these are expected to have a material impact on the measurement of the amounts recognised in the financial statements of the Company.

(i) New standards and amendments issued but not yet effective

The relevant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. These standards are not expected to have a material impact on the entity in future reporting periods and on foreseeable future transactions.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023.

4. Investments held at fair value through profit or loss

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

	As at 30 June 2023 £'000	As at 30 June 2022 £'000
Quoted investments in India	233,303	177,998
Unquoted investments in India	3,461	5,363
Closing valuation	**236,764**	**183,361**

(b) Movements in valuation

	As at 30 June 2023 £'000	As at 30 June 2022 £'000
Opening valuation	183,361	147,399
Opening unrealised gains on investments	29,059	46,121
Opening book cost	**154,302**	**101,278**
Additions, at cost	120,803	121,568
Disposals, at cost	(95,065)	(68,544)
Closing book cost	**180,040**	**154,302**
Revaluation of investments	56,724	29,059
Closing valuation	**236,764**	**183,361**

Transaction costs on investment purchases for the year ended 30 June 2023 amounted to £163,000 (30 June 2022: £159,000) and on investment sales for the financial year to 30 June 2023 amounted to £181,000 (30 June 2022: £172,000). As at year end £2.3 million (30 June 2022: £11.6 million) of investments were subject to lock in periods.

(c) Gains on investments

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Realised gains on disposal of investments	16,484	25,241
Transaction costs	(344)	(331)
Movement in unrealised gains/(losses) on investments held	27,665	(17,062)
Total gains on investments	**43,805**	**7,848**

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

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

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

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

Level 3

Unobservable inputs 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 2023				As at 30 June 2022			
	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	233,303	–	–	233,303	177,998	–	–	177,998
Unquoted investments in India	–	–	3,461	3,461	–	–	5,363	5,363
	233,303	**–**	**3,461**	**236,764**	**177,998**	**–**	**5,363**	**183,361**

	As at 30 June 2023 £'000	As at 30 June 2022 £'000
Opening balance	5,363	6,323
Additions during the year	1,199	5,416
Conversion from level 3 to level 1 investments	(2,916)	(6,353)
Total losses for the year recognised in profit or loss	(185)	(23)
Closing balance	**3,461**	**5,363**

As at year end, the Company had two unquoted investments. These are investment in Ideaforge Technology Ltd for a total of 178,464 shares and investment in Veeda Clinical Research Ltd for a total of 680,790 shares.

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

As at the end of prior year, investment in Bikaji Foods International Limited was classified as Level 3 investment as there is no available market price. During the year, the investment has entered into an Initial Public Offering and has been classified as Level 1 Investment.

Unquoted investments are valued by the Investment Manager in accordance with the International Private Equity and Venture Capital Valuation Guidelines 2022 ("IPEV") guidelines which are consistent with IFRS. On 14 December 2022, the IPEV Board published revised International Private Equity and Venture Capital Valuation Guidelines ("IPEV Guidelines" or "Valuation Guidelines" or "Guidelines"), which will replace the 2018 Valuation Guidelines. The revised Guidelines are effective for periods beginning from 1 January 2023, with early adoption encouraged. The guidelines are consistent with IFRS. The Investment Manager applies techniques consistent with the IPEV. The key inputs considered in the valuation are described on page 83.

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

	As at 30 June 2023 £'000	As at 30 June 2022 £'000
Income from investments:		
Overseas dividends	1,307	1,040
Other Income:		
Deposit interest	1	–
Total income	**1,308**	**1,040**

6. Other payables

	As at 30 June 2023 £'000	As at 30 June 2022 £'000
Accrued expenses	520	203
Total other payables	**520**	**203**

7. Performance fees provision

	Year ended 30 June 2023			Year ended 30 June 2022		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Performance fees expenses	–	2,464	**2,464**	–	–	**–**

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 6 July 2018) 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. The Performance Fee in respect of each Performance Period will be paid at the end of the three-year period.

As at 30 June 2023, there was a £2,464,000 provision for the performance fee liability to the Investment Manager for the full two year period (30 June 2022: nil, for the one year period).

8. Expenses

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Administration & secretarial fees	197	158
Auditor's remuneration – Statutory audit fee*	67	45
Broker fees	32	33
Custody services	40	30
Directors' fees and expenses	128	128
Board trip to India costs	31	17
Tax compliance and advice	30	27
Printing and public relations	202	192
Marketing fees**	84	–
Registrar fees	24	18
Legal Fees	92	90
UKLA and other regulatory fees	16	10
Other expenses***	98	84
Total	**1,041**	**832**

* Auditor's remuneration excludes VAT.

** The Company has incurred marketing fees during the period.

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

9. Taxation

(a) Analysis of charge in the year:

	Year ended 30 June 2023			Year ended 30 June 2022		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Capital gains tax provision	–	4,684	**4,684**	98	1,369	**1,467**
Capital gains tax expense/(credit)	–	2,535	**2,535**	–	(3,048)	**(3,048)**
Indian withholding tax	139	–	**139**	104	–	**104**
Total tax charge for the year	**139**	**7,219**	**7,358**	**202**	**(1,679)**	**(1,477)**

The Company is liable to Indian capital gains tax under Section 115 AD of the Indian Income Tax Act 1961. A tax provision on Indian capital gains is calculated based on the long-term (securities held more than one year) or short-term (securities held less than one year) nature of the investments and the applicable tax rate at the period end. The short-term tax rates are 15% and the long-term tax rates are 10%.

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

(b) Factors affecting the tax charge for the year:

The effective UK corporation tax rate for the year is 20.5%. 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 2023	Year ended 30 June 2022
	£'000	£'000
Operating profit before taxation	41,938	7,747
UK Corporation tax at 20.5% (2022: 19%)	8,597	1,472
Effects of:		
Indian capital gains tax provision	7,219	(1,679)
Gains on investments not taxable	(9,048)	(1,432)
Overseas dividends not taxable	(268)	(198)
Unutilised management expenses	719	158
Indian withholding tax	139	202
Total tax charge for the year	**7,358**	**(1,477)**

9. Taxation (continued)

The 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 £3,465,000 (2022: £2,589,000) based on the prospective UK corporation tax rate of 25% (2022: 25%). This asset has accumulated because deductible expenses exceeded taxable income for the year ended 30 June 2023. 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.

(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 2023, the Company made a capital gains tax provision of £7,713,000 (30 June 2022: £3,029,000) in respect of unrealised gains on investments held.

10. Earnings per Ordinary Share

	Year ended 30 June 2023			Year ended 30 June 2022		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Profit for the year (£'000)	128	34,452	**34,580**	6	9,218	**9,224**
Earnings per Ordinary Share	0.14p	38.51p	**38.65p**	0.01p	9.46p	**9.47p**

Earnings per Ordinary Share is based on the profit for the year of £34,580,000 (30 June 2022: profit of £9,224,000) attributable to the weighted average number of Ordinary Shares in issue during the year ended 30 June 2023 of 89,469,919 (30 June 2022: 97,433,268). Revenue and capital profits are £128,000 (30 June 2022: revenue profit of £6,000) and £34,452,000 (30 June 2022: capital profit of £9,218,000) 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 Board is proposing that no dividend be paid in respect of the year ended 30 June 2023 in accordance with the Company's Dividend policy on page 12.

12. Share capital

	As at 30 June 2023		As at 30 June 2022	
	No. of shares	£'000	No. of shares	£'000
Allotted, issued and fully paid:				
Redeemable Ordinary Shares of 1p each ("Ordinary Shares")	112,807,812	1,128	107,567,672	1,076
Total	**112,807,812**	**1,128**	**107,567,672**	**1,076**

Ordinary Shares

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

During the year ended 30 June 2023, 5,240,140 Ordinary Shares (30 June 2022: 22,590,042) were issued with aggregate proceeds of £10,735,000 (30 June 2022: £42,102,000). Additionally, 124,374 Ordinary Shares were matched with buyers in the market in respect of the 30 September 2022 annual Redemption Point. As at the date of this Annual Report, the total number of Ordinary Shares in issue is 112,807,812 (30 June 2022: 107,567,672).

The Ordinary Shares have attached to them full voting, dividend and capital distribution rights. They confer rights of redemption. The Company's special distributable reserve may also be used for share repurchases, both into treasury or for cancellation. Since year end and up to 4 October 2023, being the latest practical date prior to the signing of the financial statements, 5,707,135 Ordinary Shares were issued with aggregate proceeds of £12,534,144.

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/distribution payments.

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

Net assets per ordinary share as at 30 June 2023 of £206.2p (30 June 2022: £174.2p) is calculated based on £232,551,000 (30 June 2022: £187,386,000) of net assets of the Company attributable to the 112,807,812 (30 June 2022: 107,567,672) Ordinary Shares in issue as at 30 June 2023.

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 2023			As at 30 June 2022		
	Interest bearing	Non-interest bearing	Total	Interest bearing	Non-interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investments	–	236,764	236,764	–	183,361	183,361
Total investment	**–**	**236,764**	**236,764**	**–**	**183,361**	**183,361**
Cash and cash equivalent	–	6,489	6,489	–	7,027	7,027
Short-term debtors	–	454	454	–	230	230
Short-term creditors	–	(3,443)	(3,443)	–	(203)	(203)
Other assets	**–**	**3,500**	**3,500**	**–**	**7,054**	**7,054**
Total financial assets	**–**	**240,264**	**240,264**	**–**	**190,415**	**190,415**

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 £23,676,000 (30 June 2022: £18,336,000) in the investments held at fair value through profit or loss at the year end, which is equivalent to 10.20% (30 June 2022: 9.8%) 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 15.

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 2023 were primarily driven by the weighted average of Discounted Cash Flow (DCF) valuation, Market movement based valuation based on Index and Peer Group.

A. Veeda Clinical Research

Valuation Technique	Fair value of investments £'000	Key variable input	Variable input sensitivity (%)	Positive impact £'000	Negative impact £'000
Weighted average of the following: 1. Discounted Cash Flow (DCF); 2. Market movement based valuation based on Index; and 3. Market movement based valuation based on Peer Group.	2,304	Expected future cash flows and equity discount rate/WACC; Selection of Index used; and Selection of comparable companies based on peer group.	10% change in discount rates	3,285	1,878

B. ideaForge Technology Limited

Valuation Technique	Fair value of investments £'000	Key variable input	Variable input sensitivity (%)	Positive impact £'000	Negative impact £'000
Subscription price at 23 June 2023	1,157	N/A	N/A	N/A	N/A

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.

Expected future cash flows and equity discount rate/WACC

The expected future cash flows are calculated using the aggregate future operating revenue based on growth in existing and new products resulting from the investment's ongoing capex and expansion plans. Equity discount rate/WACC is calculated at 14.2%.

Selection of Index used

The selection of index is assessed based on the market comparable index to the Company. MSCI India IMI and S&P BSE 500 were used for the market movement-based valuation based on index.

15. Financial instruments and capital disclosures (continued)

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 2023 %	30 June 2022 %
Within one to seven days	83.9	88.8
Between seven days to one month	11.2	4.7
Between one and three months	1.6	1.1
Greater than three months	3.3	5.4
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.

Currency sensitivity

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

Foreign currency risk profile

	As at 30 June 2023			As at 30 June 2022		
	Investment exposure	Net monetary exposure	Total currency exposure	Investment exposure	Net monetary exposure	Total currency exposure
	£'000	£'000	£'000	£'000	£'000	£'000
Indian rupees	230,513	5,377	235,890	177,785	4,138	181,923
Swedish Krona	561	–	561	1,788	–	1,788
US Dollar	5,690	347	6,037	3,788	28	3,816
Total investment	**236,764**	**5,724**	**242,488**	**183,361**	**4,166**	**187,527**

Based on the financial assets and liabilities at 30 June 2023, 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 2023 would have been an increase/(decrease) in fair value as follows:

	30 June 2023		30 June 2022	
	Increase in Fair Value	Decrease in Fair Value	Increase in Fair Value	Decrease in Fair Value
	£'000	£'000	£'000	£'000
Indian rupees	23,051	(23,051)	17,778	(17,778)
Swedish Krona	56	(56)	179	(179)
US Dollar	569	(569)	379	(379)

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.

15. Financial instruments and capital disclosures (continued)

(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 depositary. The credit rating of Kotak was reviewed at the time of appointment and is reviewed on a regular basis by the Investment Manager and 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 2023, the Depository held £233,303,000 (30 June 2022: £177,998,000) in respect of quoted investments and £6,489,000 (30 June 2022: £7,027,000 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 £232,551,000 (30 June 2022: £187,386,000).

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 Partners 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 were 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. From 1 July 2021 fees were payable at an annual rate of £40,000 to the Chairman, £32,500 to the Chair of the Audit Committee, and £27,500 to the other Directors.

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

	As at date of this report	As at 30 June 2023	As at 30 June 2022
Andrew Watkins	94,425	94,425	94,425
Jamie Skinner	95,985	94,200	84,733
Rita Dhut	81,733	81,733	81,733
Dr Jerome Booth	80,213	77,623	66,202

17. Post balance sheet events

As announced on 5 September 2023, the total number of Ordinary Shares in respect of redemption requests were received for this Redemption Point was 547,339. All of which were immediately placed with buyers by the Company's corporate broker. The NAV per share of the Company has increased by 9.7% from 30 June 2023 to 4 October 2023, being the latest practical date prior to the signing of these accounts.

Alternative Performance Measures

Ordinary share price to NAV premium

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

		Page	As at 30 June 2023	As at 30 June 2022
NAV per Ordinary Share (pence)	a	2	206.2	174.2
Share price (pence)	b	2	209.0	175.0
Premium	**(b÷a)-1**	**2**	**1.4%**	**0.5%**

Ongoing charges

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

		Page	Year ended 30 June 2023	Year ended 30 June 2022
Average NAV	a	n/a	215,928,920	180,178,969
Annualised expenses*	b	n/a	1,041,000	832,000
Ongoing charges	**(b÷a)-1**	**n/a**	**0.5%**	**0.5%**

* Annualised expenses exclude performance fees expense.

Share price/NAV total return

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

Year ended 30 June 2023		Page	Share price	NAV
Opening at 1 July 2022 (p)	a	n/a	175.0	174.2
Closing at 30 June 2023 (p)	b	2	209.0	206.2
Total return	**(b÷a)-1**		**19.4%**	**18.3%**

Year ended 30 June 2022		Page	Share price	NAV
Opening at 1 July 2021 (p)	a	n/a	162.5	158.9
Closing at 30 June 2022 (p)	b	2	175.0	174.2
Total return	**(b÷a)-1**		**7.7%**	**9.6%**

Glossary

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 measures 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, Investment Manager and Advisers

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
25 Churchill Place
London
E14 5EY

Registered Office

6th Floor 125 London Wall,
London, England, EC2Y 5AS
Registered in England under No. 11356069

Investment Adviser

White Oak Capital Partners Pte. Ltd.
8 Temasek Boulevard #22-04,
Suntec City Tower 3,
Singapore 038988

Company Secretary & Administrator

Apex Listed Companies Services (UK) Limited
6th Floor 125 London Wall, London,
England, EC2Y 5AS

Registrar

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

Legal Adviser

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Research & Intermediary Broker

Kepler Partners LLP
70 Conduit Street
London
W1S 2GF

PR Consultants

Lansons
24A St John St,
Barbican,
London EC1M 4AY

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 White Oak Capital Management Ltd at 13 Hanover Square, London W1S 1HN on 8 December 2023 at 12 noon for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 11 will be proposed as ordinary resolutions and resolutions 12 to 15 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 2023, 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 2023.

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. To approve the Dividend Policy included in the Annual Report for the year ended 30 June 2023.

10. 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 23,702,989 Ordinary Shares of 1 penny 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 2024 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.

11. That the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot up to 23,702,989 Ordinary Shares (equivalent to 20% of the Ordinary Shares in issue at the date of this notice of Annual General Meeting) in connection with any performance fees payable to the Investment Manager (as defined and described in the prospectus of the

Company dated 20 December 2019), 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 2024 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 as if such authority had not expired.

Special Resolutions

12. That, subject to the passing of Resolution 10 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 10 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 2024 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.

13. That, subject to the passing of Resolution 11 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 11 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 2024 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.

14. 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 17,776,056 (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 penny.

    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 2024 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.

15. 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.

Jenny Thompson
For and on behalf of
Apex Listed Companies Services (UK) Limited
Company Secretary

6 October 2023

6th Floor,
125 London Wall, London,
England, EC2Y 5AS

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 2023 or, if this meeting is adjourned, at close of business on the day two days (excluding nonworking 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 6 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 the Form of Proxy (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 office 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 12 noon on 6 December 2023 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 & International 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 & International 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 12 noon on 6 December 2023 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 • 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 118,514,947 Ordinary Shares of 1p each and no shares are held in treasury. The total number of Ordinary Shares with voting rights is 118,514,947. 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 as 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 approve the Dividend Policy included in the Annual Report for the year ended 30 June 2023.				
10. To give authority to allot new shares.				
11. To give authority to allot new shares in connection with any performance fee payable.				
12. To give authority to allot new shares free from pre-emption rights.				
13. To give authority to allow new shares free from pre-emption rights in connection with any performance fees payable.				
14. To give authority for the Company to purchase its own shares.				
15. 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 ________________ 2023