Elephant Capital plc and its subsidiaries

Unaudited condensed consolidated interim financial statements for the six month period ended 28 February 2014

Contents

Directors and Advisors

Directors
Vikram Lall
Gaurav Burman (Date of resignation 26 February 2014)
Francis Anthony Hancock
Elizabeth Tansell
(for Directors' biographies, please visit the Company's website www.elephantcapital.com)

Company Secretary
Elizabeth Tansell
Clinch's House,
Lord Street, Douglas,
Isle of Man, IM99 1RZ

Investment Manager
Elephant Capital LLP
7th Floor, 13 Charles II Street
London, SW1Y 4QU

Nominated Advisor and Broker
Cantor Fitzgerald Europe
One Churchill Place
Level 20, Canary Wharf
London, E14 5RB

Lawyers in respect of English law
Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London, EC1A 2FG

Auditor
Grant Thornton
Exchange House
54/58 Athol Street
Douglas
Isle of Man IM1 1JD

Administrator, Registrar and Registered Office
SMP Partners Limited
Clinch's House,
Lord Street, Douglas,
Isle of Man, IM99 1RZ

Chairman's Statement

Results and Portfolio Changes

As at 28 February 2014, Net Asset Value ("NAV") was GBP 8.3 million or 34p per share, compared to GBP 8.1 million or 33p per share as at 31 August 2013. The components of the increase in NAV are GBP 0.1 million fall in the value of the unlisted investment portfolio, a GBP 0.6 million gain in the listed investment portfolio and the excess of expenses over income of GBP 0.3 million.

No new investments were made during the period. Since the period end there was a disposal of one of the listed investments which is detailed below.

Unlisted Investment Portfolio

Air Works India (Engineering) Private Limited ("Air Works") has been performing satisfactorily and exhibited operational strength during the period.

Amar Chitra Katha Private Limited ("ACK") has not performed according to its budget and its valuation, based on an independent third party opinion, has been reduced to GBP 1.20 million at 28 February 2014 compared to GBP 1.37 million at 31 August 2013.

Efforts continue to realise Elephant Capital's investment in Global Cricket Ventures Ltd., Mauritius ("GCV"), and there seems to be the possibility of doing so over the next few months. The investment in GCV has been valued at GBP 0.58 million based on the estimated net asset value of GCV as attributable to Elephant Capital's shareholding as at 28 February 2014.

Full details of the Company's unlisted investments are included in the Investment Manager's review.

Listed Investment Portfolio

The Indian stock markets have been very volatile during the period, finishing up circa 13% by the end of the last period. Nitco Limited ("Nitco") performed better than the market with circa 15% gain in stock price.

We have continued our efforts to realise our listed portfolio but have been hampered by poor liquidity in the listed stocks held. Since the period end, Elephant Capital sold its remaining holding in Mahindra CIE Automotive Limited (previously known as Mahindra Forgings Limited) ("MCAL") for GBP 0.74 million.

Full details of the Company's listed investments are included in the Investment Manager's Review.

Return of Capital

As previously announced, Elephant Capital is proposing to return capital to its shareholders following the sale of MCAL. In view of the amount of cash currently available to fund the return, the Board has concluded that buying back shares through the market is the most efficient method, in terms of cost and tax, of implementing the return. The announcement included with this report gives details of the proposed buyback of shares.

Extraordinary General Meeting

The Company currently has authority, granted at the AGM in March 2014, to buy-back up to 15% of its issued share capital. The Directors expect that this authority may be fully utilised within a short time following the commencement of the share buy-back programme. Accordingly, you will also find enclosed with this report a notice convening an Extraordinary General Meeting on 20 June 2014. The resolution to be proposed at the EGM will authorise the Company to buy-back up to 15% of its share capital in issue on the first business day on which the existing buy-back authority has been fully utilised. As with the existing authority, the maximum price per share that may be paid for shares bought back will be limited to no more than 105 percent of the average middle market closing price of the shares for the five business days preceding the date of purchase.

Board Change

As already reported Gaurav Burman retired from the Board on 26 February 2014, as part of a cost reduction exercise, although we continue to have access to Gaurav's services through his role within the Investment Manager's team.

Strategy

Having made further progress in realising our portfolio, we are proposing to use part of the proceeds to fund buy-backs of shares through the market. We intend to dispose of our remaining portfolio as soon as possible without conducting a fire sale.

Vikram Lall
29 May 2014

Investment Manager's Review

Introduction

Elephant Capital plc ("Elephant Capital" or the "Company") holds its investments through its Mauritian based special purpose vehicles ("SPVs") Tusk Investments 1 Limited and Tusk Investments 2 Limited (individually the "SPV", collectively the "SPVs") into businesses that are established or operating primarily in India.

The SPVs are managed by Elephant Capital LLP (the "Investment Manager" or "Elephant"), a limited liability partnership which in turn is advised by Elephant India Advisors Private Limited (the "Advisor"), of which the senior executives in India are all members.

Investment strategy

The Company was established to execute a value based strategy in both public and private businesses. As the Company has previously announced, Elephant Capital will no longer be making any new investments and has adopted a policy of managing and realising its current portfolio and actively looking to return cash to its shareholders.

Investment activity

During the six month period to 28 February 2014, the Investment Manager made no new investments. The focus was on managing the existing portfolio and trying to create liquidity to return cash to the shareholders.

In October 2013 and April 2014, Elephant Capital sold its entire holding in Mahindra CIE Automotive Limited (previously known as Mahindra Forgings Limited) ("MCAL") for GBP 2.17 million. The sale of MCAL resulted in a realised loss of GBP 2.64 million (being the excess of original cost of GBP 4.81 million over the sale proceeds of GBP 2.17 million).

The Investment Manager continues to focus on helping GCV pursue its claims for the alleged wrongful termination of its agreement by the Board of Control for Cricket in India ("BCCI"), while in parallel negotiating an exit for Elephant Capital from this investment.

Given this activity Elephant Capital now holds only five investments, one listed; Nitco, and four unlisted, Air Works, ACK, GCV and Obopay, the last of which has no value. The Investment Manager is looking for ways to realise both Nitco and GCV in the shortest time frame possible and will then focus on finding ways to realise Air Works and ACK over the medium term as these businesses mature. No further investments are envisaged.

Portfolio review

Air Works India (Engineering) Private Limited

Air Works is one of the leading independent providers of Aviation Maintenance, Repair and Overhaul (MRO) services in India, Aircraft Paint and Refinishing in Europe and Aircraft Management Services in Dubai. Founded in 1951, Air Works has successfully transformed itself from a family run business focused on providing maintenance services to business aircraft into a professionally managed organisation providing a full-suite of services to customers across – Aircraft Management, Business and General Aviation MRO, Aircraft Paint and Refinishing, Commercial Aviation MRO, Avionics and Parts Distribution.

The company has been performing satisfactorily. The year to date financials of Airworks on the consolidated basis is showing encouraging signs of turnaround in the business. The company had incurred losses in three of the previous four years, but has exhibited operational strength in the last three quarters of the current financial year registering positive profit before tax on a consolidated basis as well as at standalone level in the subsidiaries.

The company had acquired Aero Technique Espace (ATE) a French aircraft painting company last year which it has been able to successfully integrate and a significant portion of the inorganic growth in the revenue is attributable to ATE. This acquisition has also helped strengthen Air Works' market position as a leading provider of painting services to the European commercial and military aircraft market.

Amar Chitra Katha Private Limited

ACK is one of the leading children's media companies in India, with a catalogue of over 750 print and digital products and 25 major (and 50+ minor) proprietary characters with India-wide recognition. ACK's origins are in children's books and comics, with "Amar Chitra Katha", the number one children's comic book series dating back to 1967. Other key brands include Tinkle, the number one English magazine for children. ACK has also entered into a licensing arrangement with National Geographic Society, US for publishing their magazines in India.

The company's focus areas include creating new content and merchandise and expanding e-commerce (direct to consumer and indirect channels). In recent years, ACK has sought to diversify its product offering to digital media platforms including films, TV, online, mobile and other new media platforms. To achieve this, ACK is in process of completing the digitization of majority of its content. ACK has also launched applications on the Windows platform through which this content can be accessed. Similar applications will be launched on the Android and iOS platform shortly. E-commerce sales have been growing significantly and the company is taking various initiatives to grow this part of the business exponentially. The Investment Manager has been a proponent of focusing on the core values of the business and crafting a strategy that will allow the company to take its unique and rich library to a larger audience using a digital distribution strategy and upgrading its products to build a larger print business.

Within the publishing business, the company's focus has been to rationalise the number of titles, grow in regional languages and improve the product pricing. In the offline distribution business (IBH), the management is focused on distribution of ACK products, improving cost efficiency and only working with preferred non-ACK publishers to improve the return on capital. In some cases, the company was also successful in charging a fixed establishment/carriage fee from publishers for distributing their products through IBH. The management team led by Vijay Sampath has been working hard to execute the company's growth strategy.

Elephant Capital invested GBP 3.2 million in ACK in a primary transaction, in June 2010. In April 2011, it announced a further investment of GBP 0.9 million in a second funding round, led by Future Consumer Enterprise Limited ("FCEL") (previously known as Future Ventures India Limited). Elephant Capital's stake in ACK was 22% post this investment. ACK subsequently bought back 70,457 of its own shares representing 15% of existing paid up capital of the company, at the purchase price FCEL and Elephant Capital paid in the second round. Neither Elephant Capital nor its co-investors participated in this buy-back and hence Elephant Capital's shareholding in the business increased to 26%. During the reporting period, ACK executed a rights issue at a discounted price. Elephant Capital declined the opportunity to invest in the rights issue of ACK, because the Company is in the process of returning capital to its shareholders, thereby reducing its holding in ACK to 20%.

Global Cricket Ventures Limited, Mauritius

In November 2009, Elephant Capital announced an investment of GBP 5.95 million in a primary transaction in GCV, a cricket-focused, digital media and broadcasting company. At the time of its investment, GCV was the exclusive licensee of key internet and mobile rights to the Indian Premier League ("IPL") and key internet rights to the Champion's League Twenty20 ("CLT20") cricket tournaments.

In mid-2010, the BCCI announced that it would be rescinding its global media contracts with World Sports Group ("WSG") from whom GCV sublicensed many of its own cricket-related rights. Further, WSG terminated GCV's contractual rights relating to the IPL. This obviously dealt a fatal blow to the business prospects of GCV, as GCV lost its key rights as a result of this action and, ahead of the fourth IPL season, these rights were re awarded to other parties. As a result of WSG's termination, GCV entered into active discussions to settle liabilities towards its own sub-licensees and has made significant progress on such settlements.

GCV views BCCI's termination of its contractual rights to be wrongful and has commenced an arbitration process with the BCCI in order to reach a resolution of the current situation.

The investment has been valued at GBP 0.58 million based on the Investment Manager's best estimate of the net asset value of GCV attributable to the Company's shareholding in GCV. The Investment Manager has initiated discussions with the other shareholders in the business to exit its shareholding and the Investment Manager has finally agreed a restructuring plan with the company and the other shareholders, which is being drafted and negotiated by the company and the shareholders' respective legal advisers. Should all parties be able to reach a consensus there is a possibility that Elephant may be able to exit this investment over the next few months at approximately the current holding value.

Nitco Limited

Nitco is one of the largest manufacturers of flooring and wall tiles in India. It has a direct interest in the real estate sector through a wholly-owned subsidiary which develops residential and commercial property assets in Maharashtra. Elephant Capital became interested in the company because it wanted to participate in the significant real estate growth in India and believed that Nitco offered a strong play in the sector.

However, the environment changed dramatically post Elephant Capital's investment in 2007, with the credit crisis ushering in an unprecedented decline in global property markets. The sector has yet to regain its earlier buoyancy and periodic interest rate hikes have further dampened sentiments.

Recently the company initiated steps to reduce its losses including, shifting its sourcing from China to the domestic market to mitigate currency risk and stability, shifting its distribution model to direct dispatch from factory to clients to reduce freight and reduction in its inventory thereby reducing holding cost and warehousing space etc.

Elephant Capital is looking for ways in which to sell its shareholding in what has become a highly illiquid and out of favour stock.

As at 28 February 2014, the portfolio was as follows:

Company	Sector	Listed/ Unlisted	Cost £'000	Valuation 28 February 2014 £'000	Gain/(Loss) Over Cost £'000
Air Works India (Engineering) Private Limited	Aviation	Unlisted	2,922	3,032	110
Amar Chitra Katha Private Limited	Media	Unlisted	4,085	1,206	(2,879)
Global Cricket Ventures Limited	Media	Unlisted	5,949	577	(5,372)
Obopay Inc.	Mobile banking service	Unlisted	1,239	-	(1,239)
Mahindra CIE Automotive Limited*	Automotive	Listed	1,677	736	(941)
Nitco Limited	Building materials	Listed	1,393	254	(1,139)
Total			**17,265**	**5,805**	**(11,460)**

The valuations of the above are in accordance with International Financial Reporting Standards and International Private Equity and Venture Capital Association guidelines. All investments are held at fair value through profit or loss and are recognised at the transaction date on initial recognition.

*Part of the investment in Mahindra CIE Automotive Limited is held via an intermediary holding company, Elephant Capital 1 Limited (Mauritius).

Realisations

The Group sold its entire holdings of MCAL in October 2013 and April 2014 for GBP 1.43 million and 0.74 million respectively.

Principles of valuations of investments

Principles of valuation of unlisted investments

Investments are stated at amounts considered by the Directors to be a reasonable assessment of their fair value, where fair value is the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

All investments are valued according to one of the following bases:

- Cost (less any provision required)
- Price of recent transaction
- Discounted cash flows or earnings (of underlying businesses)
- Earnings multiple
- Net assets
- Sale price

Investments are valued at cost for a limited period after the date of acquisition. Thereafter, investments are valued on one of the other bases described above and the earnings multiple basis of valuation will be used unless this is inappropriate, as in the case of certain asset-based businesses.

Under the discounted cash flow technique the projected cash flows from business operations are discounted at the "Weighted Average Cost of Capital" to the providers of capital to the business. The sum of the discounted value of such free cash flows is the value of the business.

When valuing on an earnings multiple basis, earnings before interest, taxes, depreciation and amortisation ("EBITDA") or net profit of the current year will normally be used. Such profits will be multiplied by an appropriate and reasonable earnings multiple (EBITDA multiple or net profit multiple as the case may be). This is normally related to comparable quoted companies, with adjustments made for points of difference between the comparator and the company being valued, in particular for risks, size, illiquidity, earnings growth prospects and surplus assets or excess liabilities.

Where a company has incurred losses, or if comparable quoted companies are not primarily valued on an earnings basis, then the valuation may be calculated with regard to the underlying net assets and any other relevant information, such as the pricing for subsequent recent investments by a third party in a new financing round that is actively being sought, then any offers from potential purchasers would be relevant in assessing the valuation of an investment and are taken into account in arriving at the valuation.

Where appropriate, a marketability discount (as reflected in the earnings' multiple) may be applied to the investment valuation, based on the likely timing of an exit, the influence over that exit, the risk of achieving conditions precedent to that exit and general market conditions.

In arriving at the value of an investment, the percentage ownership is calculated after taking into account any dilution through outstanding warrants, options and performance related mechanisms.

Principles of valuation of listed investments

Investments are valued at bid-market price or the conventions of the market on which they are quoted.

Valuation review procedures

Valuations are initially prepared by the Investment Manager. These valuations are approved by the Directors and reviewed by the Company's external auditors.

Events after the reporting date

Subsequent to the period end, the Group sold remaining holding in MCAL, as disclosed in the note 15 to the financial statements.

Gaurav Burman
On behalf of Elephant Capital LLP
29 May 2014

Independent Review Report to the Board of Directors of Elephant Capital plc

Introduction

We have been engaged by Elephant Capital plc (the 'Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 28 February 2014 which comprises the unaudited Condensed Consolidated Statement of Comprehensive Income, the unaudited Condensed Consolidated and Company Statements of Financial Position, the unaudited Condensed Consolidated Statements of Changes in Equity, the unaudited Condensed Consolidated Cash Flow Statements, and notes 1 to 15 to the Condensed Consolidated Interim Financial Statements. We have read the other information contained in the half yearly financial report which comprises of only the Chairman's Statement and Investment Manager's Review and considered whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

This report is made solely to the Board of Directors of the Company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review 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, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. As disclosed in Note 3, the annual financial statements of the group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 28 February 2014 does not present fairly, in all material respects, the financial position of the Group and Company as at 28 February 2014, and of the Group's financial performance and cash flows for the six month period then ended in accordance with International Accounting Standard 34 as adopted by the European Union.

Grant Thornton Limited
Chartered Accountants
Isle of Man
29 May 2014

Condensed Consolidated Statements of Comprehensive Income

	Notes	**Unaudited six months ended 28 February 2014 £'000**	Unaudited six months ended 28 February 2013 £'000	Audited twelve months ended 31 August 2013 £'000
Revenue				
Investment and other income		**85**	101	198
Net profit/(losses) on financial assets at fair value through profit or loss	7	**480**	(1,670)	(3,009)
Other income				
Net foreign exchange gain		**-**	20	19
		565	(1,549)	(2,792)
Expenses				
Management fees	8	**(108)**	(201)	(440)
Other expenses		**(246)**	(319)	(623)
Profit/(loss) before finance costs and tax		**211**	(2,069)	(3,855)
Finance costs		**(2)**	(1)	(4)
Profit/(loss) before and after tax		**209**	(2,070)	(3,859)
Other comprehensive income for the period/year		**-**	-	-
Total comprehensive profit/(loss) for the period/year		**209**	(2,070)	(3,859)
Profit/(loss) and total comprehensive profit/(loss) attributable to:				
Owners of the parent		**209**	(2,070)	(3,859)
Profit/(loss) per share - (basic & diluted)	9	**1p**	(4p)	(10p)

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

Condensed Consolidated Statements of Financial Position

	Notes	**Unaudited as at 28 February 2014 £'000**	Unaudited as at 28 February 2013 £'000	Audited as at 31 August 2013 £'000
ASSETS				
Non-current				
Investments at fair value through profit or loss	10	**4,815**	6,271	4,875
		4,815	6,271	4,875
Current				
Investments at fair value through profit or loss	10	**990**	1,818	1,875
Receivables		**16**	129	-
Prepayments		**26**	14	27
Cash and cash equivalents		**2,693**	11,059	1,472
		3,725	13,020	3,374
Total assets		**8,540**	19,291	8,249
Current liabilities				
Payables		**195**	366	112
Unearned revenue		**10**	10	11
		205	376	123
Net assets		**8,335**	18,915	8,126
EQUITY				
Share capital		**246**	477	246
Share premium		**20,752**	20,752	20,752
Distributable capital reserve		**17,462**	26,231	17,462
Unrealised investment revaluation reserve		**(10,221)**	(11,069)	(12,408)
Accumulated losses		**(19,904)**	(17,476)	(17,926)
Total attributable to the owners of the parent		**8,335**	18,915	8,126
Total equity		**8,335**	18,915	8,126
Net asset value per share	9	**£0.34**	£0.40	£0.33

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

The unaudited condensed consolidated interim financial statements on pages 12 to 26 were approved and authorised for issue by the Board of Directors on 29 May 2014 and are signed on its behalf by

Francis Anthony Hancock
Director

Elizabeth Tansell
Director

Condensed Company Statements of Financial Position

	Notes	**Unaudited as at 28 February 2014 £'000**	Unaudited as at 28 February 2013 (Restated*) £'000	Audited as at 31 August 2013 £'000
ASSETS				
Non-current				
Investments in subsidiaries		**2,367**	5,660	2,315
Loans to subsidiaries	11	**5,355**	5,803	5,047
		7,722	11,463	7,362
Current assets				
Loan to subsidiaries	11	**-**	5,003	-
Receivables		**-**	1	-
Prepayments		**16**	6	21
Cash and cash equivalents		**725**	2,393	815
		741	7,403	836
Total assets		**8,463**	18,866	8,198
Current liabilities				
Payables		**134**	175	77
		134	175	77
Net assets		**8,329**	18,691	8,121
EQUITY				
Share capital		**246**	477	246
Share premium		**20,752**	20,752	20,752
Distributable capital reserve		**17,462**	26,231	17,462
Accumulated losses		**(30,131)**	(28,769)	(30,339)
Equity attributable to owners of the Company		**8,329**	18,691	8,121

* Refer note 12.

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

The unaudited condensed consolidated interim financial Statements on pages 12 to 26 were approved and authorised for issue by the Board of Directors on 29 May 2014 and are signed on its behalf by

Francis Anthony Hancock
Director

Elizabeth Tansell
Director

Condensed Consolidated Statements of Cash Flows

		Unaudited six months ended 28 February 2014 £'000	Unaudited six months ended 28 February 2013 £'000	Audited twelve months ended 31 August 2013 £'000
(A)	**Operating activities:**			
	Profit/(loss) before tax	**209**	(2,070)	(3,859)
	Adjustments for :			
	Interest income	**(2)**	(5)	(9)
	Net unrealised (profit) /losses on investments	**(133)**	1,343	2,682
	(Profit) /loss on sale of investments	**(347)**	327	327
	Net changes in working capital :			
	(Increase)/decrease in receivables and prepayments	**(15)**	(45)	71
	Increase/(decrease) in payables and unearned revenue	**82**	12	(241)
	Net cash used in operating activities	**(206)**	(438)	(1,029)
(B)	**Investing activities:**			
	Proceeds from sale of investments	**1,425**	7,716	7,716
	Interest received	**2**	5	9
	Net cash generated by investing activities	**1,427**	7,721	7,725
(C)	**Financing activities:**			
	Shares bought back under tender offer	**-**	-	(9,000)
	Net cash used in financing activities	**-**	-	(9,000)
	Net increase/(decrease) in cash and cash equivalents	**1,221**	7,283	(2,304)
	Cash and cash equivalents at beginning of period/year	**1,472**	3,776	3,776
	Cash and cash equivalents at end of period/year	**2,693**	11,059	1,472

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

Condensed Consolidated Statements of Changes in Equity

Unaudited	Share capital £'000	Share premium £'000	Distributable capital reserve £'000	Unrealised investment revaluation reserve £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 September 2013	**246**	**20,752**	**17,462**	**(12,408)**	**(17,926)**	**8,126**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
Net un-realised gain reserve transfer	**-**	**-**	**-**	**133**	**(133)**	**-**
Transfer of accumulated realised loss on investments sold	**-**	**-**	**-**	**2,054**	**(2,054)**	**-**
Profit for the period	**-**	**-**	**-**	**-**	**209**	**209**
Total comprehensive income for the period	**-**	**-**	**-**	**2,187**	**(1,978)**	**209**
Balance as at 28 February 2014	**246**	**20,752**	**17,462**	**(10,221)**	**(19,904)**	**8,335**
Unaudited						
Balance as at 1 September 2012	477	20,752	26,231	(16,558)	(9,917)	20,985
Transactions with owners	-	-	-	-	-	-
Net unrealised loss reserve transfer	-	-	-	(1,343)	1,343	-
Transfer of accumulated realised loss on investments sold	-	-	-	6,832	(6,832)	-
(Loss) for the period	-	-	-	-	(2,070)	(2,070)
Total comprehensive (loss) for the period	-	-	-	5,489	(7,559)	(2,070)
Balance as at 28 February 2013	477	20,752	26,231	(11,069)	(17,476)	18,915
Audited						
Balance as at 1 September 2012	477	20,752	26,231	(16,558)	(9,917)	20,985
Shares bought back under tender offer	(231)	-	(8,769)	-	-	(9,000)
Transactions with owners	(231)	-	(8,769)	-	-	(9,000)
Net unrealised loss reserve transfer	-	-	-	(2,682)	2,682	-
Transfer of accumulated realised loss on investments sold	-	-	-	6,832	(6,832)	-
(Loss) for the year	-	-	-	-	(3,859)	(3,859)
Total comprehensive (loss) for the year	-	-	-	4,150	(8,009)	(3,859)
Balance as at 31 August 2013	246	20,752	17,462	(12,408)	(17,926)	8,126

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

Notes to Unaudited Condensed Consolidated Interim Financial Statements

1. Introduction

Elephant Capital plc (the "Company") is a public limited company incorporated in the Isle of Man on 16 May 2006 and listed on the Alternative Investment Market ("AIM") of the London Stock Exchange on 25 April 2007. Its registered office is at Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ.

The 'Group' represents the Company and its subsidiaries. The unaudited condensed consolidated interim financial statements comprise the financial information of the 'Group' and the 'Condensed Company Statements of Financial Position'. The Company's business consists of investing through the Group in businesses that have operations primarily in India and generating returns for its shareholders.

2. General information

The financial information for the six month period ended 28 February 2014 and comparative period for the six months ended 28 February 2013 do not constitute statutory accounts as referred to in section 9 of the Companies Act 1982.

The unaudited condensed consolidated interim financial statements are presented in pounds sterling (GBP), which is also the functional currency of the Company and other companies in the Group.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 28 February 2014 (including comparatives) were approved and authorised for issue by the Board of Directors on 29 May 2014.

3. Basis of preparation

The unaudited condensed consolidated interim financial statements (herein referred to as 'interim financial statements') for the six months period ended 28 February 2014 are prepared in accordance with *IAS 34 – Interim Financial Reporting* as adopted by the European Union.

The consolidated and Company financial statements have been presented on a going concern basis The comparative figures for the year ended 31 August 2013 are taken from the full statutory accounts. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The comparative figures for the six months ended 28 February 2013 are taken from the half yearly unaudited consolidated condensed financial statements for that period. The accounting policies have been applied consistently throughout the Group for the preparation of consolidated financial statements.

(This space has been intentionally left blank)

Notes to Unaudited Condensed Consolidated Interim Financial Statements

4. Significant accounting policies

The Interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 August 2013 except for the application of the following standard with effect from 1 September 2013:

- IFRS 13 'Fair value measurements'

The effect of applying this standard is described below:

IFRS 13 'Fair Value Measurement' (IFRS 13)

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. IAS 34 requires certain disclosures mandated by IFRS 13 in the Interim financial statements which are provided in Note 13.

5. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 August 2013.

6. Segmental information

The Directors have considered the provisions of IFRS 8 in relation to segment reporting and concluded that the Group's activities form a single segment under the standard. From a geographical perspective, the Group's substantial investments are mostly focused in India. Equally, in relation to business segmentation, the Group's investments are predominantly in the small and mid-cap businesses and it is considered that, the risks and rewards are not materially different whether the investments are listed or unlisted. However, an analysis of the investments between listed and unlisted investments is provided in note 10.

(This space has been intentionally left blank)

Notes to Unaudited Condensed Consolidated Interim Financial Statements

7. Net profit/(losses) on financial assets at fair value through profit or loss

	Six months ended 28 February 2014 £ '000	Six months ended 28 February 2013 £'000	Twelve months ended 31 August 2013 £'000
Financial assets designated as fair value through profit or loss			
Unrealised gains on investments	**308**	683	431
Unrealised loss on investments	**(175)**	(2,026)	(3,113)
Realised gain/(loss) on investment	**347**	(327)	(327)
Total	**480**	(1,670)	(3,009)

8. Management fee

Under the terms of the "Management agreement", the amount of management fee payable from Tusk Investments 1 Limited and Tusk Investments 2 Limited to Elephant 2 Limited ("Manager") until 25 February 2014 is at 2% per annum of Net Asset Value ("NAV") of Elephant Capital plc as at the most recent valuation date (i.e. 31 August 2013), thereafter it has been fixed at GBP 160 thousand per annum and Manager's ongoing expenses.

The Management fee of GBP 108 thousand (28 February 2013: GBP 201 thousand) disclosed in the consolidated statement of comprehensive income includes the management fee of GBP 81 thousand (28 February 2013: GBP 201 thousand) and GBP 27 thousand (28 February 2013: Nil) in respect of a monitoring fee of GBP 31 thousand (28 February 2013: GBP 31 thousand) received by the Manager from an investee company.

9. Profit/(loss) and net asset value per share

	Six months ended 28 February 2014	Six months ended 28 February 2013	Twelve months ended 31 August 2013
Profit/(loss) attributable to ordinary shareholders	**£208,946**	£(2,070,402)	£(3,858,805)
Issued ordinary shares-beginning of period/year	**24,662,511**	47,739,411	47,739,411
Buy-back of shares	**-**	-	(23,076,900)
Issued ordinary shares outstanding at the end of period/year	**24,662,511**	47,739,411	24,662,511
Weighted average number of shares outstanding	**24,662,511**	47,739,411	38,255,753
Profit/(loss) per share (basic and diluted)	**1p**	(4p)	(10p)
Net asset value per share (statutory)	**£0.34**	£0.40	£0.33
Net asset value per share (statutory) is based on the statutory net assets as at period/year end	**£8,335,852**	£18,915,300	£8,126,907

There were no options in issue to dilute the earnings per share.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

10. Investments at fair value through profit or loss

The Group has invested in a portfolio of listed and unlisted securities of businesses operating primarily in India.

Details of the Group's investments are set out below:

	28 February 2014			28 February 2013			31 August 2013		
	Non-current	**Current**	**Total**	Non-current	Current	Total	Non-current	Current	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
Listed investments:									
Balance brought forward	**-**	**1,875**	**1,875**	-	7,080	7,080	-	7,080	7,080
Disposal		**(1,078)**	**(1,078)**	-	(5,039)	(5,039)	-	(5,039)	(5,039)
	-	**797**	**797**	-	2,041	2,041	-	2,041	2,041
Unrealised gain /(loss)	**-**	**193**	**193**	-	(223)	(223)	-	(166)	(166)
(A)	**-**	**990**	**990**	-	1,818	1,818	-	1,875	1,875
Unlisted investments:									
Balance brought forward	**4,875**	**-**	**4,875**	7,391	3,004	10,395	7,391	3,004	10,395
Disposal	**-**	**-**	**-**	-	(3,004)	(3,004)	-	(3,004)	(3,004)
	4,875	**-**	**4,875**	7,391	-	7,391	7,391	-	7,391
Unrealised (loss) /gain	**(60)**	**-**	**(60)**	(1,120)	-	(1,120)	(2,516)	-	(2,516)
(B)	**4,815**	**-**	**4,815**	6,271	-	6,271	4,875	-	4,875
Total investments (A+B)	**4,815**	**990**	**5,805**	6,271	1,818	8,089	4,875	1,875	6,750

(This space has been intentionally left blank)

Notes to Unaudited Condensed Consolidated Interim Financial Statements

11. Loans to subsidiaries (Company Statement of Financial Position)

Loans to subsidiaries in the standalone financial statements of the Company comprise the following:

	As At 28 February 2014 £'000	As At 28 February 2013 £'000	As at 31 August 2013 £'000
Non- current			
Elephant Capital LP*			
Opening balance	**14,000**	14,000	14,000
	14,000	14,000	14,000
Less : Provision for impairment **	**(8,645)**	(8,197)	(8,953)
A	**5,355**	5,803	5,047
Current			
Elephant Capital LP*			
Opening balance	**4,996**	10,000	10,000
Add: Paid during the period/ year	**-**	-	(5,004)
	4,996	10,000	4,996
Less : Provision for impairment**	**(4,996)**	(4,997)	(4,996)
B	**-**	5,003	-
Total (A+B)	**5,355**	10,806	5,047

*Loan of GBP 18,996 thousand was given by Elephant Capital plc to Elephant Capital LP in order to provide further funds to Tusk Investments 1 Limited and Tusk Investments 2 Limited for making investments in certain investee companies in accordance with the investment strategy of the Group. Further the loan classified as non-current has not been discounted to its present value, as the repayment period is not determinable.

**An impairment analysis of loans to subsidiaries was carried out by the Company as of 28 February 2014 and consequently, a reversal of an impairment loss of GBP 308 thousand was recorded on account of the increase in the value of investments made through group subsidiaries since 31 August 2013.

(This space has been intentionally left blank)

Notes to Unaudited Condensed Consolidated Interim Financial Statements

12. Investment in subsidiaries

In the financial year ended 31 August 2013, the directors reclassified the "Assets held for distribution to owners" as "Investment in subsidiaries" in the Company's Statements of Financial Position. As a consequence, comparative figures for the period ended 28 February 2013 have been reclassified. The re-presented numbers do not alter the underlying business performance of the Company and have no impact on the Company's Statement of Comprehensive Income. As per the assessment of the directors, this changed presentation provides information that is in accordance with IFRS and does not impair the comparability of the financial statements.

13. Fair value measurement of financial instruments

IAS 34 requires that Interim financial statements include certain of the disclosures about fair value of financial instruments set out in IFRS 13 and IFRS 7 'Financial Instruments: Disclosures' (IFRS 7). These disclosures include the classification of fair values within a three-Level hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value at 28 February 2014:

28 February 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Listed securities	**990**	**-**	**-**	**990**
Unlisted securities	**-**	**-**	**4,815**	**4,815**
Total	**990**	**-**	**4,815**	**5,805**
Liabilities	**-**	**-**	**-**	**-**
Net fair value	**990**	**-**	**4,815**	**5,805**

Measurement of fair value

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. The methods and valuation techniques used for the purpose of measuring fair values are given below:

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(a) Listed securities:
All the quoted investments are denominated in *Indian rupees* and are publicly traded on the NSE and BSE in India and the value of such quoted investments has been determined using the closing bid market prices on the NSE as at the reporting date.

(b) Unlisted securities:
The fair value of the unquoted investments has been determined using appropriate methodology in accordance with International Private Equity and Venture Capital Guidelines and guidance provided in IAS 39.

(i) Global Cricket Ventures ("GCV") – As at 28 February 2014, the Group held a 45.56% equity stake in Global Cricket Ventures Limited (Mauritius) which had been acquired for GBP 5,949 thousand. The Company's Directors have decided to exit from this investment and accordingly, the value of this investment as on 28 February 2014 has been determined on the basis of best estimate of net assets of GCV attributable to Elephant Capital's shareholding.

(ii) Obopay – Pursuant to the execution of an Agreement and Plan of Merger of OBP Investments, OBP Investments, Inc., the stakeholders representative with Obopay Inc. (Obopay), the capital stock of Obopay (except series G Preferred stock) issued and outstanding immediately (including Elephant Capital's holding in series C and Series D preferred stock) prior to the Merger was cancelled and extinguished without any conversion thereof and no payment or distribution was made. Therefore the holding of Elephant Capital in Series C and D preferred stock was valued at nil as at 31 August 2013 and the same basis of valuation has been followed for 28 February 2014.

(iii) Amar Chitra Katha ("ACK") – As at 28 February 2014, the Group held a 20.06% equity stake in Amar Chitra Katha (P) Ltd. at a total cost of GBP 4,085 thousand. The investment has been valued based on the "discounted cash flows of the earnings of underlying businesses". Valuation inputs include cash flow projections for five years, long term growth rate, weighted average cost of capital and discount for lack of marketability. The key assumptions used in the valuation of the investment as at 28 February 2014 are as follows:

Weighted average cost of capital	13.75%
Long term growth rate	6.00%
Discount for lack of marketability	15.00%

(iv) Air Works – As of 28 February 2014, the Group held an aggregate 4.45% (fully diluted basis) stake in Air Works India (Engineering) Private Ltd. at a total cost of GBP 2,922 thousand. The investment has been valued based on the "discounted cash flows of the earnings of the underlying business". Valuation inputs include cash flow projections for four years, long term growth rate, weighted average cost of capital and discount for lack of marketability. The key assumptions used in the valuation of the investment as at 28 February 2014 are as follows:

Notes to Unaudited Condensed Consolidated Interim Financial Statements

Weighted average cost of capital	15.21%
Long term growth rate	5.00%
Discount for lack of marketability	15.00%

There have been no transfers into or out of level 1 or level 3 during the six months ended 28 February 2014.

The financial instruments within level 3 can be reconciled from beginning to ending balances as follows:

Particulars	Six months ended 28 February 2014 £'000
Opening balance	4,875
Purchases	-
Sale	-
Losses recognised in statement of comprehensive income	(60)
Closing balance	4,815
Total amount of loss included in statement of comprehensive income for unrealised losses on Level 3 instruments	(60)

Losses on fair valuation are shown under the heading 'Net profit/(losses) on financial assets at fair value through profit or loss'.

For the investments, Amar Chitra Katha and Air Works which are valued using the discounted cash flow methodology and are classified as Level 3 at the reporting date, the Company adjusted the discount rate and growth rate assumptions within a range of reasonably possible alternatives. The extent of the adjustment varied according to the characteristics of each security. For results of the sensitivity analysis for Amar Chitra Katha and Air Works, refer to the results tabulated below:

Particulars	Six months ended 28 February 2014 £'000
Change by +50 basis points	
Weighted average cost of capital	(260)
Long term growth rate	252
Change by -50 basis points	
Weighted average cost of capital	290
Long term growth rate	(227)

Besides above there are other unobservable inputs for cash flow projections. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the remaining investments classified as Level 3, due to the absence of any reasonably possible alternative assumptions for these investments, a sensitivity analysis has not been performed.

Fair value of financial assets and liabilities measured at amortised cost
The fair value of the financial assets and liabilities at amortised cost approximate their carrying amount.

14. Related party transactions

i. Related parties

(a) Key Management Personnel ("KMP")

Names of Directors
Vikram Lall
Gaurav Burman (Date of resignation 26 February 2014)
Francis Anthony Hancock
Elizabeth Tansell

(b) Entities controlled by KMP with whom transactions have taken place during the period/year:

Elephant Capital LLP
Chamberlain Fund Services Limited
Elephant India Finance Private Limited
Elephant India Limited

(c) Associates with whom transactions have taken place during the period/year;

Global Cricket Ventures Limited ("GCV")

ii.The transactions with related parties and balances as at the period/year-end are summarized below

(a) Key Management Personnel ("KMP")
Compensation paid to the Company's Board of Directors comprises of fees only and there are no post-employment benefits payable to any of the Directors of the Company.

The following amounts were paid on account of Directors' fees during each of the period/years reported:

Nature of transaction	Amount			Debit/ (Credit) balance *(unsecured)*		
	Six Months ended 2014 £'000	Six Months ended 2013 £'000	Twelve Months ended 2013 £'000	**As at 28 February 2014 £'000**	As at 28 February 2013 £'000	As at 31 August 2013 £'000
Directors' fee	**50**	61	114	(35)	(27)	(24)

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(a) Transactions made during the period/year with related parties other than those with key managerial personnel are as follows:

Nature of transaction	Amount			Debit/ (credit) balance *(unsecured)*		
	Six Months ended 2014	Six Months ended 2013	Year ended 2013	**As at 28 February 2014**	As at 28 February 2013	As at 31 August 2013
	£'000	£'000	£'000	**£'000**	£'000	£'000
(i) Management fees:*						
- Paid to Elephant Capital LLP	**82**	170	170	**-**	-	-
- Paid to Elephant India Limited	**26**	31	270	**-**	-	-
- Received from Elephant India Finance Private Limited	**51**	66	126	**16**	128	-
(ii) Other transactions:						
- Registrar and administration charges paid to Chamberlain Fund Services Limited	**3**	8	17	**-**	(1)	(1)
- Service fee from GCV	**31**	31	64	**(10)**	(10)	(11)
- Paid to Elephant Capital LLP	**51**	66	126	**(16)**	(128)	-

** Payments to Elephant Capital LLP and Elephant India Limited are paid out of the management fee.*

15. Events after the reporting date

Mahindra CIE Automotive Ltd. ("MCAL")-In April 2014, the Group sold 935 thousand shares of MCAL for an aggregate consideration of GBP 744 thousand. The sale resulted in an overall loss of GBP 933 thousand (being the excess of original cost of GBP 1,677 thousand over the sale proceeds of GBP 744 thousand). The amount of gain after the reporting date is GBP 8 thousand (being the excess of sale proceeds of GBP 744 thousand over the fair value of GBP 736 thousand as on 28 February 2014). Subsequent to disposal, the Group's aggregate holding in MCAL is Nil.