

INFRASTRUCTURE INDIA PLC

REPORT & ACCOUNTS | 2011

For the year ended 31 March 2011

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JOINT STATEMENT FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE

INTRODUCTION

This is our first annual statement to the shareholders of Infrastructure India plc (“IIP”, the “Company” or the “IIP Group”). In this statement we want to review the financial performance of the IIP Group, provide shareholders with greater insight into the investment philosophy of IIP’s new manager, Guggenheim Global Infrastructure Company Limited (“GGIC”) (via its subsidiary Guggenheim Franklin Park Management, LLC), and share with you the investment criteria we apply in reviewing potential investments. In addition we want to set out the investment case for investing in Indian infrastructure and the progress made since the merger of GGIC’s Indian infrastructure assets into the IIP Group which completed on 3 March 2011.

FINANCIAL PERFORMANCE

The IIP Group assets continued to perform well during the financial year ended 31 March 2011, with an overall increase in value of approximately 27 per cent. Following the completion of the placings in July 2010 and February 2011 and the acquisition of the GGIC assets in March 2011, the NAV of IIP grew from £40.1 million to £138.0 million during the financial year, representing an increase of 244 per cent. NAV per share as at 31 March 2011 was £0.92 (at 31 March 2010: £1.09), a decrease of 16 per cent. This fall in NAV is as a result of the dilutive effect of the two placings. Third party expenses of £3.1 million were in total virtually unchanged from the prior year, and were incurred in connection with the corporate activities undertaken by IIP over the course of the year.

2011 – A YEAR OF CHANGE

The last financial year was a year of change for IIP. In November 2010, IIP moved from the Official List to AIM, a market better suited to facilitate the growth in its business and control costs. In February 2011, IIP concluded a substantial fundraising, with gross proceeds (including funds invested by GGIC) of £33.0 million, followed by the merger of GGIC’s Indian infrastructure assets into the IIP Group which completed on 3 March 2011.

To be successful, IIP needed greater scale and a more diversified portfolio. The addition of GGIC’s Indian infrastructure assets, which include a number of small hydroelectric projects and a substantial minority interest in a logistics and port facility, gives the IIP Group greater scale and assets diversification. Additionally IIP has access to the infrastructure and management expertise of GGIC. IIP now has a stronger foundation from which to grow. In particular it is better placed to raise additional capital and through GGIC IIP has an investment pipeline of Indian focussed infrastructure investments.

The IIP Group portfolio is described in more detail in the section headed, “Review of Investments” below.

FURTHER INVESTMENTS

IIP has agreed to purchase an additional approximate 62.60 per cent. stake in VLMS from Anuradha Holdings Private Limited (“AHPL”) subject to receipt of certain Indian regulatory approvals. IIP was notified that following a meeting of India’s Foreign Investment Promotion Board (the “FIPB”) held on 20 May 2011, AHPL’s application to sell its VLMS shares to IIP via a share swap had not been approved. AHPL has filed a petition for a rehearing of its application to the FIPB and expects the application will be reconsidered during August 2011.

GGIC intends to deploy IIP’s available cash resources in projects which build upon IIP’s existing investment portfolio, with a continued focus on businesses providing basic infrastructure services in the energy and transport sectors, and those which are close to commencement of operations. Such businesses would typically be expected to commence operations within 30 months.

Today, we have separately announced a share-for-share exchange to acquire 100 per cent. of the issued and to be issued share capital of Indian Energy, Limited (“IEL”), an AIM-listed developer and operator of wind to energy projects in India. IEL currently owns and operates two wind farms with a combined capacity of 41.3MW located in



Tom Tribone
Chairman



Sonny Lulla
Chief Executive

the south Indian states of Karnataka and Tamil Nadu. IEL has negotiations currently underway with various parties regarding additional wind farm projects. The combination of an operating wind portfolio which is cash generative, a strong management team and the ability to further scale the business, make the business an attractive platform for IIP. The transaction, to be implemented via a scheme of arrangement under Guernsey law is subject to the approval of IEL shareholders and the Guernsey courts. It is expected that the acquisition of IEL will be accretive to IIP's per share NAV.

THE INVESTMENT CASE – INDIAN INFRASTRUCTURE

The Government of India has targeted an investment pool of US\$500 billion in Indian infrastructure in the five year plan for 2007-2012. Thereafter the investment pool increases to US\$1 trillion for the period 2012-2017.

This investment target is ambitious and probably will not be met from public expenditure alone. The private sector has a significant role to play both in capital formation and deployment of capital in infrastructure projects. The Government of India anticipates that the private sector will account for nearly 30 per cent. of infrastructure investment in the five years ending 2017. This represents a total need for private capital of US\$150 billion over this period.

The creation of an infrastructure back-bone within India which is robust and adequate to support the country's socio-economic growth begins with transportation, water and power and moves towards a final phase of airports and international connections. In particular, the amounts invested in infrastructure projects in India in 2010 was greatest in roads (US\$21.2 billion) and ports (US\$13.8 billion). Both roads and inland ports are key parts of the existing IIP portfolio. Energy projects were fewer in number than road or port projects and were also smaller by value attracting investment of US\$3.5 billion.

Given the amount of private capital required and the ready availability of infrastructure projects in India

indicative returns on investment proposals are in the majority achieving or exceeding the thresholds set by IIP.

Developing infrastructure assets in a rapidly changing environment such as exists in India, is not without its challenges. There are always risks that projects will suffer delays and cost overruns due to changes in regulation, financing conditions, political conditions and demography, among numerous other factors. Land acquisition continues to be a difficult task, while evolving environmental standards can lead to unpredictable challenges during development and construction of assets. We continue to price these risks appropriately and take prudent measures to manage them once we have entered into a business.

INVESTMENT PHILOSOPHY

In evaluating potential investments for the IIP Group, GGIC requires that any proposal demonstrates the following:

- an investment return appropriate to the asset and the nature of its business and stage of development but generally one that will allow the fund to offer a base IRR of approximately 15 per cent. to its shareholders;
- a high quality partner and management team;
- negotiated as opposed to auction transactions; and
- significant minority interests with "negative control", or majority interests.

DIVIDENDS

As the Company's investments move from a development phase into an operating phase, the Board of IIP anticipates that cash flows will develop and should be adequate to pay and maintain a dividend. It is the aim of the Board of IIP that the IIP dividend comes to be regarded as a key part of the overall IIP investment return. While the level of IIP's earnings do not currently support the payment of a covered dividend and the ability to maintain a year-on-year progressive dividend policy will depend

JOINT STATEMENT FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE (CONT.)

upon the funding requirements of investments in IIP's portfolio and the investment plans and commitments of the portfolio, as things stand today, the Board of IIP believes IIP could begin to pay a dividend in twelve to eighteen months.

TEAM

GGIC's team of professionals manage the IIP Group's day-to-day activities. The team has extensive knowledge of the Indian market, strong relationships among the developer and financial advisory community in India and a track record of successful involvement in the infrastructure sector in India and globally.

GGIC is ably assisted by a team of advisors in India and the UK.

OUTLOOK

IIP is financially strong having completed a substantial placing and through the acquisition of GGIC's Indian infrastructure assets. IIP will look to deploy available capital as soon as possible subject to the availability of suitable investments. Infrastructure projects generally demonstrate an ability to create sustainable long-term value for shareholders and such creation should be readily apparent in India given its needs and expected growth. Early deployment of capital should produce further progression in IIP's NAV during the current financial year.

It remains the Company's intention to move back to the Official List as soon as practicable. The Board intends to commence preparation for such a move towards the end of this year.

We look forward to updating shareholders at IIP's forthcoming Annual General Meeting and to reporting further progress over the course of this year.

Tom Tribone
Chairman

Sonny Lulla
Chief Executive

20 July 2011

REVIEW OF INVESTMENTS

SHREE MAHESHWAR HYDEL POWER CORPORATION LIMITED

IIP made its first investment in June 2008, when it invested a total of approximately £13.2 million (INR 1.1 billion) in Shree Maheshwar Hydel Power Corporation Limited ("**SMHPCL**") in return for a 6.23 per cent. equity interest (post all dilution effects). SMHPCL was specifically established to own and develop a 400MW run-of-the-river hydroelectric power project (10 turbines of 40MW each) situated on the Narmada River in Maheshwar, in the southwestern region of Madhya Pradesh in India. The project is expected to be one of the largest privately owned Indian hydroelectric schemes when it is fully commissioned. The Company has representation on the board of SMHPCL and its holding has since been adjusted, initially to approximately 6.6 per cent. and subsequently to approximately 6.84 per cent., post all expected dilution effects.

The first three turbines of 40MW each have now been installed and are anticipated to be ready for commissioning and operation toward the end of 2011. The Board understands that overall civil works are now approximately 96 per cent. complete and that the final five spillway gates (out of a total of 27 gates) are being installed, following consent received from the relevant minister. The installation of these final gates will complete the barrage. While the Shree Maheshwar Project suffered a delay due to the receipt of a necessary environmental clearance (which has now been obtained), it is currently expected to commence power generation towards the end of 2011, with the facility expected to be fully operational during 2012.

The Power Purchase Agreement ("**PPA**") signed between SMHPCL and the state government body, the Madhya Pradesh Electricity Board ("**MPEB**"), obliges the MPEB to take the full electricity production of the plant for a period of 35 years from the date of commissioning of the first turbine of the project, however the life time of the project is expected to be in excess of 50 years.

The asset is valued following the Company's stated valuation methodology (a discounted cashflow analysis) where a risk premium is added to the risk free rate in India (given by long-term Indian government bonds) to give the discount rate used in the analysis.

The stated methodology of IIP is to use a risk premium of 6 per cent. over the risk-free rate for assets in "construction". However, in the case of SMHPCL, the Board has decided to add a further percentage point to reflect the remaining risk inherent in the project, due in part to the delays experienced so far. The Board believes it is prudent to continue applying a slightly elevated risk premium to this asset for this period, however, it will review this position at the next valuation date, being IIP's interim results. Applying this discount rate (7 per cent. plus the risk-free rate) to IIP's share of the project's cashflows and discounting to a value as at 31 March 2011, gives a value for this holding of £21.4 million (31 March 2010: £17.4 million), compared to the £13.2 million invested on 9 June 2008.

WESTERN MP INFRASTRUCTURE & TOLL ROADS PRIVATE LIMITED

On 30 September 2008, IIP invested approximately £11.3 million (INR 960 million) in a toll road in Central India – Western MP Infrastructure & Toll Roads Pte Ltd ("**WMPITRL**"), representing a 26 per cent. shareholding in the toll road project. WMPITRL was awarded the project on a Design Build Finance Operate Transfer ("**DBFOT**") basis in August 2007 for a term of 25 years, commencing from April 2008. The Company has representation on the board of WMPITRL and has been actively engaged in the development of this asset.

As at 4 June 2011, full commercial tolling began along the entire length of the toll road. The road is a 125km, high quality, four lane highway which replaced the previous single carriageway road, resulting in significantly reduced congestion on the route and a resultant significant decrease of journey times. The commencement of operations at the project has been staged; the first half of the road began tolling in November 2009 (some five months ahead of schedule). The second phase required certain variations to the original project specifications relating to works on three bridges over railways, which are now fully complete. The commencement of full operations (i.e. on 4 June 2011) has begun under a provisional permit.

The extra costs involved in the variations to the railway bridges are technically for the account of the

REVIEW OF INVESTMENTS (CONT.)

Indian State Roads Authority. However, any reimbursement traditionally takes the form of an extension to the length of the concession rather than a direct payment, therefore the project company bears such additional costs.

This asset has now moved into the “ramp-up” phase from the “construction” phase. Therefore, in line with the Company’s stated valuation methodology, the discount rate applied to the discounted cashflow analysis of this asset has been reduced for this period for the first time to 4 per cent. plus the risk-free rate, it was previously held at 6 per cent. plus the risk-free rate when in the construction phase. The ramp-up phase is assumed to cover the first two years of operation. The value for this investment as at 31 March 2011, given by applying the reduced discount rate, is £29.4 million (31 March 2010: £22.2 million), compared to the £12.2 million as invested up to that date.

INDIA HYDROPOWER DEVELOPMENT COMPANY, LLC

On 3 March 2011, the Company acquired a 50 per cent. interest in India Hydropower Development Company, LLC (“IHDC”) from GGIC, in return for the issue of 23.4 million ordinary shares in IIP, with an implied overall aggregate value of £24.8 million, plus US\$1.5 million in cash.

IHDC’s asset base consists of existing hydroelectric power generation assets, the right to implement additional hydroelectric power capacity in several states in India, and an established operating infrastructure capable of supporting such projects. The focus on smaller hydroelectric power plants in India means that the relevant PPA tariff is generally established by the relevant state government through a promotional policy for small hydroelectric power projects, which is intended to streamline and simplify the development and operations of small-scale renewable power assets.

IHDC has a proven track record in respect of hydroelectric power plants in India. It operates four plants totalling approximately 55MW of installed capacity and has a further four hydro power projects under construction/development, totalling up to 29MW. In addition, IHDC has a pipeline of identified projects for future development.

In summary, IHDC’s main operational projects comprise:

Bhandaradara Power No. I:

- a rehabilitation project, involving the redevelopment and enhancement of the plant’s capacity to 12MW
- a PPA for 30 years with the Maharashtra State Electricity Board
- construction completed in 2001

Bhandaradara Power No. II:

- located downstream from Bhandaradara Power No. I
- a rehabilitation project, which involved the redevelopment and enhancement of the plant’s capacity to 34MW
- acquired in 2006

Birsinghpur:

- a 2.2MW project
- a PPA for five years with private industry off-takers
- construction completed in 2006

Darna:

- a 4.9MW project
- a PPA with Maharashtra State Electricity Distribution Company Limited, valid until 2045
- construction began in 2008 and began generating power in January 2011

IHDC’s main projects under construction/development comprise:

H.P. Cluster No. I:

- three greenfield projects totalling 13MW of capacity
- a PPA for 40 years with the Himachal Pradesh State Electricity Board
- construction started in 2007 and completion is expected in early 2012 and 2013

Raura:

- an 8MW capacity project which can be enhanced to 15MW of capacity
- construction is to begin in 2011, with completion expected in 2015.

Additionally, the Board of IIP has recently approved a further investment of approximately £300,000 of equity into IHDC to construct and operate a 3MW project in Vaitarna which is located close to IHDC’s

two existing plants in the state of Maharashtra. This equity contribution will maintain IIP's stake in IHDC at 50 per cent. The plant would be expected to commence construction in the fourth quarter of 2011 and commence generation approximately 30 months thereafter.

IHDC is anticipating an average monsoon in 2011, which the company expects will result in the generation of approximately 120 million kilowatt hours from the four plants currently operating.

VIKRAM LOGISTIC & MARITIME SERVICES PRIVATE LIMITED

On 3 March 2011, the Company acquired a 37.39 per cent. interest in Vikram Logistic & Maritime Services Private Limited ("**VLMS**") from GGIC, in return for the issue of 32.8 million ordinary shares in IIP, with an implied overall aggregate value of £34.8 million.

VLMS is a privately-owned supply chain transportation and container infrastructure company with a strong presence in Southern India and which is developing two Free Trade and Warehousing Zone ("**FTWZ**") bonded container warehouse facilities. VLMS was incorporated in 1992 (having taken over the business operations from a predecessor firm originally formed in 1972) and is headquartered in Bangalore in India. VLMS provides a broad range of logistics services including, trucking, coastal shipping, customs clearing and handling, and bonded warehousing to customers from a range of companies such as CONCOR, Coca Cola, Reserve Bank of India, Credence Logistics, Pearl Harbour, American Power Corporation and Qatar Cargo.

VLMS has, amongst other sites, already developed two Container Freight Stations ("**CFSS**") at ports for loading and unloading containerised cargo which are fully operational. A key focus is now to develop two FTWZ facilities, one in Bangalore and one in Chennai, both of which are in close proximity to the existing CFSSs. The proposed FTWZ to be developed in Bangalore is over a 105 acre site, located within 10 km of Electronics City in Bangalore, while the proposed FTWZ to be developed in Chennai is also over a 105 acre site, located between the ports of Chennai and Ennore.

A key area of the Government of India's plans relating to infrastructure is to promote and develop supply chain infrastructure, to include the development and establishment of FTWZs. Both the FTWZs proposed to be developed by VLMS should be able to benefit from favourable tax provisions, including excise duty exemptions and income tax benefits.

On 3 March 2011, the Company also announced that it had agreed to acquire almost all of the outstanding balance of VLMS shares which it did not own (approximately 62.6 per cent.) from Anuradha Holdings Private Limited ("**AHPL**") subject, inter alia, to obtaining certain Indian regulatory approvals, including the approval of India's Foreign Investment Promotion Board (the "**FIPB**"). The Company was notified that following a meeting of the FIPB held on 20 May 2011, AHPL's application to sell its VLMS shares to IIP via a share swap had been rejected. The FIPB has been requested to reconsider its decision and this is currently anticipated to occur during August 2011.

Another key condition to acquiring the VLMS shares held by AHPL is the acquisition of the 105 acres of land in Bangalore and the 105 acres of land in Chennai, for the purposes of establishing the two FTWZs. We expect land acquisition will be completed in the third calendar quarter of 2011, with construction to commence in Chennai early in the fourth calendar quarter of 2011. Construction in Bangalore is expected to commence approximately ninety days after construction in Chennai commences. Both facilities are expected to enter operation late in 2012.

The Board has now agreed a deadline of 30 September 2011 for completion of all outstanding conditions in relation to the acquisition of the shares in VLMS from AHPL. Assuming the relevant conditions are met and the shares held by AHPL in VLMS are acquired by the Company, IIP will be obliged to issue approximately 54.99 million ordinary shares in IIP.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and financial statements of the Group for the year ended 31 March 2011.

PRINCIPAL ACTIVITY AND INCORPORATION

The Company is a closed-ended investment company, incorporated on the 18 March 2008 in the Isle of Man as a public limited company under the 2006 Companies Act. It was admitted to the Official List of the London Stock Exchange on 30 June 2008, and subsequently moved to a listing on AIM, a market maintained by the London Stock Exchange on 16 November 2010.

The Company's investment objective is to provide shareholders with both capital growth and income by investing in assets in the Indian infrastructure sector, with particular focus on assets and projects related to energy and transport.

The consolidated financial statements comprise the results of the Company and its subsidiaries (together referred to as the "Group").

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 March 2011 are set out in the Consolidated Statement of Comprehensive Income on page 12.

A review of the Group's activities is set out in the Joint Statement from the Chairman and the Chief Executive report on pages 2 - 4.

The Directors do not recommend the payment of a dividend (2010: nil)

DIRECTORS

The Directors of the Company during the year and up to the date of this report were as follows:

Tom Tribone	Chairman	(appointed 3 March 2011)
Rupert Cottrell	Deputy Chairman	
Rahul Sonny Lulla	Chief Executive	(appointed 3 March 2011)
Timothy Walker	Non Executive Director and Audit Committee Chairman	
Robert Venerus	Non Executive Director	(appointed 3 March 2011)
Timothy Stocks	Non Executive Director	(appointed 3 March 2011)
Philip Scales	Non Executive Director	(resigned 3 March 2011)
Prodaman Sarwal	Non Executive Director	(resigned 11 February 2011)

Directors' interests in the shares of the Company are detailed in note 14.

COMPANY SECRETARY

The secretary of the Company during the year and to the date of this report was Philip Scales.

AUDITORS

Our auditors, KPMG Audit LLC, being eligible have expressed their willingness to continue in office.

On behalf of the Board

Sonny Lulla

Director

20 July 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. In addition, the Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards.

The Group and Parent Company financial statements are required to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and to allow for the preparation of financial statements. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

The Directors confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' Report includes a fair view of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

On behalf of the Board

Sonny Lulla

Director

20 July 2011

CORPORATE GOVERNANCE STATEMENT

The Combined Code does not directly apply to companies incorporated within the Isle of Man but the Board of Infrastructure India PLC has developed its internal procedures to be in line with the recommendations of the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Company Alliance (“**QCA Guidelines**”) where appropriate and these are monitored on a regular basis. The Directors will continue to comply with the relevant requirements of the QCA Guidelines to the extent that they consider it appropriate having regard to the Company’s size and the nature of its operations. The Board is not presently aware of any respects in which it will depart from its current approach and considers that the Company has complied with this approach to corporate governance throughout the accounting year.

RESPONSIBILITIES OF THE BOARD

The Board of Directors is responsible for the determination of the investment policy of the Company and for its overall supervision via the investment policy and objectives that it has set out. The Board is also responsible for the Company’s day-to-day operations; however, since the Board members are all non-executive, in order to fulfil these obligations, the Board has delegated operations through arrangements with the Investment Adviser and Administrator.

All but one of the Directors are non-executive directors and therefore there is no nomination committee. The Company has not established a remuneration committee as it is satisfied that any issues can be considered by the Board or the Audit Committee.

The Board intends to meet formally at least four times each year. At each Board meeting the financial performance of the Company and all other significant matters are reviewed so as to ensure the Directors maintain overall control and supervision of the Company’s affairs. The Board receives investment reports from the Asset Manager and Valuation and Portfolio Services Adviser and management accounts from the Administrator. The Board maintains regular contact with all its service providers and are kept fully informed of investment and financial controls and any other matters that should be brought to the attention of the Directors. The Directors also have access where necessary to independent professional advice at the expense of the Company.

AUDIT COMMITTEE

The Audit Committee is a sub-committee of the board and it meets formally at least twice each year. It makes recommendations to the Board which retains the right of final decision. The Audit Committee has primary responsibility for reviewing the financial statements and the accounting policies, principles and practices underlying them, liaising with the external auditors and reviewing the effectiveness of internal controls.

The terms of reference of the Audit Committee covers the following:

- The composition of the Committee, quorum and who else attends meetings.
- Appointment and duties of the Chairman.
- Duties in relation to external reporting, including reviews of financial statements, shareholder
- Communications and other announcements.
- Duties in relation to the external auditors, including appointment/ dismissal, approval of fee and discussion of the audit.

In addition, the Company’s administrator (IOMA Fund and Investment Management Limited) has a number of internal control functions including a dedicated Compliance Officer who monitors compliance with all statutory and regulatory requirements and presents a report to the Board at each meeting.

REPORT OF THE INDEPENDENT AUDITORS

KPMG Audit LLC, to the members of Infrastructure India plc

We have audited the financial statements of Infrastructure India plc for the year ended 31 March 2011 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the Directors are responsible for the preparation of financial statements that give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 March 2011 and of the Group's profit for the year then ended; and
- have been properly prepared in accordance with IFRSs.

KPMG Audit LLC

Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man IM99 1HN
20 July 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2011

Note	2011 £'000	2010 £'000
Investment Income		
	10	18
11 Fair value gains on investments at fair value through profit or loss	10,820	6,719
Net investment income	10,830	6,737
Expenses		
7 Asset management and valuation services	154	499
7 Performance fee provision	-	(1,559)
6 Other administration fees and expenses	3,171	3,104
Foreign exchange loss	1	10
Total expenses	3,326	2,054
Profit before taxation	7,504	4,683
8 Taxation	-	-
Profit for the year	7,504	4,683
Other comprehensive income	-	-
Total comprehensive income	7,504	4,683
9 Basic and diluted earnings per share (pence)	15.4p	12.8p

The notes on pages 17 to 27 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2011

Note	2011 £'000	2010 £'000	
Non-current assets			
11	Investments at fair value through profit or loss	111,341	39,600
	Total non-current assets	111,341	39,600
Current assets			
	Debtors and prepayments	10	38
	Cash and cash equivalents	27,281	1,164
	Total current assets	27,291	1,202
	Total assets	138,632	40,802
Liabilities			
Current liabilities			
15	Trade and other payables	(623)	(682)
	Total current liabilities	(623)	(682)
	Total liabilities	(623)	(682)
	Net assets	138,009	40,120
Equity			
12	Ordinary shares	1,506	367
12	Share premium	121,133	31,887
	Retained earnings	15,370	7,866
	Total equity	138,009	40,120

These financial statements were approved by the Board on 20 July 2011 and signed on their behalf by

Sonny Lulla
Director

Tim Walker
Director

The notes on pages 17 to 27 form an integral part of the financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2011

Note	2011 £'000	2010 £'000	
Non-current assets			
10	Investment in subsidiaries and intercompany loans	89,398	27,323
	Total non-current assets	89,398	27,323
Current assets			
	Debtors and prepayments	4	11
	Cash and cash equivalents	27,278	1,156
	Total current assets	27,282	1,167
	Total assets	116,680	28,490
Liabilities			
Current liabilities			
15	Trade and other payables	(436)	(591)
	Total current liabilities	(436)	(591)
	Total liabilities	(436)	(591)
	Net assets	116,244	27,899
Equity			
12	Ordinary shares	1,506	367
12	Share premium	121,133	31,887
	Retained loss	(6,395)	(4,355)
	Total equity	116,244	27,899

The Company made a loss of £2,040,000 (year ended 31 March 2010: loss of £2,762,000).

These financial statements were approved by the Board on 20 July 2011 and signed on their behalf by

Sonny Lulla
Director

Tim Walker
Director

The notes on pages 17 to 27 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2011

	Share Capital £'000	Share Premium £'000	Retained Profit £'000	Total £'000
Balance at 1 April 2009	367	31,887	3,183	35,437
Total comprehensive income for the period to 31 March 2010:				
Profit for the year	-	-	4,683	4,683
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	4,683	4,683
Balance at 31 March 2010	367	31,887	7,866	40,120
Balance at 1 April 2010	367	31,887	7,866	40,120
Total comprehensive income for the year to 31 March 2011:				
Profit for the period	-	-	7,504	7,504
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	7,504	7,504
Transactions with owners recorded directly in equity:				
Contributions by and distributions to owners				
Issue of ordinary shares	1,139	92,860	-	93,999
Share issue costs	-	(3,614)	-	(3,614)
Total contributions by and distributions to owners	1,139	89,246	-	90,385
Balance at 31 March 2011	1,506	121,133	15,370	138,009

The notes on pages 17 to 27 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2011

	2011 £'000	2010 £'000
Cash flows from operating activities		
Profit for the year	7,504	4,683
Adjustments:		
Interest income on bank balances	(10)	(18)
Fair value gains on investments at fair value through profit or loss	(10,820)	(6,719)
Foreign exchange loss	1	10
Performance fee provision	-	(1,559)
	(3,325)	(3,603)
Decrease in creditors and accruals	(59)	(7)
Decrease/(increase) in debtors and prepayments	28	(34)
Total changes in working capital	(3,356)	(3,644)
Interest received	10	18
Net cash utilised by operating activities	(3,346)	(3,626)
Cash flows from investing activities		
Purchase of investments	(1,281)	(881)
Proceeds from repayment of loan	-	75
Cash utilised by investing activities	(1,281)	(806)
Cash flows from financing activities		
Proceeds from issue of share capital (less share issue costs)	30,745	-
Net cash generated from financing activities	30,745	-
Increase/(decrease) in cash and cash equivalents	26,118	(4,432)
Cash and cash equivalents at the beginning of the year	1,164	5,604
Effect of exchange rate fluctuations on cash held	(1)	(8)
Cash and cash equivalents at the end of the year	27,281	1,164

The above statement does not include non-cash transactions consisting of the acquisition of investments detailed in note 11 in exchange for the issue of new ordinary shares described in note 12. The transactions had a total value of £59,639,000.

The notes on pages 17 to 27 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

1 GENERAL INFORMATION

The Company is a closed-end investment company incorporated on 18 March 2008 in the Isle of Man as a public limited company. The address of its registered office is IOMA House, Hope Street, Douglas, Isle of Man.

The Company is listed on the AIM market of the London Stock Exchange.

The Company and its subsidiaries (together the Group) invest in assets in the Indian infrastructure sector, with particular focus on assets and projects related to energy and transport.

The Group has no employees.

2 BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The consolidated financial statements were authorised for issue by the Board of Directors on 20 July 2010.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss are measured at fair value in the statement of financial position.

(c) Functional and presentation currency

These consolidated financial statements are presented in Sterling, which is the Company's functional currency. All financial information presented in Sterling has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries and subsidiary undertakings). Control is achieved where the Company has the power to govern the financial and operating policies of a portfolio company so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3.2 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Directors are of the opinion that the Group is engaged in a single segment of business being investment in infrastructure assets in one geographical area being India.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

3.3 Income

Dividend income from investments is recognised when the Company's right to receive payment has been established, normally the ex-dividend date.

Interest income is recognised using the effective interest method.

3.4 Expenses

All expenses are accrued for on an accruals basis and are presented as revenue items except for expenses that are incidental to the disposal of an investment which are deducted from the disposal proceeds.

3.5 Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.6 Foreign currency transactions

Transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments, a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Sterling at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Sterling at exchange rates at the dates of the transactions.

The income and expenses of foreign operations in hyperinflationary economies are translated to Sterling at the exchange rate at the reporting date. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current year are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

3.7 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

3.8 Investments

Investments of the Group where the Group does not have control are categorised as at fair value through profit or loss. They are measured at fair value. Unrealised gains and losses arising from revaluation are taken to the profit or loss.

Investments in entities over which the Group has control are consolidated in accordance with IAS 27.

The Group has taken advantage of an exemption in IAS 28, Investments in Associates, which permits investments in associates held by venture capital organisations, investment funds and similar entities to account for such investments at fair value through profit or loss.

The fair value of unquoted securities is estimated by the Directors using the most appropriate valuation techniques for each investment.

Securities quoted or traded on a recognised stock exchange or other regulated market are valued by reference to the last available bid price.

3.9 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.10 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

3.11 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.12 Share issue costs

The share issue costs of the Company directly attributable to the Placing that would otherwise have been avoided have been taken to the share premium account.

3.13 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

3.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3.15 Interest expense

Interest expenses for borrowings are recognised within "finance costs" in the statement of comprehensive income using the effective interest rate method.

3.16 Future changes in accounting policies

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements:

New/Revised International Financial Reporting Standards (IAS/IFRS)	Effective date (accounting periods commencing on or after)
IAS 1 Presentation of Financial Statements*	1 January 2011
IAS 1 Presentation of Financial Statements - amendments to revise the way other comprehensive income is presented	1 July 2012
IAS 12 Income Taxes - Limited scope amendment (recovery of underlying assets) (December 2010)	1 January 2012
IAS 19 Employee Benefits - Amendment resulting from the Post-Employment Benefits and Termination Benefits projects	1 January 2013
IAS 24 Related Party Disclosures - Revised definition of related parties	1 January 2011
IAS 27 Consolidated and Separate Financial Statements*	1 July 2010
IAS 27 Consolidated and Separate Financial Statements - Reissued as IAS 27 Separate Financial Statements (as amended in May 2011)	1 January 2013
IAS 28 Investments in Associates - Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in May 2011)	1 January 2013
IAS 34 Interim Financial Reporting*	1 January 2011
IFRS 3 Business Combinations*	1 July 2010
IFRS 7 Financial Instruments: Disclosures*	1 January 2011
IFRS 7 Financial Instruments: Disclosures - Amendments enhancing disclosures about transfers of financial assets (October 2010)	1 July 2011
IFRS 9 Financial Instruments - Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements**	1 January 2013
IFRS 11 Joint Arrangements**	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities**	1 January 2013
IFRS 13 Fair Value Measurement**	1 January 2013

IFRIC Interpretation

IFRIC 13 Customer Loyalty Programmes*	1 January 2011
IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - November 2009 amendments with respect to voluntary prepaid contributions	1 January 2011
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

*Amendments resulting from May 2010 Annual Improvements to IFRSs

** Original issue May 2011

The Directors do not expect the adoption of the standards and interpretations to have a material impact on the Group's financial statements in the period of initial application.

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Risk management is carried out by the Board of Directors. The Board identifies and evaluates financial risks in close co-operation with the Asset Manager.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Indian Rupee ("INR"). Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

Net assets denominated in Indian Rupee at the year end amounted to £111.3 million (2010: £39.6 million), representing the Group's investments in Indian Companies.

At 31 March 2011, had the exchange rate between the Indian Rupee and Sterling increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets would amount to approximately £11.1 million (2010: £4.0 million).

(ii) Market price risk

The Group is exposed to market risk arising from its investment in unlisted Indian infrastructure companies. These investments present a risk of capital loss. The Board is responsible for the selection of investments and monitoring exposure to market risk. All investments are in Indian infrastructure projects.

If the value of the Group's investment portfolio had increased by 5%, the Group's net assets would have increased by £5.6 million (2010: £2.0 million). A decrease of 5% would have resulted in an equal and opposite decrease in net assets.

(iii) Cash flow and fair value interest rate risk and sensitivity

The Group's cash and cash equivalents are invested at short-term market interest rates. The weighted average interest rate on cash balances as at 31 March 2011 is 0.25% (2010: 0.25%). There are no other financial assets and liabilities which are interest bearing. The Group is therefore not subject to significant cash flow or fair value interest rate risk and therefore a sensitivity analysis has not been provided.

(b) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises on cash balances and debtor balances. Cash transactions are limited to high-credit-quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

Residual undiscounted contractual maturities of financial liabilities:

31 March 2011	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5 years £'000	No stated maturity £'000
Financial liabilities						
Trade and other payables	-	-	623	-	-	-

31 March 2010	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5 years £'000	No stated maturity £'000
Financial liabilities						
Trade and other payables	-	-	682	-	-	-

5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

These disclosures supplement the commentary on financial risk management (see note 4).

Key sources of estimation uncertainty

Determining fair values

The determination of fair values for financial assets for which there is no observable market prices requires the use of valuation techniques as described in accounting policy 3.8. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affection the specific instrument. See also "Valuation of financial instruments" below.

Critical judgements in applying the Company's accounting policies

Valuation of financial instruments

The Company's accounting policy on fair value measurements is discussed in accounting policy 3.8. The Company measures fair value using the following hierarchy that reflects the significance of inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for and identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category included instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques.

The Group holds partial ownership interests in several unquoted Indian infrastructure companies. The Directors' valuations of these investments, as shown in note 11, are based on a discounted cash flow methodology, prepared by the Company's Asset Adviser, or at cost.

The methodology is principally based on company-generated cash flows and observable market data on interest rates and equity returns. The discount rates are determined by market observable risk free rates plus a risk premium which is based on the phase of the project concerned.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurements are categorised:

	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss (note 11)			
Shree Maheshwar Hydel Power Corporation Ltd	-	-	21,380
Western MP Infrastructure & Toll Road Pvt. Ltd	-	-	29,400
Vikram Logistics and Maritime Services Limited	-	-	34,810
India Hydropower Development Company, LLC	-	-	25,751
	-	-	111,341

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy:

	£'000
Fair value brought forward	39,600
Capital calls	360
Movement in fair value	10,820
Acquisitions in the year at cost	60,561
Fair value at year end	111,341

If the determined discount rates were increased by 1% per annum, the value of unlisted equity securities would fall by £5.0 million (2010: £4.1 million).

6 OTHER ADMINISTRATION FEES AND EXPENSES

	2011 £'000	2010 £'000
Audit fees*	53	35
Legal fees	1,189	1,251
Corporate advisory services	678	573
Public relations fees	60	53
Other consultancy fees	14	56
Other professional costs	501	769
Administration fees	132	134
Directors' fees (note 14)	410	120
Insurance costs	13	16
Other	121	97
	3,171	3,104

* Audit fees represent auditor's remuneration for work undertaken in connection with the statutory audit of the Group's financial statements.

7 INVESTMENT MANAGEMENT, ADVISORY AND VALUATION FEES AND PERFORMANCE FEES

With effect from 3 March 2011, the Company, through its wholly owned subsidiary Infrastructure India HoldCo entered into a Management Services Agreement with Guggenheim Franklin Park Management LLC ("GFPM") and a Valuation and Portfolio Services Agreement with Akur Partners LLP ("Akur").

Under the Management Services Agreement, GFPM is entitled to a management fee paid quarterly in arrears which shall be an annual amount equal to 0.5 per cent. of the value of the assets of the Group at that date (the "Existing Assets") and 1.5 per cent. of the value of assets subsequently acquired (the "New Assets"), for the first 24 months from that date and, thereafter, an annual amount equal to 2.0 per cent. of the Net Asset Value. The appointment is for an initial period of six years and is subject to a one year notice period thereafter. Fees for the period from 3 March 2011 to 31 March 2011 amount to £84,000.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

Under the Valuation and Portfolio Services Agreement, Akur is entitled to a management fee paid quarterly in arrears which shall be an annual amount equal to 0.5 per cent. of the value of the New Assets and 1.5 per cent. of the value of the Existing Assets, for the first 24 months from that date and, thereafter, an annual amount calculated by reference to the Group's assets which shall not be less than £600,000 per annum or such higher amount as is agreed in writing between Akur and Infrastructure India HoldCo. Fees for the period from 3 March 2011 to 31 March 2011 amount to £70,000.

The Investment Adviser Agreement with Bloomsbury Asset Management Advisors ("**BAMA**"), the Company's original investment adviser, was terminated on the 29 April 2010. Fees payable to BAMA in the year amounted to nil (2010: £499,000). BAMA is entitled to receive a performance fee provided that a cumulative rate of return of 10 per cent. per annum has been achieved on the Company's cash available for investment from the IPO net proceeds. No performance fee is payable in relation to any gains representing this first 10 per cent. return. In respect of a return of between 10 per cent. and 12 per cent. per year, 100 per cent. is paid to BAMA as a performance fee. In respect of a return of above 12 per cent. per annum, BAMA is entitled to receive a performance fee of 20 per cent. of such return. Performance fees have been considered in arriving at the fair value of the relevant investments, if appropriate. The prior year comparative figures in the Consolidated Statement of Comprehensive Income includes a reversal of a provision of £1,559,000 which had previously been made.

8 TAXATION

There is no liability for income tax in the Isle of Man. The Company is subject to tax at a rate of 0%.

The Group is subject to income tax in Mauritius at the rate of 15% on the chargeable income of Mauritian subsidiaries. They are, however, entitled to a tax credit equivalent to the higher of the foreign tax paid and a deemed credit of 80% of the Mauritian tax on their foreign source income. No provision has been made in the accounts due to the availability of tax losses.

9 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	Year ended 31 March 2011	Period ended 31 March 2010
Profit attributable to shareholders (£ thousands)	7,504	£4,683
Weighted average number of ordinary shares in issue (thousands)	48,663	36,700
Basic and diluted earnings per share (pence)	15.4p	12.8p

There is no difference between basic and diluted earnings per share.

10 INVESTMENTS IN SUBSIDIARIES

The subsidiaries of Infrastructure India plc and the loans to the subsidiaries are recorded at cost in the financial statements of the Company.

Name	Country of Incorporation	Ownership interest
Infrastructure India HoldCo	Mauritius	100%
Power Infrastructure India	Mauritius	100%
Roads Infrastructure India	Mauritius	100%
Roads Infrastructure India (Two)	Mauritius	100%
Distribution and Logistics Infrastructure India	Mauritius	100%
Franklin Park India LLC	Delaware, USA	100%

11 INVESTMENTS – DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

At 31 March 2011, the Group held four investments in unlisted equity securities. All the investments are held by the Company's wholly owned subsidiaries in Mauritius.

On 9 June 2008, the Group acquired a 20.49% equity interest (which interest may be subject to dilution as a result of the conversion of certain debts and debentures, and the issuance, without pre-emption rights, of shares in the investee

company) in Shree Maheshwar Hydel Power Corporation Ltd (“SMHPCL”), an Indian private company, for a total consideration of INR 1.1 billion (£13,220,000). The cost of this investment comprises INR 500m used to subscribe for shares in SMHPCL and INR 600m paid to a co-investor in SMHPCL, by way of a guarantee fee. The Co-investor has agreed to guarantee a minimum IRR of 15% on the Group's total investment in connection with SMHPCL, secured on certain shares in SMHPCL held by a subsidiary of the Co-investor which will be transferred to the Group if the guaranteed return is not met. The Co-investor has agreed to use INR 500m of the guarantee fee to subscribe for shares in SMHPCL.

On 29 September 2008, the Group acquired a 26% equity interest in Western MP Infrastructure & Toll Roads Pvt Limited (“WMPITRL”), an Indian private company, for a total consideration of INR 960m (£11,313,000). Further capital injections of £881,000 and £360,000 were made on 15 October 2009 and on 23 June 2010 respectively.

On 11 February 2011, the Group acquired a 37.39% equity interest in Vikram Logistics and Maritime Services Limited (“VLMS”), an Indian private company, for a consideration of 32,839,506 shares in the Company. The shares issued as consideration have an implied price of 106p per share based on the Net Asset Value of the Company as at 30 September 2010 which was published on 22 December 2010 at a stated amount of 106p per Ordinary Share. Applying the implied price of £1.06 per share to the shares issued as consideration gives the acquisition of VLMS a total cost of £34,810,000.

On 11 February 2011, the Group acquired full ownership of Franklin Park India LLC which in turn owns a 50% equity interest in India Hydropower Development Company, LLC (“IHDC”), both being Delaware based partnerships. IHDC indirectly owns a small portfolio of Indian private companies. The consideration was 23,423,866 shares in the Company and US\$1.5 million in cash. Applying the implied price of £1.06 per share to the shares issued as consideration (as above) gives the acquisition of IHDC a total cost of £25,751,000.

The investments, are recorded at fair value as follows:

	SMHPCL £'000	WMPITRL £'000	VLMS £'000	IHDC £'000	Total £'000
Year ended 31 March 2010					
Fair value brought forward	14,400	17,600	-	-	32,000
Additional capital injection	-	881	-	-	881
Fair value adjustment	3,000	3,719	-	-	6,719
Balance as at 31 March 2010	17,400	22,200	-	-	39,600
Year ended 31 March 2011					
Fair value brought forward	17,400	22,200	-	-	39,600
Additional capital injection	-	360	-	-	360
Investments acquired in the year	-	-	34,810	25,751	60,561
Fair value adjustment	3,980	6,840	-	-	10,820
Balance as at 31 March 2011	21,380	29,400	34,810	25,751	111,341

SMHPCL and WMPITRL have been fair valued by the Directors as at 31 March 2011 using discounted cash flow techniques, as described in note 5. The discount rate adopted for both investments is the risk free rate (based on the Indian government 9-10 year bond yields) plus a risk premium of 4% for WMPITRL and 7% for SMHPCL. The fair values include an estimate of the costs which may be incurred upon the disposal of the investments.

The Directors consider the fair value of VLMS and IHDC as at 31 March 2011 to be equivalent to the acquisition cost.

12 SHARE CAPITAL

	No. of shares Ordinary shares of £0.01 each	Share capital £'000	Share premium £'000
Balance at 1 April 2010	36,700,000	367	31,887
Issued during the year	113,897,984	1,139	89,246
Balance at 31 March 2011	150,597,984	1,506	121,133

The Company has no authorised share capital.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

Pursuant to a placing on 27 July 2010, 3,089,158 new ordinary shares at a price of 44 pence per share were issued on 13 August 2010.

Pursuant to a placing agreement on 11 February 2011, 54,545,454 new ordinary shares were issued at a price of 60.5 pence per share.

As described in note 11, pursuant to share purchase agreements of 11 February 2011, a total of 56,263,372 new ordinary shares were issued in consideration for the acquisition of two investments.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board manages the Group's affairs to achieve shareholder returns through capital growth and income.

Group capital comprises share capital and reserves.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

13 WARRANTS

7,340,000 warrants were issued pursuant to the initial placing in June 2008 (one warrant for every five ordinary shares issued). The warrants entitle the holder to subscribe for one Ordinary Share of one penny in the Company at any time in the five years from the initial placing, at an exercise price of £1 each.

14 DIRECTORS' FEES AND DIRECTORS' INTERESTS

The Directors had the following interests in the shares of the Company at 31 March 2011.

	2011	2010	
Rupert Cottrell	200,000	25,000	Ordinary Shares
Timothy Walker	51,364	25,000	Ordinary Shares

Details of the Directors annual remuneration are as follows:

	Fees for current year £'000	Back payment of prior year fees £'000	One off fees for additional work £'000	2011 Total £'000	2010 Total £'000
Rupert Cottrell	60	90	100	250	60
Timothy Walker	35	40	-	75	30
Prodaman Sarwal (resigned 11 February 2011)	41	40	-	81	30
Tim Stocks (from date of appointment, 3 March 2011)	4	-	-	4	-
	140	170	100	410	120

The back payment of prior year fees relate to the reduction in fees which the Directors had previously taken, in view of the working capital constraints which existed before the additional share placings made during the year. The one off payment to Rupert Cottrell was for work undertaken in connection with capital raising exercises and acquisitions.

Tom Tribone, Rahul Sonny Lulla and Robert Venerus (all appointed on 3 March 2011) do not receive any salaries or fees for their services, nor did Philip Scales (resigned 3 March 2011.)

15 TRADE AND OTHER RECEIVABLES

	2011 Group £'000	2010 Group £'000	2011 Company £'000	2010 Company £'000
Trade payables	290	500	290	500
Accruals	333	182	146	91
	623	682	436	591

16 COMMITMENTS

As at 31 March 2011, the Group had a capital commitment of USD 1,675,000 to Franklin Park India LLC in relation to the IHDC investment.

On 11 February 2011, the Group entered into a share purchase agreement to acquire almost all of the approximate 62.6 per cent. in Vikram Logistic & Maritime Services Private Limited that it does not already own (as referred to in Joint Statement from the Chairman and the Chief Executive), in exchange for the issue of 54,988,993 shares to Anuradha Holdings Private Ltd. The purchase has not yet been completed due to, inter alia, outstanding regulatory approvals in India.

17 RELATED PARTY TRANSACTIONS

Placing of shares

As part of the placing of 3,089,158 new ordinary shares of referred to in note 12, Kaupthing Bank hf and Banque Havilland S.A. received 772,217 new ordinary shares and 1,000,000 new ordinary shares, respectively, at the placing price of 44 pence per share. Kaupthing Bank hf and Banque Havilland S.A. were substantial shareholders in the Company at the time, therefore, the issue of new ordinary shares in the Company to each of these parties pursuant to that placing was, in each case, a "smaller related party transaction" under the Listing Rules.

Management services

As described in note 7, Guggenheim Franklin Park Management, LLC ("GFPM") is party to a Management Services Agreement with the Company. GFPM is wholly owned by Guggenheim Global Infrastructure Company Limited ("GGIC"), a substantial shareholder in the Company since 3 March 2011. Furthermore, Tom Tribone, the Chairman of the Company since 3 March 2011 is the president and CEO of GGIC; Sonny Lulla and Robert Venerus, directors of the Company since 3 March 2011, are Senior Vice Presidents of GGIC.

Administrator fees

Philip Scales was a Director during part of the year until his resignation on 11 February 2011 of the Company and is a Director of the Administrator. The Administrator received fees of £95,000 in the year (2010: £85,000).

Legal fees

Tim Stocks was appointed a Director of the Company on 3 March 2011. He is also a member of Taylor Wessing LLP who act as legal adviser to the Company. Fees from Taylor Wessing amounting to £8,000 have been accrued for the period from the date of his appointment.

18 NET ASSET VALUATION (NAV)

The NAV per share is calculated by dividing the net assets attributable to the equity holders of the Company at the end of the period by the number of shares in issue.

	2011	2010
Net assets (£'000)	138,009	40,120
Number of shares in issue (note 12)	150,597,984	36,700,000
NAV per share	£0.92	£1.09

19 SUBSEQUENT EVENTS

On 20 July 2011, the Company reached an agreement to make an offer for the entire issued and to be issued ordinary share capital of Indian Energy Limited ("IEL"), a company incorporated and registered in Guernsey whose shares are admitted to trading on AIM. It is intended that the offer be implemented by way of a scheme of arrangement under Part VIII of the Companies (Guernsey) Law, 2008, as amended, and as such it is conditional upon, inter alia, the approval by the shareholders of IEL and the sanction of the Royal Courts of Guernsey. Under the terms of the current offer, the Company shall issue 9,849,027 shares to shareholders of IEL as consideration, which at the current market price of the Company's shares values IEL at £7.91 million.

INVESTING POLICY

OVERALL FOCUS

The Company will invest at the asset level or through specific holding companies (not by investing in other funds or in the equity of non-specific parent companies) in infrastructure projects in India. Such investments are to be focused on the broader sectors of:

- Energy – including assets involved in electricity generation, transmission and distribution; infrastructure assets related to oil and gas, service provision and transmission; renewable fuel production and renewable energy assets; and
- Transport – including investment in roads, rail, ports and airport assets, and associated transport interchanges and distribution hubs.

Additionally, the Company may make investments in other economic and social infrastructure sectors within India where opportunities arise and which the Board considers offer similar risk and return characteristics to those found within the energy and transport sectors.

SECTOR WEIGHTING

The Company will be focused on investing in assets close to the commencement of operations – it will concentrate on making investments in those assets which are in the process of construction and are typically within 30 months of planned commercial operation. In some cases, however, the Company may invest in primary bidding and/or early stage assets (e.g. before the commencement of construction) and, in some cases, existing assets in operation.

ASSET ALLOCATION

The Company will focus on being a purely equity investor at the SPV level in infrastructure assets in India. The Company may also invest through subordinated debt or mezzanine instruments in some cases.

RISK DIVERSIFICATION

The Company will seek geographical diversification within India and diversification within the project types, counterparty, payment mechanisms and co-investment partners.

GEARING

The Company's level of gearing will be limited to no more than 50 per cent. of its net asset value. Gearing at the nonrecourse SPV level will typically be at a debt/equity ratio of 70/30. The Board will seek to increase gearing at the project level when appropriate but will seek to ensure, as far as possible, that gearing at the nonrecourse SPV level does not exceed 90 per cent. of total capital.

MAXIMUM EXPOSURES

The Company anticipates that single investments will typically represent no more than 30 per cent. of the Group's NAV (as measured at the time of investment). Should the maximum exposure be reached, the Group will seek to ensure that the remainder of the Group's investments are spread across different asset classes in different geographies (within the definition of the Group's overall focus) to ensure risk diversification. Subject to this, there will be no minimum or maximum stakes that the Company can have in projects although its target size of equity investment in any one single entity project is likely to be between £10 million and £40 million. The Board may undertake investments outside of these parameters at their discretion but in consultation with Shareholders, as has been the case in respect of VLMS.

INVESTMENT RESTRICTIONS

The Company must, insofar as it is possible, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with the overall investing policy. In addition, no more than 10 per cent., in aggregate, of the value of the total assets of the Company at the time an investment is made, may be invested in other listed closed-ended investment funds.

The Board does not anticipate any circumstances in which the Company's investment restrictions will be breached, but were this to occur, the actions to be taken would be communicated to Shareholders by an announcement through a regulatory information service.

COMPANY INFORMATION

DIRECTORS

Rahul Sonny Lulla (Chief Executive)
Robert Venerus
Rupert Cottrell (Deputy Chairman)
Timothy Stocks
Tom Tribone (Chairman)
Timothy Walker

COMPANY SECRETARY

Philip Scales

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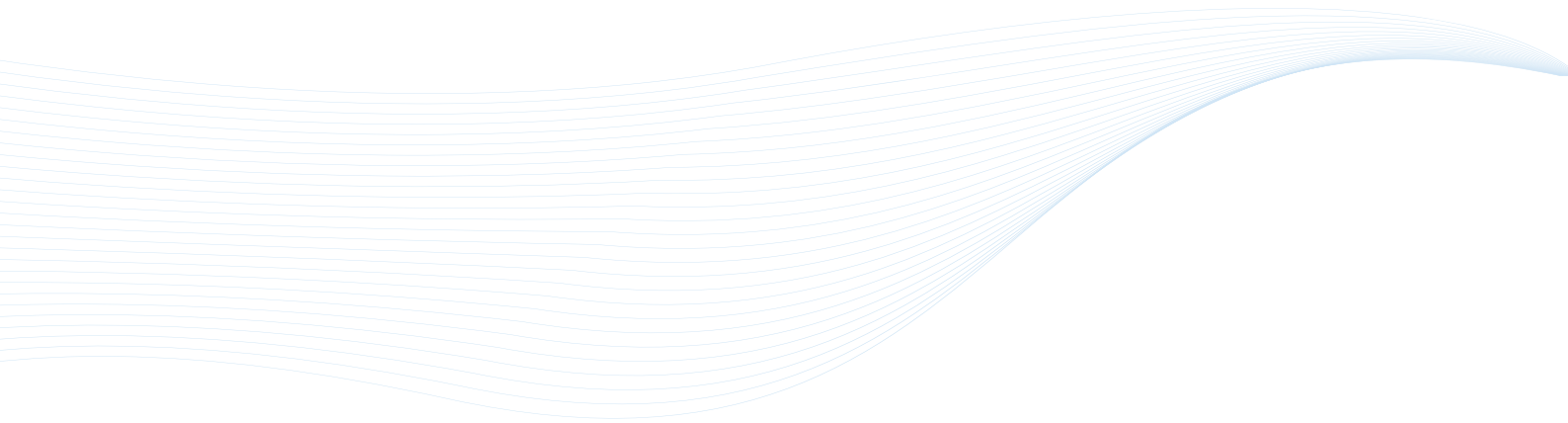
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