

**ABERDEEN NEW INDIA INVESTMENT TRUST PLC**  
**Legal Entity Identifier (LEI): 549300D2AW66WYEVKF02**

**UNAUDITED HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

**FINANCIAL HIGHLIGHTS**

<b>Share price total return{A}</b>		<b>Net asset value total return{A}</b>		<b>Ongoing charges ratio{A}</b>	
<b>Six months ended 30 September 2021</b>	+21.8%	<b>Six months ended 30 September 2021</b>	+19.0%	<b>As at 30 September 2021</b>	1.06%
Year ended 31 March 2021	+65.6%	Year ended 31 March 2021	+52.7%	As at 31 March 2021	1.16%
<b>MSCI India Index total return{B}</b>		<b>Discount to Net asset value{A}</b>			
<b>Six months ended 30 September 2021</b>	+23.4%	<b>As at 30 September 2021</b>	11.5%		
Year ended 31 March 2021	+59.1%	As at 31 March 2021	13.6%		

{A} Considered to be an Alternative Performance Measure.

{B} Sterling adjusted.

Source: abrdn, Morningstar & Lipper

	<b>30 September 2021</b>	<b>31 March 2021</b>	<b>% change</b>
Total shareholders' funds (£'000)	<b>435,375</b>	366,106	+ 18.9
Share price (mid-market)	<b>660.00p</b>	542.00p	+ 21.8
Net asset value per share	<b>745.95p</b>	627.05p	+ 19.0
Discount to net asset value{A}	<b>11.5%</b>	13.6%	
Net gearing{A}	<b>5.6%</b>	5.8%	
Ongoing charges ratio{A}	<b>1.06%</b>	1.16%	
Rupee to Sterling exchange rate	<b>100.1</b>	100.9	+ 0.8

{A} Considered to be an Alternative Performance Measure.

**PERFORMANCE**

**Total return (in Sterling terms) for six months ended 30 September 2021 and year ended 31 March 2021**

	<b>Six months ended 30 September 2021</b>	<b>Year ended 31 March 2021</b>
	<b>%</b>	<b>%</b>
<b>Share price{A}</b>	+ 21.8	+ 65.6
<b>Net asset value{A}</b>	+ 19.0	+ 52.7

**MSCI India Index (Sterling adjusted)** + 23.4 + 59.1  
 {A} Considered to be an Alternative Performance Measure.  
 Source: abrdn, Morningstar and Lipper.

**Total return (in Sterling terms) for year(s) ended 30 September 2021**

	<b>1 year</b>	<b>3 year</b>	<b>5 year</b>	<b>10 year</b>
	<b>% return</b>	<b>% return</b>	<b>% return</b>	<b>% return</b>
<b>Share price {A}</b>	+ 51.7	+ 53.0	+ 73.3	+ 210.8
<b>Net asset value per Ordinary Share {A}</b>	+ 44.1	+ 48.6	+ 69.5	+ 212.4
<b>MSCI India Index (Sterling adjusted)</b>	+ 47.4	+ 56.8	+ 80.3	+ 179.8

{A} Considered to be an Alternative Performance Measure.

Source: abrdn, Morningstar and Lipper

**CHAIRMAN'S STATEMENT**

Dear Shareholder

**Overview**

Looking at the upward trajectory of Indian equities in the half year under review, it would be easy to overlook the challenges that the nation has endured. The MSCI India Index advanced by 23.4% and was among the best performing markets across Asia and the rest of the world over this period. Several factors sustained the market's momentum, including an improving situation regarding the pandemic and growing confidence in the country's recovery. Healthy buying interest from retail investors, aided by better access to technology, further propelled share prices. Additionally, India, given the quality of its private-sector enterprises, benefited as investors rotated away from China over worries around regulatory tightening across multiple sectors there.

In this environment, the Company delivered a respectable performance. Net asset value ("NAV") rose by 19.0%, while the share price increased by 21.8%, though both were slightly behind the benchmark's return. The bulk of the underperformance occurred earlier in the period, when favourable economic newsflow drove a rally in the share prices of steel companies, which the portfolio does not hold. Meanwhile, the portfolio's financial holdings lagged their higher-growth peers in the broader market. Such an outcome was not entirely unexpected, however. Amid the recent bullish sentiment, cyclical stocks outperformed the quality names that are favoured by your Manager. However, it is worthwhile highlighting that investing in quality does deliver over the longer term, with the Company strongly outperforming the MSCI India Index over the last ten years. It remains well ahead of the benchmark since its inception.

With effect from April 2020, the Company (in common with other investment companies) has been subject to both short and long term capital gains tax in India on the growth in value of its investment portfolio. Although this additional tax only becomes payable at the point at which the underlying investments are sold and profits crystallised, the Company must accrue for this additional cost which is £9.5m for the six months ended 30 September 2021, equivalent to a reduction in the NAV per share of 16.3p or 2.2%.

At the start of the period, India was still struggling with a devastating Covid-19 surge, with cases exceeding 400,000 daily at its peak. This not only extracted a massive human toll, but also added immense strain on the healthcare system. Thankfully, things now seem to be under control, with a meaningful ramp up in the pace of vaccinations countrywide underpinning a corresponding decline in infections.

However, asset prices proved much more resilient than during the pandemic's first wave in 2020, with investors now looking forward to a normalising economy. This was supported by the government's decision not to impose a full lockdown, with states opting for more limited curbs instead. Initially, these localised restrictions did temper consumer spending and dampen manufacturing activity. But as larger swathes of the country began to re-open, economic conditions and investor confidence improved swiftly. Notably, upbeat signals in the housing cycle, recovering capital

spending, higher tax collections from goods and services and rebounding factory activity all point to an economy in the early stages of a recovery to pre-pandemic levels.

Sentiment also received significant support from several policy initiatives. Perhaps the highest profile of these was the National Monetisation Pipeline (NMP) unveiled by the Finance Minister in August. The government will lease out state-owned infrastructure assets, including roads, railways, airports and power plants, to private operators for a specified period. It then plans to reinvest the returns into new infrastructure projects under the previously announced National Infrastructure Pipeline. The programme does seem promising at first glance. With the central government facing a stretched fiscal position, the NMP provides access to additional income streams to raise the capital required for new infrastructure investment. It could also unlock efficiencies, particularly in areas of asset management and maintenance. While some doubts remain, it will be in the government's interest to appear impartial to avoid criticisms that the programme benefits only certain favoured parties. As is so often the case with India, execution remains key.

There were also other policy changes aimed at specific sectors. Among these was the formation of a "bad bank" to address the perennial problem of bad debt among public sector lenders. The institution will take on stressed assets from these lenders and work with another entity to try and recover their value. This is the latest measure aimed at tackling this issue, encompassing the 2016 Insolvency and Bankruptcy Code and 2018's bank recapitalisation plan. If all goes well, this bad bank should help clean up lenders' balance sheets and provide fresh liquidity, which would bolster credit growth and support economic activity. Whether it will be effective in tackling the root issue of poor lending practices remains to be seen. In this regard, your Manager continues to prefer better capitalised and more conservative private sector banks. Elsewhere, the Cabinet approved a relief package for the telecoms sector, including deferments of unpaid dues and the removal of foreign investment limits. This is expected to bolster the beleaguered telecoms providers which have been embroiled in a long running price war since Jio entered the fray in 2016.

Taken together, all these factors do appear to point to an improving investment landscape. Crucially, these trends are increasingly reflected at the company level. Many businesses adapted adequately to the latest round of restrictions having learnt from their experiences in the initial outbreak. As a result, corporate profits continued to rebound despite the tightened curbs, with many companies forecasting better earnings growth ahead. Additionally, after a prolonged period of caution, the managements of these companies appear more willing to pursue strategic plans for expansion.

The favourable conditions are, in turn, attracting more companies to approach the market for new capital. This has enhanced the depth and vibrancy of the investment universe, with many of these coming from so-called "new economy" sectors, such as the internet and e-commerce. The quality of these listings has also improved and your Manager has taken advantage of the rich pipeline to invest in several interesting names operating in some niche areas. These include online delivery services platform Zomato, affordable housing company Aptus Value Housing Finance and medical group Vijaya Diagnostics Centre. The Manager's Report provides further details of these and other portfolio changes, as well as the Company's performance.

### **Environmental, Social and Governance**

I am pleased to note that the Company was recently rated "A" under the MSCI ESG Rating. This reflects well on your Investment Manager's consistent efforts to engage with the companies held within your Company's portfolio and efforts to drive improvements on various issues. More details on your Manager's process can be found in the Investment Manager's Report and Case Studies.

### **Gearing**

As at 30 September 2021, the Company had drawn down fully its £30 million two-year bank loan facility, due to expire in July 2022, which resulted in net gearing of 5.6% as compared to 5.8% as at 31 March 2021 (£24 million drawn down). The ability to gear is one of the advantages of the closed ended company structure and your Manager continues to seek opportunities to deploy this facility.

### **Board**

The Board was pleased to announce the appointment of David Simpson as a Director of the Company with effect from 1 November 2021 following a search conducted by an independent recruitment consultancy.

David initially qualified as a solicitor before following a career in corporate finance, which included seven years with Barclays de Zoete Wedd and 15 years with KPMG, latterly as global head of mergers and acquisitions.

David's interest in India derives from his previous career and from his current role as a non-executive director of ITC Limited ("ITC"), a major listed Indian company capitalised at around £29 billion. ITC has a diversified presence in FMCG, hotels, packaging, specialty paper and agri-business. ITC represented 2.9% of the Company's total assets at

30 September 2021 and David has agreed that he will recuse himself from all discussions regarding ITC to avoid any potential conflict of interest.

### **Shareholder Communications**

The Board encourages shareholders to visit the Company's website ([www.aberdeen-newindia.co.uk](http://www.aberdeen-newindia.co.uk)) or other virtual channels for the latest information and access to podcasts and monthly factsheets.

### **Discount**

The Board continues to monitor actively the discount of the Ordinary share price to the NAV per Ordinary share (including income) and pursues a policy of selective buybacks of shares where to do so, in the opinion of the Board, is in the best interests of shareholders, whilst also having regard to the overall size of the Company.

During the period under review, the discount to NAV narrowed from 13.6% to 11.5% as at 30 September 2021 following the Company buying back into treasury 20,000 Ordinary shares, resulting in 58,365,328 Ordinary shares with voting rights and an additional 704,812 shares in treasury. Between the period end and the date of this Report a further 81,961 shares were bought back into treasury resulting in 58,283,367 shares in issue with voting shares and 786,773 shares held in treasury.

The Board believes that a combination of strong long-term performance and effective marketing should increase demand for the Company's shares and reduce the discount to NAV at which they trade, over time.

### **Reduction in Investment Management Fee**

As set out in the Chairman's Statement for the year ended 31 March 2021, the Board reached agreement with abrdn that, with effect from 1 April 2021, the management fee was reduced to 0.85% of the Company's net assets up to £350m and 0.70% above net assets of £350m. Previously, the fee was based on the Company's total assets less current liabilities and was charged at 0.9% on the first £350m and at 0.75% above £350m. This reduction contributed to a fall in the ongoing charges ratio from 1.16% to 1.06% over the reporting period.

### **Outlook**

India's prospects appear brighter given the tailwinds of a stabilising pandemic situation amid a widening vaccine rollout and the continued economic reopening. Nonetheless, some caution is warranted in view of prevailing risks. A key issue that merits monitoring is inflation. There are growing fears that rising food, energy and raw material costs could amplify price pressures. This could, in turn, thwart the demand recovery, weigh on companies' profit margins and hamper the country's growth trajectory. Another concern is that the central bank could begin to normalise its loose monetary policy soon in line with other global peers. For now, though, policymakers have given assurance that any moves will be gradual. Of course, Covid-19 is still a concern, with experiences of other regional countries showing how swiftly the virus can undo previous successes in managing the virus. That said, businesses and the government are much better equipped now to respond to further sudden outbreaks.

On the whole, India's outlook appears promising. Apart from a conducive macroeconomic backdrop, the long term attractions of the market remain intact. Favourable demographics, with a young population and rising income levels, should drive demand across various segments. Government policy appears committed towards addressing the nation's extensive infrastructure needs and expanding opportunities in emerging areas, such as renewable energy. Meanwhile, the recent infusion of high-tech "new economy" businesses has injected excitement into the investment universe. As always, the key is to identify the best of these opportunities that will deliver sustainable long term returns. In this regard, your Manager's eye for quality remains critical in ensuring that the portfolio is exposed to these appealing themes through fundamentally sound, well managed businesses. This should stand the Company in good stead, enabling it to remain resilient in the face of challenges while positioning it well for the future.

**Hasan Askari**

**Chairman**

24 November 2021

## **INTERIM BOARD REPORT**

### **Investment Objective**

The investment objective of the Company is to provide shareholders with long term capital appreciation by investment in companies which are incorporated in India, or which derive significant revenue or profit from India, with dividend yield from the Company being of secondary importance.

### **Investment Policy**

The Company primarily invests in Indian equity securities.

### **Principal Risks and Uncertainties**

The principal risks and uncertainties associated with the Company are set out in detail on pages 14 to 16 of the Annual Report for the year ended 31 March 2021, which is published on the Company's website. These are not expected to change materially for the remaining six months of the Company's financial year ending 31 March 2022 as they have not done for the period under review.

The risks may be summarised under the following headings:

- Market risk
- Foreign Exchange risk
- Discount risk
- Depositary risk
- Financial and Regulatory risk
- Gearing risk
- Covid-19

The Board continued to assess the ongoing implications for the Company of the spread of Covid-19, including the resilience of the reporting and control systems in place for both the Manager and other key service providers.

### **Going Concern**

In accordance with the Financial Reporting Council's guidance on Going Concern and Liquidity Risk, the Directors have reviewed the Company's ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares which in most circumstances are realisable within a short timescale.

The Directors are conscious of the principal risks and uncertainties disclosed on pages 14 to 16 and in Note 17 to the financial statements for the year ended 31 March 2021.

The Company has a two year, £30 million revolving credit facility with Natwest Markets Plc (the "Facility") which was fully drawn down at 30 September 2021. The Board has set limits for borrowing and regularly reviews the level of any gearing and compliance with banking covenants.

In advance of expiry of the Facility in July 2022, the Company will enter into negotiations with its bankers. If acceptable terms are available from the existing bankers, or any alternative, the Company would expect to continue to access a facility. However, should these terms not be forthcoming, any outstanding borrowing would be repaid through the proceeds of equity sales.

The Directors' assessment of going concern also assumes that the Ordinary resolution for the Company's continuation is passed by shareholders at the next AGM of the Company in September 2022, as it has been in the years since it was put in place. The Directors consult annually with major shareholders and, as at the date of approval of this Report, had no reason to believe that this assumption was incorrect.

After making enquiries, including a review of revenue forecasts, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Half Yearly Financial Report, in accordance with applicable law and regulations. The Directors confirm that, to the best of their knowledge:

- the condensed set of Financial Statements has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting);
- the Half Yearly Board Report includes a fair review of the information required by rule 4.2.7R of the Disclosure Guidance and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Half Yearly Board Report includes a fair review of the information required by 4.2.8R of the Disclosure Guidance and Transparency Rules (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so).

The Half Yearly Financial Report for the six months ended 30 September 2021 comprises the Interim Board Report, including the Statement of Directors' Responsibilities, and a condensed set of Financial Statements.

For and on behalf of the Board

**Hasan Askari**

**Chairman**

24 November 2021

## INVESTMENT MANAGER'S REPORT

### Performance

The Company's NAV rose by 19.0% in sterling terms over the 6 months ended 30 September 2021, compared to the 23.4% gain by the MSCI India benchmark. Meanwhile, the Company's share price advanced by 21.8% and its discount to NAV narrowed from 13.6% to 11.5%.

### Overview

Indian equities displayed remarkable resilience during the six months to September despite the continued spectre of the pandemic and rose even faster than most of their emerging and developed market peers. The stock market built on the steep rally last year, pausing only when the second wave of the coronavirus swept the country. Sentiment also found support in steady corporate earnings, as companies adapted better to the resurgence of infection caseloads. Impact from the second wave was softened by having targeted mobility restrictions instead of the blanket lockdown in the first Covid-19 crisis that hobbled the economy last year.

Market gains were across the board, led by a buoyant real estate sector that led to property stocks rising by almost 50% over the review period. The housing turnaround came after a sharp decline in home sales and residential construction in the past few years. With the central bank retaining an accommodative policy stance and leading lenders cutting mortgage rates, homes turned more affordable owing to lower interest rates, rising incomes and smaller unit sizes. Stamp-duty rebates in some states also propelled a wider housing recovery. This, plus the larger-than-expected stimulus to infrastructure spending, was positive for both materials companies and lenders.

Communications services stocks also did well, as foreign ownership limits were relaxed. In addition, network operators were allowed to defer payment of telecommunications spectrum fees and other liabilities by four years. Elsewhere, technology services providers continued to be buoyed by healthy demand for cloud migration and business transformation needs, with the shift to work-from-home and advancements in high-performance computing accelerating this trend.

### Portfolio review

The Company's holdings in real estate, technology and consumer discretionary sectors supported returns, though the portfolio overall lagged the benchmark due to a lack of exposure to steel and energy.

Property stocks were supported by still-low interest rates and hopes of a faster economic recovery in the post-pandemic world. Among the top contributors were property developers, **Godrej Properties** and **Prestige Estates**, as well as **Piramal Enterprises'** housing-finance business. Piramal Enterprise's share price also reacted well to the demerger and separate listing of its pharmaceutical business as this created value for all shareholders. In the technology services sector, Mphasis contributed on the back of record deal wins and bumper earnings. In the consumer discretionary sector, Zomato, which we recently initiated, contributed to performance after a strong initial public offer (IPO) debut. Zomato is an online food market featuring restaurant menus and reviews from countries around the world. The food delivery company has been gaining market share in a fast-growing sector. The Company benefited from less exposure to the automobile sector that was impacted by the semiconductor shortage.

The Company tends to avoid businesses that are cyclical, dependent on government policies and with balance sheets that are highly leveraged. During this period, China's removal of steel export rebates and steady global demand supported price hikes, leading to a strong rally in steel stocks. Cement, instead, remains our preferred exposure to infrastructure spending. Although **Ultratech Cement** detracted during the period, it has contributed positively to the Company's year-to-date returns as it has demonstrated strong pricing power amid rising demand from housing and infrastructure investments. We are also encouraged by the company's initiatives to tackle carbon emissions, using science-based targets to align with global efforts towards carbon neutrality. Elsewhere in the energy sector, **Aegis Logistics'** share price retreated following a good run when its liquefied petroleum gas (LPG) terminalling business was hampered by cyclones and Covid-19 disruptions delayed its growth projects. We believe these are one-off events that do not affect longer-term demand trends.

Separately, the Company's bank holdings lagged the lenders that delivered faster growth. We believe that our holdings **HDFC**, **HDFC Bank** and **Kotak Mahindra** are well-positioned with their strong, low-cost deposit franchise and digital capabilities to accelerate growth as confidence in the economic outlook improves.

In key portfolio changes, we participated in several IPOs as the number of companies seeking a public listing accelerated in 2021. The record-breaking local stock indices enticed a slew of promising, good quality companies to tap the market for funds and the IPO pipeline remains exciting for the year ahead. This also reflects the growing

breadth and depth of Indian businesses as well as the burgeoning start-up ecosystem. Besides Zomato, we also participated in **Aptus Value Housing Finance's** share float. Aptus has a firm foothold in South India and provides exposure to the country's underpenetrated affordable housing sector.

Elsewhere, we initiated **ReNew Energy Global**, **Vijaya Diagnostic Centre** and **IndiaMart InterMesh**. ReNew generates electricity from a mix of wind, solar, and more recently hydropower. Our research concluded that it has both scale and clarity around its pipeline. More importantly, the power producer is funded fully for its capacity build-out. We also like that its management has shown discipline in bidding at renewable energy auctions. Vijaya is the market-leading healthcare diagnostics player in South India, focused on the consumer segment. IndiaMart is the dominant, subscription-based online business-to-business platform for industrial and office supplies.

Against these, we sold Bandhan Bank on concerns over stress faced by the micro-financing segment if the pandemic continued to drag on. We also participated in the IPO of Clean Science & Technology but exited the specialty chemicals player following its stellar debut.

### **Outlook**

Confidence appears to be returning across industries. As vaccinations cross the billion mark, there is less fear of super-spreader events spoiling a surge in consumption in the upcoming festive season. Policy reform is also picking up pace, helped by an improving fiscal position. With better job creation and government schemes to attract more manufacturing, the economy could be in the early stages of a capital expenditure investment cycle. Meanwhile, we are keeping an eye on inflation, particularly in view of the recent spike in the oil price. We are confident that the portfolio holdings' pricing power and ability to sustain margins provide a measure of comfort.

Over the longer term, India remains alluring to investors. The domestic market benefits from a rapidly growing middle-class that is increasingly affluent. Digital adoption has accelerated and we expect to see more listed investment opportunities in the new-economy space. India is home to many of Asia's most successful companies that have been tested by prior economic crises. We remain highly selective in our portfolio positioning, preferring high-quality companies with robust balance sheets and led by good management that helps them weather storms better than most. We remain focused on identifying companies with clear prospects for earnings growth, a secure competitive position, and prudent capital management. These companies should deliver sustainable returns over time.

**Kristy Fong, Senior Investment Director**  
**James Thom, Senior Investment Director**  
**abrdn Asia Limited**  
24 November 2021

## INVESTMENT CASE STUDIES

### **Azure Power – tapping solar to meet India’s growing need for renewable energy**

Founded in 2008, Azure Power started its journey in 2009 by building India’s first private utility-scale solar plant. This was a 2 megawatt (MW) plant in a small village in Awan, Punjab. The solar farm operator has since chalked up other firsts along the way. In 2016, Azure became the first Indian energy company to be listed on the New York Stock Exchange. A year later, it issued India’s first solar green bond.

Today, Azure is one of India’s largest renewable power companies, selling affordable and reliable solar power on long-term fixed price contracts to its customers. It has a solar asset base of over 2 gigawatt (GW) of operational capacity and about 5GW of capacity under construction and in the pipeline, which will transform the scale of the business and drive significant growth over the medium term.

The company is backed by blue chip institutional and multilateral shareholders and has a high quality management team, which gives us confidence that it will successfully execute its business plan. It also has first-comer advantage, having developed significant operational expertise and regional knowledge. This is reflected in its good track record of delivering high quality projects.

The Investment Manager sees Azure benefiting from India’s growing economy and demand for electricity. Its business is also aligned with the policy push for green energy. Solar is the cheapest form of electricity and there is significant untapped potential as solar accounts for less than 10% of India’s installed electricity generation capacity. Azure sells solar electricity generated by its plants to the grid. With the overall power consumption growing in India, Azure is helping meet the incremental energy demand with green energy, as the growing penetration of renewables would reduce the need for new coal plants. With several gigawatts of solar projects in the pipeline, Azure will contribute towards reducing carbon emissions and thus mitigating climate change.

More broadly, India still relies heavily on fossil fuels for its energy generation, with fossil fuels accounting for around three quarters of primary energy demand. It is the world’s third largest carbon emitter, accounting for about 7% of global CO2 emissions with the coal heavy power sector being a major contributor to India’s carbon footprint (source: India Renewables - A Primer, 27 July 2021, Bernstein). However, there has been a ramp-up in the installation of renewable energy in recent years. India is now the world’s fourth largest renewable energy market with 80GW of wind and solar capacity, after China, the US and Germany (source: Bernstein). The government is going even further, unveiling aggressive targets to increase the renewable capacity by five times, through adding 450GW of non-hydro renewable electricity capacity by 2030.

### **Aptus Value Housing Finance – helping the lower paid own their dream home**

In India, about three homes are built for every 1,000 people every year, falling below the required rate of five homes per 1,000 people (source: India Brand Equity Foundation) to adequately meet housing needs. As a result, the country faces a housing shortage that is set to increase to 100 million homes by 2022. This crunch is more pronounced in rural areas, with the economically weaker sections and low income groups making up 95% of the housing shortage (source: Aptus Value Housing Finance Annual Report 2020-2021). With brisk population growth, especially in urban areas, the situation could worsen.

The central government is addressing this. It aims to build 20 million affordable houses by 2022, launching various initiatives including the Housing for All scheme and the Smart Cities programme to support ownership via interest subsidies and other measures. Ensuring adequate housing remains a daunting challenge, with a stark shortage in Uttar Pradesh, Andhra Pradesh and Maharashtra.

Given the strong policy support for affordable housing, increasing urbanisation along with rising incomes, demand for housing is expected to rise, and along with that home financing. The Investment Manager regards the Company’s holding in Aptus Value Housing Finance as being among those well positioned to be a key beneficiary, while helping to mitigate the overall housing shortage, especially in the rural areas.

Aptus is a housing finance company that focuses entirely on serving low and middle income self-employed customers in the rural and semi-urban parts of India, with a strong foothold in South India. Of its overall loans, home loans make up 52%, while business loans to small business entrepreneurs and non-housing loans, such as insurance loans, account for the rest.

The company's services help the lower income group realise their dream of owning a home, improve the standard of living of its customers and bring them into the financial mainstream. Aptus operates mostly in rural and semi-urban markets where bigger players have less presence. The low income group are usually excluded by banks or large financial institutions because they do not have the credit history or formal income proof to assess their creditworthiness.

The Investment Manager is bullish on Aptus' prospects. The industry has ample opportunity for growth and Aptus has superior metrics relative to its peers in terms of asset quality, loan yields and return ratios. Management is conservative and has kept a robust balance sheet throughout its history.

The Investment Manager also likes that the company is clear about where it wants to go, with its mission being "to be a leader in the affordable housing finance segment and make an impact in the lives of a million people by 2025".

**INVESTMENT PORTFOLIO**  
As at 30 September 2021

<b>Company</b>	<b>Sector</b>	<b>Valuation £'000</b>	<b>Total assets %</b>
<b>Housing Development Finance Corporation</b>	Financials	45,783	9.8
<b>Infosys</b>	Information Technology	45,754	9.8
<b>Tata Consultancy Services</b>	Information Technology	39,954	8.6
<b>Hindustan Unilever</b>	Consumer Staples	31,016	6.7
<b>Kotak Mahindra Bank</b>	Financials	21,483	4.6
<b>UltraTech Cement</b>	Materials	19,667	4.2
<b>HDFC Bank</b>	Financials	17,102	3.7
<b>Asian Paints</b>	Materials	15,912	3.4
<b>SBI Life Insurance</b>	Financials	14,672	3.2
<b>Godrej Properties</b>	Real Estate	14,540	3.1
<b>Top ten investments</b>		<b>265,883</b>	<b>57.1</b>
<b>Axis Bank</b>	Financials	13,609	2.9
<b>ITC</b>	Consumer Staples	13,387	2.9
<b>Bharti Airtel</b>	Communications Services	13,178	2.8
<b>Mphasis</b>	Information Technology	12,523	2.7
<b>Container Corporation of India</b>	Industrials	11,869	2.6
<b>Prestige Estates Projects</b>	Real Estate	9,915	2.1
<b>Fortis Healthcare</b>	Healthcare	9,051	2.0
<b>Power Grid Corporation of India</b>	Utilities	9,009	1.9
<b>Maruti Suzuki India</b>	Consumer Discretionary	8,912	1.9
<b>Larsen &amp; Toubro</b>	Industrials	8,819	1.9
<b>Top twenty investments</b>		<b>376,155</b>	<b>80.8</b>
<b>Nestlé India</b>	Consumer Staples	8,523	1.8
<b>Gujarat Gas</b>	Utilities	7,755	1.7
<b>Affle India</b>	Communications Services	7,703	1.7
<b>Piramal Enterprises</b>	Financials	7,300	1.6
<b>Crompton Greaves Consumer Electricals</b>	Consumer Discretionary	7,175	1.5
<b>Syngene International</b>	Health Care	6,389	1.4
<b>Godrej Consumer Products</b>	Consumer Staples	6,072	1.3
<b>Sanofi India</b>	Health Care	5,299	1.1
<b>Aegis Logistics</b>	Energy	5,171	1.1
<b>Jyothy Laboratories</b>	Consumer Staples	5,127	1.1
<b>Top thirty investments</b>		<b>442,669</b>	<b>95.1</b>
<b>Info Edge</b>	Communications Services	5,095	1.1
<b>ICICI Prudential Life Insurance</b>	Financials	4,908	1.1
<b>Azure Power Global</b>	Utilities	3,981	0.9
<b>Biocon</b>	Health Care	3,851	0.8
<b>Zomato</b>	Consumer Discretionary	3,613	0.8
<b>Godrej Agrovet</b>	Consumer Staples	3,486	0.7
<b>Bosch</b>	Consumer Discretionary	3,425	0.7
<b>Shree Cement</b>	Materials	3,393	0.7
<b>Vijaya Diagnostic Centre</b>	Health Care	2,598	0.6
<b>IndiaMart</b>	Consumer Discretionary	2,378	0.5
<b>Top forty investments</b>		<b>479,397</b>	<b>103.0</b>
<b>Aptus Value Housing Finance</b>	Financials	1,818	0.4
<b>ReNew Power</b>	Utilities	904	0.2

Total portfolio investments	482,119	103.6
Net current assets (before deducting prior charges){A}	(16,744)	(3.6)
<b>Total assets{A}</b>	<b>465,375</b>	<b>100.0</b>

{A} Excluding loan balances.

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 September 2021 (unaudited)			Six months ended 30 September 2020 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Income</b>							
Income from investments and other income	3	2,936	-	2,936	2,946	-	2,946
Gains on investments held at fair value through profit or loss		-	78,990	78,990	-	66,671	66,671
Currency losses		-	(64)	(64)	-	(236)	(236)
		2,936	78,926	81,862	2,946	66,435	69,381
<b>Expenses</b>							
Investment management fees		(1,637)	-	(1,637)	(1,275)	-	(1,275)
Administrative expenses		(441)	-	(441)	(439)	-	(439)
<b>Profit before finance costs and taxation</b>		858	78,926	79,784	1,232	66,435	67,667
Finance costs		(134)	-	(134)	(215)	-	(215)
<b>Profit before taxation</b>		724	78,926	79,650	1,017	66,435	67,452
Taxation	4	(303)	(9,966)	(10,269)	(295)	(4,900)	(5,195)
<b>Profit for the period</b>		<b>421</b>	<b>68,960</b>	<b>69,381</b>	<b>722</b>	<b>61,535</b>	<b>62,257</b>
<b>Return per Ordinary share (pence)</b>	5	<b>0.72</b>	<b>118.13</b>	<b>118.85</b>	<b>1.23</b>	<b>104.86</b>	<b>106.09</b>

The Company does not have any income or expense that is not included in profit/(loss) for the period, and therefore the "Profit/(loss) for the period" is also the "Total comprehensive income for the period".

The total columns of this statement represent the Condensed Statement of Comprehensive Income, prepared in accordance with IFRS. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

All of the profit/(loss) and total comprehensive income is attributable to the equity holders of Aberdeen New India Investment Trust PLC. There are no non-controlling interests.

The accompanying notes are an integral part of these financial statements.

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)**

		Year ended 31 March 2021 (audited)		
	Notes	Revenue £'000	Capital £'000	Total £'000
<b>Income</b>				
Income from investments and other income	3	4,517	-	4,517
Gains on investments held at fair value through profit or loss		-	140,538	140,538
Currency losses		-	(404)	(404)
		4,517	140,134	144,651
<b>Expenses</b>				
Investment management fees		(2,801)	-	(2,801)
Administrative expenses		(821)	-	(821)
<b>Profit before finance costs and taxation</b>		895	140,134	141,029
Finance costs		(334)	-	(334)
<b>Profit before taxation</b>		561	140,134	140,695
Taxation	4	(452)	(13,624)	(14,076)
<b>Profit for the period</b>		<b>109</b>	<b>126,510</b>	<b>126,619</b>
<b>Return per Ordinary share (pence)</b>	5	<b>0.19</b>	<b>216.06</b>	<b>216.25</b>

The Company does not have any income or expense that is not included in profit/(loss) for the period, and therefore the "Profit/(loss) for the period" is also the "Total comprehensive income for the period".

The total columns of this statement represent the Condensed Statement of Comprehensive Income, prepared in accordance with IFRS. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

All of the profit/(loss) and total comprehensive income is attributable to the equity holders of Aberdeen New India Investment Trust PLC. There are no non-controlling interests.

The accompanying notes are an integral part of these financial statements.

## CONDENSED BALANCE SHEET

		As at 30 September 2021 (unaudited) £'000	As at 30 September 2020 (unaudited) £'000	As at 31 March 2021 (audited) £'000
	Notes			
<b>Non-current assets</b>				
Investments held at fair value through profit or loss		482,119	328,969	401,669
<b>Current assets</b>				
Cash at bank		5,655	3,948	2,588
Receivables		1,297	557	530
<b>Total current assets</b>		<b>6,952</b>	<b>4,505</b>	<b>3,118</b>
<b>Current liabilities</b>				
Bank loan	8	(30,000)	(24,000)	(24,000)
Other payables		(564)	(1,384)	(1,038)
<b>Total current liabilities</b>		<b>(30,564)</b>	<b>(25,384)</b>	<b>(25,038)</b>
<b>Net current liabilities</b>		<b>(23,612)</b>	<b>(20,879)</b>	<b>(21,920)</b>
<b>Non-current liabilities</b>				
Deferred tax liability on Indian capital gains	4	(23,132)	(4,919)	(13,643)
<b>Net assets</b>		<b>435,375</b>	<b>303,171</b>	<b>366,106</b>
<b>Share capital and reserves</b>				
Ordinary share capital	9	14,768	14,768	14,768
Share premium account		25,406	25,406	25,406
Special reserve		12,516	13,470	12,628
Capital redemption reserve		4,484	4,484	4,484
Capital reserve		377,671	244,191	308,711
Revenue reserve		530	852	109
<b>Equity shareholders' funds</b>		<b>435,375</b>	<b>303,171</b>	<b>366,106</b>
<b>Net asset value per Ordinary share (pence)</b>	<b>11</b>	<b>745.95</b>	<b>517.73</b>	<b>627.05</b>

The accompanying notes are an integral part of these financial statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY

### Six months ended 30 September 2021 (unaudited)

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2021	14,768	25,406	12,628	4,484	308,711	109	366,106
Profit for the period	-	-	-	-	68,960	421	69,381
Buyback of share capital to treasury	-	-	(112)	-	-	-	(112)
<b>Balance at 30 September 2021</b>	<b>14,768</b>	<b>25,406</b>	<b>12,516</b>	<b>4,484</b>	<b>377,671</b>	<b>530</b>	<b>435,375</b>

### Six months ended 30 September 2020 (unaudited)

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2020	14,768	25,406	14,139	4,484	182,656	130	241,583
Profit for the period	-	-	-	-	61,535	722	62,257
Buyback of share capital to treasury	-	-	(669)	-	-	-	(669)
<b>Balance at 30 September 2020</b>	<b>14,768</b>	<b>25,406</b>	<b>13,470</b>	<b>4,484</b>	<b>244,191</b>	<b>852</b>	<b>303,171</b>

### Year ended 31 March 2021 (audited)

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2020	14,768	25,406	14,139	4,484	182,656	130	241,583
Profit for the year	-	-	-	-	126,510	109	126,619
Buyback of share capital to treasury	-	-	(1,511)	-	-	-	(1,511)
Equity dividend paid	-	-	-	-	(455)	(130)	(585)
<b>Balance at 31 March 2021</b>	<b>14,768</b>	<b>25,406</b>	<b>12,628</b>	<b>4,484</b>	<b>308,711</b>	<b>109</b>	<b>366,106</b>

The Special reserve and the Revenue reserve represent the amount of the Company's distributable reserves.

## CONDENSED CASH FLOW STATEMENT

	Six months ended 30 September 2021 (unaudited) £'000	Six months ended 30 September 2020 (unaudited) £'000	Year ended 31 March 2021 (audited) £'000
<b>Cash flows from operating activities</b>			
Dividend income received	2,515	2,772	4,517
Investment management fee paid	(2,119)	(1,013)	(2,427)
Overseas withholding tax	(646)	(295)	(937)
Other cash expenses	(420)	(707)	(812)
<b>Cash (outflow)/inflow from operations</b>	<b>(670)</b>	<b>757</b>	<b>341</b>
Interest paid	(149)	(190)	(302)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(819)</b>	<b>567</b>	<b>39</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	(35,968)	(36,055)	(69,103)
Sales of investments	34,507	37,744	71,555
Indian capital gains tax on sales	(477)	-	-
Indian capital gains tax on sales refunded	-	19	19
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(1,938)</b>	<b>1,708</b>	<b>2,471</b>
<b>Cash flows from financing activities</b>			
Equity dividend paid	-	-	(585)
Buyback of shares	(112)	(669)	(1,511)
Drawdown/(repayment) of loan	6,000	(6,000)	(6,000)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>5,888</b>	<b>(6,669)</b>	<b>(8,096)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,131</b>	<b>(4,394)</b>	<b>(5,586)</b>
Cash and cash equivalents at the start of the period	2,588	8,578	8,578
Effect of foreign exchange rate changes	(64)	(236)	(404)
<b>Cash and cash equivalents at the end of the period</b>	<b>5,655</b>	<b>3,948</b>	<b>2,588</b>

There were no non-cash transactions during the period (six months ended 30 September 2021 - £nil; year ended 31 March 2021 - £nil).

## NOTES TO THE FINANCIAL STATEMENTS

- 1. Principal activity.** The principal activity of the Company is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010.
- 2. Accounting policies.** The Company's financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 - 'Interim Financial Reporting', as adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Reporting Interpretations Committee of the IASB (IFRIC). The Company's financial statements have been prepared using the same accounting policies applied for the year ended 31 March 2021 financial statements, which received an unqualified audit report.

The financial statements have been prepared on a going concern basis. In accordance with the Financial Reporting Council's guidance on 'Going Concern and Liquidity Risk' the Directors have undertaken a review of the Company's assets which primarily consist of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a short timescale.

### 3. Income

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
<b>Income from investments</b>			
Overseas dividends	2,936	2,946	4,517
<b>Total income</b>	<b>2,936</b>	<b>2,946</b>	<b>4,517</b>

### 4. Taxation

	Six months ended 30 September 2021			Six months ended 30 September 2020			Year ended 31 March 2021		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>(a) Analysis of charge for the period</b>									
Indian capital gains tax charge on sales	-	477	477	-	-	-	-	-	-
Indian capital gains tax charge refunded on sales	-	-	-	-	(19)	(19)	-	(19)	(19)
Overseas taxation	303	-	303	295	-	295	452	-	452
<b>Total current tax charge for the period</b>	<b>303</b>	<b>477</b>	<b>780</b>	<b>295</b>	<b>(19)</b>	<b>276</b>	<b>452</b>	<b>(19)</b>	<b>433</b>
Movement in deferred tax liability on Indian capital gains	-	9,489	9,489	-	4,919	4,919	-	13,643	13,643
<b>Total tax charge for the period</b>	<b>303</b>	<b>9,966</b>	<b>10,269</b>	<b>295</b>	<b>4,900</b>	<b>5,195</b>	<b>452</b>	<b>13,624</b>	<b>14,076</b>

The Company is liable to Indian capital gains tax under Section 115 AD of the Indian Income Taxes Act 1961.

On 1 April 2018, the Indian Government withdrew an exemption from capital gains tax on investments held for twelve months or longer. The Company has recognised a deferred tax liability of £9,489,000 (30 September 2020 - £4,919,000; 31 March 2021 - £13,643,000) on capital gains which may arise if Indian investments are sold.

On 1 April 2020, the Indian Government withdrew an exemption from withholding tax on dividend income. Dividends are received net of 20% withholding tax and an additional charge of 4%. A further surcharge of either 2% or 5% is applied if the receipt exceeds a certain threshold. Of this total charge, 10% of the withholding tax is irrecoverable with the remainder being shown in the Condensed Statement of Financial Position as an asset due for reclaim.

(b) **Factors affecting the tax charge for the year or period.** The tax charged for the period can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	Six months ended 30 September 2021			Six months ended 30 September 2020			Year ended 31 March 2021		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Profit before tax	724	78,926	79,650	1,017	66,435	67,452	561	140,134	140,695
UK corporation tax on profit at the standard rate of 19%	138	14,996	15,134	193	12,623	12,816	107	26,625	26,732
Effects of:									
Gains on investments held at fair value through profit or loss not taxable	-	(15,008)	(15,008)	-	(12,667)	(12,667)	-	(26,702)	(26,702)
Currency losses not taxable	-	12	12	-	44	44	-	77	77
Deferred tax not recognised in respect of tax losses	419	-	419	362	-	362	750	-	750
Expenses not deductible for tax purposes	1	-	1	5	-	5	1	-	1
Indian capital gains tax charged/(refunded) on sales	-	477	477	-	(19)	(19)	-	(19)	(19)
Movement in deferred tax liability on Indian capital gains	-	9,489	9,489	-	4,919	4,919	-	13,643	13,643
Irrecoverable overseas withholding tax	303	-	303	295	-	295	452	-	452
Non-taxable dividend income	(558)	-	(558)	(560)	-	(560)	(858)	-	(858)
<b>Total tax charge</b>	<b>303</b>	<b>9,966</b>	<b>10,269</b>	<b>295</b>	<b>4,900</b>	<b>5,195</b>	<b>452</b>	<b>13,624</b>	<b>14,076</b>

At 30 September 2021, the Company has surplus management expenses and loan relationship debits with a tax value of £6,375,000 (30 September 2020 - £4,035,000; 31 March 2021 - £4,424,000) based on enacted tax rates, in respect of which a deferred tax asset has not been recognised. No deferred tax asset has been recognised because the Company is not expected to generate taxable income in the future in excess of the deductible expenses of those future periods. Therefore, it is unlikely that the Company will generate future taxable revenue that would enable the existing tax losses to be utilised.

## 5. Return per Ordinary share

	Six months ended 30 September 2021		Six months ended 30 September 2020		Year ended 31 March 2021	
	£'000		£'000		£'000	
<b>Based on the following figures:</b>						
Revenue return		421		722		109

Capital return	68,960	61,535	126,510
Total return	<b>69,381</b>	<b>62,257</b>	<b>126,619</b>

Weighted average number of Ordinary shares in issue	<b>58,373,678</b>	<b>58,680,999</b>	<b>58,551,911</b>
---	-------------------	-------------------	-------------------

- 6. Dividends on equity shares.** In the prior period, the Board of Aberdeen New India Investment Trust PLC (the "Company") announced an interim dividend in respect of the year ended 31 March 2020 of 1.0 pence per share on the Company's Ordinary shares. This interim dividend, which was paid on 30 October 2020 to shareholders on the register on 2 October 2020 (ex-dividend date 1 October 2020), was declared, on an exceptional basis, to enable the Company to maintain its investment trust status in accordance with HMRC requirements. The minimum required net revenue distribution of approximately 0.22 pence per Ordinary share was supplemented by capital reserves in accordance with the Company's revised Articles of Association, which were approved by shareholders at the Annual General Meeting on 23 September 2020.
- 7. Transaction costs.** During the year, expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through the capital column of the Statement of Comprehensive Income, and are included within gains on investments at fair value through profit or loss in the Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 30 September 2021	Six months ended 30 September 2020	Year ended 31 March 2021
	£'000	£'000	£'000
Purchases	41	61	109
Sales	52	64	120
	<b>93</b>	<b>125</b>	<b>229</b>

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document, provided by the Manager, are calculated on a different basis and in line with the Packaged Retail Investment and Insurance Products ("PRIIPs") regulations.

- 8. Bank loan.** In July 2020, the Company entered into a two year £30 million multi-currency revolving credit facility with Natwest Markets Plc. At 30 September 2021 £30 million (30 September 2020 - £24 million; 31 March 2021 - £24 million) had been drawn down at an all-in interest rate of 0.95488% on £28 million and 0.95268% on £2 million, which rolled over on 10 November 2021. At the date of this report the Company had drawn down £30 million at an all-in interest rate of 1.0135%.
- 9. Ordinary share capital.** During the period 20,000 Ordinary shares were bought back by the Company for holding in treasury (period to 30 September 2020 - 163,277; year to 31 March 2021 - 335,653), at a cost of £112,000 (30 September 2020 - £669,000; 31 March 2021 - £1,511,000). As at 30 September 2021 there were 58,365,328 (30 September 2020 - 58,557,704; 31 March 2021 - 58,385,328) Ordinary shares in issue, excluding 704,812 (30 September 2020 - 512,436; 31 March 2021 - 684,812) Ordinary shares held in treasury.
- Following the period end a further 81,961 Ordinary shares were bought back for treasury by the Company at a cost of £526,000 resulting in there being 58,283,367 Ordinary shares in issue, excluding 786,773 Ordinary shares held in treasury at the date this Report was approved.

**10. Analysis of changes in net debt**

At 31 March 2021	Currency differences	Cash flows	At 30 September 2021
------------------------	-------------------------	---------------	-------------------------------

	£'000	£'000	£'000	£'000
Cash and short term deposits	2,588	(64)	3,131	5,655
Debt due within one year	(24,000)	-	(6,000)	(30,000)
	<b>(21,412)</b>	<b>(64)</b>	<b>(2,869)</b>	<b>(24,345)</b>

	At 31 March 2020 £'000	Currency differences £'000	Cash flows £'000	At 31 March 2021 £'000
Cash and short term deposits	8,578	(404)	(5,586)	2,588
Debt due within one year	(30,000)	-	6,000	(24,000)
	<b>(21,422)</b>	<b>(404)</b>	<b>414</b>	<b>(21,412)</b>

A statement reconciling the movement in net funds to the net cash flow has not been presented as there are no differences from the above analysis.

**11. Net asset value per Ordinary share.** The net asset value per Ordinary share is based on a net asset value of £435,375,000 (30 September 2020 - £303,171,000; 31 March 2021 - £366,106,000) and on 58,365,328 (30 September 2020 - 58,557,704 and 31 March 2021 - 58,385,328) Ordinary shares, being the number of Ordinary shares in issue at the period end.

**12. Fair value hierarchy. IFRS 13 'Fair Value Measurement' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making measurements. The fair value hierarchy has the following levels:**

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the Statement of Financial Position date are as follows:

As at 30 September 2021	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	482,119	-	-	482,119
<b>Net fair value</b>		<b>482,119</b>	<b>-</b>	<b>-</b>	<b>482,119</b>

As at 30 September 2020	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	328,969	-	-	328,969
<b>Net fair value</b>		<b>328,969</b>	<b>-</b>	<b>-</b>	<b>328,969</b>

As at 31 March 2021	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total Total
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	401,669	-	-	401,669
<b>Net fair value</b>		<b>401,669</b>	<b>-</b>	<b>-</b>	<b>401,669</b>

a) **Quoted equities.** The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

13. **Related party transactions.** The Company has an agreement with Aberdeen Standard Fund Managers Limited (the "Manager") for the provision of management, secretarial, accounting and administration services and for carrying out promotional activity services in relation to the Company.

During the period, the management fee was payable monthly in arrears and was based on 0.85% per annum up to £350m and 0.7% thereafter of the net assets of the Company (period ended 30 September 2020 and year ended 31 March 2021 the management fee payable was based on 0.9% per annum up to £350m and 0.75% per annum thereafter of the net assets of the Company). The management agreement is terminable by either the Company or the Manager on six months' notice. The amount payable in respect of the Company for the period was £1,637,000 (six months ended 30 September 2020 - £1,275,000; year ended 31 March 2021 - £2,801,000) and the balance due to the Manager at the period end was £294,000 (period end 30 September 2020 - £664,000; year end 31 March 2021 - £775,000). All investment management fees are charged 100% to the revenue column of the Statement of Comprehensive Income.

The Company has an agreement with the Manager for the provision of promotional activities in relation to the Company's participation in the abrdn Investment Trust Share Plan and ISA. The total fees paid and payable under the agreement during the period were £83,000 (six months ended 30 September 2020 - £83,000; year ended 31 March 2021 - £166,000) and the balance due to the Manager at the period end was £83,000 (period ended 30 September 2020 - £83,000; year ended 31 March 2021 - £42,000).

14. **Segmental information.** For management purposes, the Company is organised into one main operating segment, which invests in equity securities. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

15. **Half-Yearly Report.** The financial information contained in this Half-Yearly Report does not constitute statutory accounts as defined in Sections 434 - 436 of the Companies Act 2006. The financial information for the six months ended 30 September 2021 and 30 September 2020 has not been audited.

The information for the year ended 31 March 2021 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the Independent Auditor on those accounts contained no qualification or statement under Section 237 (2), (3) or (4) of the Companies Act 2006.

The Half-Yearly Report has not been reviewed or audited by the Company's Independent Auditor.

16. **Approval.** This Half-Yearly Report was approved by the Board on 24 November 2021.

## ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes International Financial Reporting Standards ("IFRS") and the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC"). The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

**Total return.** NAV and share price total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return assumes that dividends are reinvested at NAV when the shares are quoted ex-dividend. Share price total return assumes that dividends are reinvested at the mid-market price when the shares are quoted ex-dividend.

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the six months ended 30 September 2021 and the year ended 31 March 2021. A dividend of 1.0p was paid during the year ended 31 March 2021.

<b>Six months ended 30 September 2021</b>	<b>NAV</b>	<b>Share price</b>
31 March 2021	627.05p	542.00p
30 September 2021	745.95p	660.00p
<b>Total return</b>	<b>+19.0%</b>	<b>+21.8%</b>

<b>Year ended 31 March 2021</b>	<b>Dividend rate</b>	<b>NAV</b>	<b>Share price</b>
31 March 2020		411.41p	328.00p
1 October 2020	1.00p	533.62p	435.00p
31 March 2021		627.05p	542.00p
<b>Total return</b>		<b>+52.7%</b>	<b>+65.6%</b>

**Discount to net asset value per Ordinary share.** The discount is the amount by which the share price is lower than the net asset value per share with debt at fair value, expressed as a percentage of the net asset value.

		<b>30 September 2021</b>	<b>31 March 2021</b>
NAV per Ordinary share	a	745.95p	627.05p
Share price	b	660.00p	542.00p
Discount	(a-b)/a	11.5%	13.6%

**Net gearing.** Net gearing measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due to and from brokers at the period end.

		<b>30 September 2021</b>	<b>31 March 2021</b>
Borrowings (£'000)	a	30,000	24,000
Cash (£'000)	b	5,655	2,588
Shareholders' funds (£'000)	c	435,375	366,106
<b>Net gearing</b>	(a-b)/c	<b>5.6%</b>	<b>5.8%</b>

---

**Ongoing charges.** The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of annualised investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year. The ratio for 30 September 2021 is based on forecast ongoing charges for the year ending 31 March 2022.

---

	<b>30 September 2021</b>	<b>31 March 2021</b>
Investment management fees (£'000)	3,437	2,801
Administrative expenses (£'000)	938	821
Less: non-recurring charges (£'000){A}	(18)	-
<b>Ongoing charges (£'000)</b>	<b>4,357</b>	<b>3,622</b>
<b>Average net assets (£'000)</b>	<b>410,429</b>	<b>312,355</b>
<b>Ongoing charges ratio</b>	<b>1.06%</b>	<b>1.16%</b>

---

{A} Professional fees unlikely to recur.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations which amongst other things, includes the cost of borrowings and transaction costs.

Stuart Reid  
**Aberdeen Asset Management PLC**  
Secretaries

Tel. 0131 372 2200

24 November 2021

**END**