Infrastructure India plc

Interim results

for the six months ended 30 September 2021

CONTENTS

Joint Statement From The Chairman And The Chief Executive 1
Review Of Investments 3
Consolidated Statement Of Comprehensive Income 6
Consolidated Statement Of Financial Position 7
Consolidated Statement Of Cash Flows 9
Selected Notes To The Interim Consolidated Financial Statements 10

JOINT STATEMENT FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE

We would like to report Infrastructure India plc's ("IIP", the "Company" and together with its subsidiaries, the "IIP Group") unaudited interim results for the six-month period ended 30 September 2021.

Net Asset Value decreased to £72.1 million (10.6p per share) when compared to 31 March 2021 (£93.3 million, 13.7p per share) and 30 September 2020 (£104.3 million, 15.3p per share), principally driven by revisions to business assumptions and completion schedules at Distribution Logistics Infrastructure Limited ("DLI"), IIP's largest asset.

The first half of the fiscal year was clouded by both the difficulties of the pandemic on operational activities at IIP's largest asset DLI – including an acute shortage of labour as well as shortages of containers and equipment – and the consequential squeeze on funds. As reported on 8 December 2021, the use of capital funds for the operational and financial support of DLI during the period resulted in liquidity constraints for IIP. The Group has entered advanced discussions with a third party with regard to the sale of Indian Energy Limited ("IEL") to realise funds in the short term and commenced exploratory discussions with regard to the partial or complete sale of DLI and further announcements will be made as and when appropriate.

Financial performance

As at 30 September 2021, the value of the IIP Group's investments in its subsidiaries was £263.1 million (£259.2 million 31 March 2021; £254.4 million 30 September 2020). The Indian Rupee foreign exchange rate remained weak at the end of the period with a GBP:INR rate of 99.88 as at 30 September 2021 against 100.68 as at 31 March 2021 and 94.64 as at 30 September 2020. The risk-free rate of return, based on the Indian 10-year bond, increased slightly to 6.22% as at 30 September 2021, from 6.17% as at 31 March 2021 and 6.01% as at 30 September 2020.

Company liquidity and financing

As at 30 September 2021, the Group had gross cash resources of £2.0m million. During the first half of the fiscal year and as reported on 8 December 2021, DLI faced challenges that have led to delays in the progress of its capital projects, the most significant of which was the reduced availability of labour. The use of capital funds for the operational and financial support of DLI during the period has resulted in liquidity constraints for the Group. As at 30 November 2021, the Group had unaudited cash and cash equivalents available of approximately £0.5 million and approximately US$1.2 million (£0.9 million) of cash receivables still outstanding. This position amounted to approximately 2 months of runway and the Company's forecasts continue to indicate that it does not have sufficient cash reserves to meet creditors as they fall due beyond January 2022.

The Board have remained active in securing sources of financing to ensure the Group has adequate funding to continue to meet liabilities as they fall due. To realise funds within the short term, management are in advanced discussions with regard to the sale of IEL. The Group has received a Letter of Intent signed by a third party. While the sale will likely occur at a discount to the stated NAV, the proceeds will provide the Group with additional runway to pursue the monetisation of other assets, in particular through the partial or complete sale of DLI. Further announcements will be made as and when appropriate.

Financing

IIP has three fully drawn facilities: a term loan provided by IIP Bridge Facility LLC (the "Term Loan"), a working capital loan provided by GGIC, Ltd (the "Working Capital Loan") and a bridging loan provided by Cedar Valley Financial (the "Bridging Loan"). The Term Loan was arranged to provide sufficient capital to enable DLI to complete all of its facilities and provide additional working capital to the Group, but the Covid-19 pandemic, with the crippling early lockdowns and displacement of labour, has had a substantial impact on DLI's financing and completion plans.

The Term Loan was originally provided to IIP's wholly owned Mauritian subsidiary, Infrastructure India Holdco, in April 2019, in multiple tranches totalling US$105 million, of which US$7.5 million was used to repay the Bridging Loan, in accordance with its terms. The Term Loan is a secured four-year term loan. The loan carries an interest rate of 15% per annum and matures on 1 April 2023.

In April 2019, the Company also extended the maturity of the Working Capital Loan and extended and enlarged the Bridging Loan.

The Working Capital Loan was originally provided to the Company in April 2013 by GGIC in an amount of US$17 million and increased to US$21.5 million in September 2017. The Working Capital Loan carried an interest rate of 7.5% per annum on its principal amount. The Company and GGIC agreed to extend the maturity of the Working Capital Loan to 30 June 2023 and increase its interest rate to 15% per annum from 1 April 2019.

The unsecured Bridging Loan was originally provided to the Company in June 2017 by Cedar Valley Financial and was subsequently increased in multiple tranches to US$64.1 million in March 2019. The Bridging Loan carried an interest rate of 12.0% per annum on its principal. The Company and Cedar Valley Financial agreed to extend the maturity of the Bridging Loan which will now mature on 30 June 2023 and increase its interest rate to 15% per annum from 1 April 2019.

The Board will continue to update shareholders on discussions around the sale of IEL as well as other developments across IIP's portfolio of assets.

Tom Tribone & Sonny Lulla
December 2021

REVIEW OF INVESTMENTS

Distribution Logistics Infrastructure Private Limited ("DLI")

Description	Supply chain transportation and container infrastructure company with a large operational road and rail fleet; developing four large container terminals across India.		
Promoter	A subsidiary of IIP		
Date of investment	**Mar 2011**	**Oct 2011**	**Jan 12- Sep 2021**
Investment amount	£34.8 million	£58.4 million	£181.1 million
Aggregate percentage interest	37.4%	99.9%	99.9%
Investment during the period	£3.2 million		
Valuation as at 30 Sep 2021	**£232.8 million**		
Project debt outstanding as at 30 Sep 2021	£72.0 million		

Key developments

- The pandemic challenges continued, particularly with availability of labour, as well as containers and equipment. However, volumes improved in the latter half of the period with easing of restrictions and stronger demand.
- DLI completed the residual construction work at its Bangalore terminal and operations commenced at the Private Freight Terminal.
- With liquidity tight, the company remained focused on cost control and efficiencies.
- The Group commenced exploratory discussions with regard to the partial or complete sale of DLI.

Investment details

DLI is a supply chain transportation and container infrastructure company headquartered in Bangalore and Gurgaon with a material presence in central, northern and southern India. DLI provides a broad range of logistics services including rail freight, trucking, handling, customs clearing and bonded warehousing with terminals located in the strategic locations of Nagpur, Bangalore, Palwal (in the National Capital Region) and Chennai.

Developments

Economic conditions in India were improving during the period, with easing of restrictions and higher consumer spending and confidence. However, in the logistics sector, India faced a severe container shortage which was triggered by congestion at Chinese ports that were either closed or operating at lower capacity due to the pandemic. This was coupled with increased demand for containers in the US and Europe and led to sharp increases in freight rates, which impacted export-import business.

In the central Indian region, DLI continues to enjoy a dominant market position strengthened by strategic partnerships. The team are looking to adopt the same model in the southern region with the commencement of PFT operations at Bangalore.

As announced on 8 December 2021, the use of capital funds for the operational and financial support of DLI during the period resulted in liquidity constraints for IIP and the Group has commenced exploratory discussions with regard to the partial or complete sale of DLI.

Valuation

DLI management undertook a detailed review of projections to reflect the business and financing conditions. The valuation includes revised construction assumptions and a moderation in volumes from the continued impact of Covid-19.

As at 30 September 2021, the NPV of future IIP cash flows for DLI using the above assumptions is £232.8 million. Management maintained the use of a higher risk premium of 7% in addition to a risk free rate of 6.22%, in light of the continued uncertainties surrounding the pandemic.

India Hydropower Development Company LLC ("IHDC")

Description	IHDC develops, owns and operates small hydropower projects with seven fully operational plants (74 MW of installed capacity), and a further 13 MW of capacity under development or construction.		
Promoter	Dodson-Lindblom International Inc. ("DLZ")		
Date of investment	**Mar 2011**	**Jan 2012**	**May 2012**
Investment amount	£25.7 million	£0.3 million	£1.1 million
Aggregate % interest	50%	50%	50%
Investment during the period	Nil		
Valuation as at 30 Sep 2021	**£20.2 million**		
Project debt outstanding as at 30 Sep 2021	£5.2 million		
Key developments	• Overall generation from IHDC's projects was higher than the corresponding period last year, largely as a result of higher generation at both Bhandardara projects in Maharashtra. • Trading of Renewable Energy Certificates resumed at the end of November 2021, after an interval of 16 months.		

Investment details

The IHDC portfolio has installed capacity of approximately 74 MW across seven projects – Bhandardara Power House I ("BH-I"), Bhandardara Power House II ("BH-II"), Darna in Maharashtra; Birsinghpur in Madhya Pradesh; and Sechi, Panwi and Raura in Himachal Pradesh. IHDC has an additional 13 MW of capacity under development and construction.

Project update

Overall generation from IHDC's projects was 141.1 GWh in the first half of the current fiscal year against 135.8 GWh during the same period last year. The increase in the production was a result of increase in generation at both Bhandardara projects in Maharashtra.

The Raura plant is currently running at maximum capacity and there are no issues with the runners or the turbines. IHDC is selling Raura's output to Himachal Pradesh State Electricity Board while in discussions with private parties. At Melan, the management team has maintained the necessary permits with regulatory authorities to keep the project viable while construction estimates have been revised given the continued uncertainties due to the pandemic.

Trading of Renewable Energy Certificates (REC's) which were on hold during the reporting period due to litigation, resumed in November 2021, after an interval of 16 months.

Valuation

The IHDC portfolio was valued in accordance with the Company's stated valuation methodology by using a composite risk premium of 3.02% over the risk free rate of 6.22%. The composite risk premium is computed using a MW-based weighted average of risk premia of individual assets related to their stage of operations.

The value for IHDC investments as at 30 September 2021 is £20.2 million (31 March 2021, £20.7 million). The factors which impacted the valuation are the delays in commissioning of the Melan project, movement in the risk-free rate and changes in currency.

Indian Energy Limited ("IEL")

Description	An independent power producer with 41.3 MW installed capacity over two operating wind farms.	
Promoter	IIP	
Date of investment	**Sep 2011**	**Oct 2011 – Dec 2012**
Investment amount	£10.6 million	£0.9 million
Aggregate % interest	100%	100%
Investment during the period	Nil	
Valuation as at 30 Sep 2021	**£10.1 million**	
Project debt outstanding as at 30 Sep 2021	£5.6 million	
Key developments		

- Overall generation from IEL's two projects was marginally higher than the previous period.
- At Theni, IEL managed to increase the supply of additional units and some tariff rates.
- The Group is in advanced discussions with a third party with regard to the sale of IEL.

Investment details

IEL is an independent power producer that owns and operates wind farms, with installed capacity of 24.8 MW in Gadag and 16.5 MW in Theni - in the states of Karnataka and Tamil Nadu respectively.

Project update

Overall generation from IEL's two projects was 43.7 GWh during the period ending 30 September 2021 against 42.6 GWh the previous year. The increase in generation was primarily a result of better machine availability, grid availability and wind resource at both the sites.

Despite the increase in generation, there were some challenges during the period. A generator failure at Theni was slow to repair due to localised restrictions and there were periods of heavy rainfall at both sites. However, IEL managed to increase the supply of additional units at Theni and increase tariff rates. Management have been actively improving the projects through strengthening internal grid lines and undertaking preventive maintenance of pooling sub-stations.

Management has entered discussions with regard to the sale of IEL in order for the Group to realise funds in the short term. The Group has received a Letter of Intent signed by a third party. While the sale will likely occur at a discount to the stated NAV, the proceeds will provide the Group with additional runway.

Valuation

Adjustments were made to business assumptions and O&M charges. The NPV of future cash flows for IIP, after accounting for these changes, was £10.1 million as at 30 September 2021 (31 March 2021, £11.5 million).

Consolidated Statement of Comprehensive Income
for the period ended 30 September 2021

	Note	(Unaudited) 6 months ended 30 September 2021 £'000	(Unaudited) 6 months ended 30 September 2020 £'000	(Audited) Year ended 31 March 2021 £'000
Movement in fair value on investments at fair value through profit or loss	11	661	(7,613)	(10,332)
Foreign exchange (loss)/ gain		(4,566)	5,870	15,041
Asset management and valuation services	9	(2,962)	(2,964)	(5,960)
Other administration fees and expenses	8	(2,840)	(1,921)	(4,681)
Operating loss		**(9,707)**	**(6,628)**	**(5,932)**
Finance costs	16	(11,451)	(13,153)	(24,916)
Loss before taxation		**(21,158)**	**(19,781)**	**(30,848)**
Taxation		-	-	-
Loss for the period		**(21,158)**	**(19,781)**	**(30,848)**
Other comprehensive income		-	-	-
Total comprehensive loss		**(21,158)**	**(19,781)**	**(30,848)**
Basic and diluted loss per share (pence)	10	**(3.10)p**	**(2.90)p**	**(4.52)p**

The Directors consider that all results derive from continuing activities.

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Financial Position
as at 30 September 2021

	Note	(Unaudited) 6 months ended 30 September 2021 £'000	(Unaudited) 6 months ended 30 September 2020 £'000	(Audited) Year ended 31 March 2021 £'000
Non-current assets				
Investments at fair value through profit or loss	11	263,120	254,388	259,236
Property, Plant and Equipment	12	6,140	-	3,607
Total non-current assets		269,260	254,388	262,843
Current assets				
Debtors and prepayments		203	1,171	153
Cash and cash equivalents		2,006	30,801	13,656
Total current assets		2,209	31,972	13,809
Total assets		271,469	286,360	276,652
Current liabilities				
Trade and other payables		(1,857)	(1,841)	(1,713)
Current loans and borrowings	16	-	-	-
Total current liabilities		(1,857)	(1,841)	(1,713)
Long term liabilities				
Loans and borrowings	16	(197,517)	(180,199)	(181,686)
Total long term liabilities		(197,517)	(180,199)	(181,686)
Total liabilities		(199,374)	(182,040)	(183,399)
Net assets		**72,095**	**104,320**	**93,253**
Equity				
Ordinary shares	13	6,821	6,821	6,821
Share premium	13	282,808	282,808	282,808
Retained earnings		(217,534)	(185,309)	(196,376)
Total equity		**72,095**	**104,320**	**93,253**

The accompanying notes form an integral part of the financial statements.

These financial statements were approved by the Board on 23 December 2021 and signed on their behalf by

Sonny Lulla
Chief Executive

Graham Smith
Director

Consolidated Statement of Changes in Equity
for the period ended 30 September 2021

	Share capital £'000	Share premium £'000	Retained profit £'000	Total £'000
Balance at 1 April 2020	6,821	282,808	(165,528)	124,101
Loss for the period	-	-	(19,781)	(19,781)
Balance at 30 September 2020	**6,821**	**282,808**	**(185,309)**	**104,320**
Balance at 1 April 2020	6,821	282,808	(165,528)	124,101
Loss for the year	-	-	(30,848)	(30,848)
Balance at 31 March 2021	**6,821**	**282,808**	**(196,376)**	**93,253**
Balance at 1 April 2021	6,821	282,808	(196,376)	93,253
Loss for the period	-	-	(21,158)	(21,158)
Balance at 30 September 2021	**6,821**	**282,808**	**(217,534)**	**72,095**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows
for the period ended 30 September 2021

	Note	(Unaudited) 6 months ended 30 September 2021	(Unaudited) 6 months ended 30 September 2020	(Audited) Year ended 31 March 2021
		£'000	£'000	£'000
Cash flows from operating activities				
(Loss)/profit for the period		(21,158)	(19,781)	(30,848)
Adjustments:				
Movement in fair value on investments at fair value through profit or loss	11	(661)	7,613	10,332
Finance costs	16	11,451	13,153	24,916
Accrued share expense		-	9	-
Foreign exchange loss/(gain)		4,566	(5,870)	(15,041)
		(5,802)	(4,876)	(10,641)
(Decrease)/increase in creditors and accruals		(50)	9	(57)
Decrease/(increase) in debtors and prepayments		144	(1,084)	(118)
Net cash utilised by operating activities		**(5,708)**	**(5,951)**	**(10,816)**
Cash flows from investing activities				
Purchase of investments	11	(3,223)	-	(7,567)
Purchase of Fixed Assets	12	(2,533)	-	(3,607)
Cash utilised by investing activities		**(5,756)**	**-**	**(11,174)**
Cash flows from financing activities				
Loans repaid		-	-	-
Net cash generated from financing activities		**-**	**-**	**-**
Decrease in cash and cash equivalents		**(11,464)**	**(5,951)**	**(21,990)**
Cash and cash equivalents at the beginning of the period		13,656	38,257	38,257
Effect of exchange rate fluctuations on cash held		(186)	(1,505)	(2,611)
Cash and cash equivalents at the end of the period		**2,006**	**30,801**	**13,656**

The accompanying notes form an integral part of the financial statements.

Selected notes to the interim consolidated financial statements
for the six months ended 30 September 2021

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 55 Athol 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 Company has no employees.

2. Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2021.

These interim consolidated financial statements were approved by the Board of Directors on 23 December 2021.

3. Going Concern

As disclosed within the 31 March 2021 consolidated financial statements, during 2020 and 2021, DLI faced challenges that have led to delays in the progress of its capital projects, the most significant of which was the reduced availability of labour not helped by the COVID-19 pandemic. The Group faces a challenge regarding liquidity which has resulted from the use of capital funds for the operational and financial support of DLI during 2020 and 2021. As at 30 November 2021, the Group had unaudited cash and cash equivalents available of approximately £0.5 million and approximately US$1.2 million (£0.9 million) of cash receivables. This position amounted to approximately 2 months of runway for the Group. The Company's forecasts indicate that it does not have sufficient cash reserves to meet creditors as they fall due beyond January 2022.

The board have been active in securing sources of financing to ensure the Group has adequate funding to continue to meet liabilities as they fall due. To realise funds within the short term, management are in negotiations to sell IEL. The Group has received a letter of intent signed by a third party. While the sale will likely occur at a discount to the stated NAV, the Group will be provided additional runway to pursue the monetisation of other assets.

If successful, the sale of IEL will provide the Group with time to continue the pursuit of realising other assets. Specifically, the realisation of value from DLI through the partial or complete sale of the investment.

Providing the above sequence of events can occur as laid out, the Directors have a reasonable expectation that the Group has adequate resources to continue operational existence for the foreseeable future. Thus, they continued to adopt the going concern basis of accounting in preparing the financial statements.

4. 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 power over an investee, exposure or rights to variable returns and the ability to exert power to affect those returns.

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.

The Directors consider the Company to be an investment entity as defined by IFRS 10 Consolidated Financial Statements as it meets the following criteria as determined by the accounting standard;

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services;

- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

As an investment entity under the terms of the amendments to IFRS 10 Consolidated Financial Statements, the Company is not permitted to consolidate its controlled portfolio entities.

5. Significant accounting policies

The accounting policies applied by the Group in these interim consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2021.

6. Critical accounting estimates and assumptions

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

Actual results may differ from these estimates. In preparing these interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

During the six months ended 30 September 2021 management reassessed its estimates in respect of:

Valuation of financial instruments

The Group holds investments 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 or recent transaction prices, prepared by the Company's Asset Manager (Franklin Park Management). The valuations are inherently uncertain and realisable values may be significantly different from the carrying values in the financial statements.

The methodology is principally based on company-generated cash flow forecasts 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.

7. Financial risk management policies

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 March 2021.

8. Other administration fees and expenses

	6 months ended 30 September 2021 £'000	6 months ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
Audit fees	46	50	86
Legal fees	253	252	131
Corporate advisory fees	79	77	173
Other professional costs	2,173	1,294	3,982
Administration fees	101	101	141
Directors' fees	53	45	102
Insurance costs	5	5	11
Travel and entertaining	-	-	8
Other costs	130	97	47
	2,840	**1,921**	**4,681**

9. Investment management, advisory and valuation fees

On 14 September 2016, the Company entered into a revised and restated management, valuation and portfolio services agreement (the "New Management Agreement") with Franklin Park Management, LLC ("Franklin Park" or the "Asset Manager"), the Company's existing asset manager, to effect a reduction in annual cash fees payable by IIP to the Asset Manager as at that time. The other terms of the New Management Agreement are unchanged from those of the prior agreement between the parties.

Under the New Management Agreement, the Asset Manager is entitled to a fixed annual management fee of £5,520,000 per annum (the "Annual Management Fee"), payable quarterly in arrears. In addition to the Annual Management Fee, the Asset Manager was issued with 605,716 new ordinary shares in the Company annually (the "Fee Shares"). The Fee Shares were issued free of charge, on 1 July of each calendar year for the duration of the New Management Agreement, which had an effective termination date of 30 September 2020.

Franklin Park also provide consulting services to the Group, which fall outside the scope of the New Management Agreement, at a cost of $150,000 per quarter.

Fees including the accrued Fee Shares and consulting fees for the period ended 30 September 2021 were £2,962,000 (30 September 2020: £2,964,000).

10. Basic and diluted earnings per share

Basic earnings/(loss) per share are calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	Group 30 September 2021	Group 30 September 2020	Group 31 March 2021
Loss for the period (£ thousands)	(21,158)	(19,781)	(30,848)
Weighted average number of shares (thousands)	681,882	681,882	681,882
Basic and diluted loss per share (pence)	**(3.10)p**	**(2.90)p**	**(4.52)p**

There is no difference between basic and diluted earnings/(loss) per share.

11. Investments – designated at fair value through profit or loss

Investments, consisting of unlisted equity securities, are recorded at fair value as follows:

	IHDC £'000	DLI £'000	IEL £'000	Total £'000
Balance at 1 April 2021	20,739	226,981	11,516	259,236
Additions	-	3,223	-	3,223
Fair value adjustment	(546)	2,638	(1,431)	661
Balance as at 30 September 2021	**20,193**	**232,842**	**10,085**	**263,120**

(i) Shree Maheshwar Hydel Power Corporation Ltd ("SMH")
(ii) India Hydropower Development Company LLC ("IHDC")
(iii) Distribution Logistics Infrastructure ("DLI")
(iv) Indian Energy Limited ("IEL")

As noted in the 31 March 2021 financial statements, it is assumed that SMH has no contribution to IIP's valuation.

The investments in IHDC, IEL and DLI have been fair valued by the Directors as at 30 September 2021 using discounted cash flow techniques, as described in note 6. The discount rate adopted for the investments is the risk free rate (based on the Indian government 10-year bond yields) plus a risk premium of 3.02% for IHDC, 2.00% for IEL and 7% for DLI. (2020: 3.02% for IHDC, 2.00% for IEL and 7% for DLI).

All the investments valued using discounted cash flow techniques are inherently difficult to value due to the individual nature of each investment and as a result, valuations may be subject to substantial uncertainty.

There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date.

As at 30 September 2021, the Company had pledged 51% of the shares in DLI, totalling 66,677,000 shares of INR 10 each, as part of the terms of a term loan within the underlying investment entity. In addition, the Company had provided a non-disposal undertaking of 51% of the shares in IEL, totalling 25,508,980 shares of 1 penny each, as part of the terms of a loan agreement within the underlying investment entity.

The following table shows the sensitivities of the valuations to discount rates and exchange rates:

IHDC		Discount Rate				
		8.24%	**8.74%**	**9.24%**	**9.74%**	**10.24%**
INR/£ Exchange Rate	103.9	21.8	20.5	19.4	18.4	17.4
	101.9	22.2	20.9	19.8	18.7	17.8
	99.9	22.6	21.4	20.2	19.1	18.1
	97.9	23.1	21.8	20.6	19.5	18.5
	95.9	23.6	22.3	21.0	19.9	18.9
DLI		Discount Rate				
		12.2%	**13.2%**	**14.2%**	**15.2%**	
INR/£ Exchange Rate	103.9	260.2	223.9	195.1	171.9	
	101.9	265.3	228.3	198.9	175.3	
	99.9	270.7	232.8	202.9	178.8	
	97.9	276.2	237.6	207.1	182.4	
	95.9	282.0	242.5	211.4	186.2	
IEL		Discount Rate				
		6.22%	**7.22%**	**8.22%**	**9.22%**	**10.22%**
INR/£ Exchange Rate	103.9	11.7	10.6	9.7	8.9	7.6
	101.9	11.9	10.8	9.9	9.1	7.7
	99.9	12.1	11.0	10.1	9.3	7.9
	97.9	12.4	11.3	10.3	9.4	8.0
	95.9	12.6	11.5	10.5	9.6	8.2

12. Property, plant and equipment

Cost/Valuation	**Land £’000**
Balance at 1 April 2021	3,607
Additions	2,533
Balance at 30 September 2021	**6,140**

The only class of items within property, plant and equipment relate to the land purchased in the current and prior years. This land is currently held at historical cost and is not subject to depreciation.

13. Share capital and share premium

	No. of shares Ordinary shares of £0.01 each	**Share capital £’000**	**Share premium £’000**
Balance at 30 September 2021	682,084,189	6,821	282,808

As detailed in note 9, the Asset Manager was entitled 605,716 new ordinary shares in the Company annually (the "Fee Shares"). The Fee Shares were issued free of charge, on 1 July of each calendar year for the duration of the New Management Agreement up to the effective termination date of 30 September 2020. The Company has issued a total of 1,817,148 ordinary shares to the Asset Manager.

14. Net asset value per share

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

	Group 30 September 2021	Group 30 September 2020	Group 31 March 2021
Net assets (£'000)	72,095	104,320	93,253
Number of shares in issue	682,084,189	682,084,189	682,084,189
NAV per share (pence)	**10.6p**	**15.3p**	**13.7p**

15. Group entities

Since incorporation, for efficient portfolio management purposes, the Company has established or acquired the following subsidiary companies, with certain companies being consolidated and others held at fair value through profit or loss in line with the Amendments to IFRS 10 Consolidated Financial Statements:

Consolidated subsidiaries	**Country of incorporation**	**Ownership interest**
Infrastructure India HoldCo	Mauritius	100%
Power Infrastructure India	Mauritius	100%
Power Infrastructure India (Two)	Mauritius	100%
Distribution and Logistics Infrastructure India	Mauritius	100%
Hydropower Holdings India	Mauritius	100%
India Hydro Investments	Mauritius	100%
Indian Energy Mauritius	Mauritius	100%
Non-consolidated subsidiaries held at fair value through profit or loss		
Distribution & Logistics Infrastructure sub group:		
Distribution and Logistics Infrastructure Private Limited	India	100.00%
Freightstar India Private Limited	India	100.00%
Freightstar Private Limited	India	99.79%
Deshpal Realtors Private Limited	India	99.76%
Bhim Singh Yadav Property Private	India	99.86%
Indian Energy Limited sub group (IEL):		
Belgaum Wind Farms Private Limited	India	99.99%
iEnergy Wind Farms (Theni) Private Limited	India	73.99%
iEnergy Renewables Private Limited	India	99.99%
India Hydropower Development Company sub group (IHDC):		
Franklin Park India LLC	Delaware	100.00%
India Hydropower Development Company LLC	Delaware	50.00%

16. Loans and borrowings

	Capital £'000	Interest £'000	Total £'000
Balance as at 1 April 2021	156,096	25,590	181,686
Interest charge for the period	-	11,451	11,451
Capitalised loan interest	5,790	(5,790)	-
Foreign currency (gain)/loss	3,946	434	4,380
Balance as at 30 September 2021	165,832	31,685	197,517

The Group has three fully drawn facilities. A working capital facility provided to the Company by GGIC Ltd. ("GGIC") (the "Working Capital Loan"); an unsecured bridging loan facility provided to the Company by Cedar Valley Financial (the "Bridging Loan"); and a secured term loan provided to IIP's wholly owned Mauritian subsidiary, Infrastructure India Holdco, by IIP Bridge Facility LLC (the "IIP Bridge Facility").

The Working Capital Loan was provided to the Company in April 2013 by GGIC in an amount of US$17 million and increased to US$21.5 million in September 2017. The Working Capital Loan originally carried an interest rate of 7.5% per annum on its principal amount. From 1 April 2019, the loan carries an interest rate of 15% per annum and matures on 30 June 2023.

The Bridging Loan was provided to the Company in June 2017 by Cedar Valley Financial in an amount of US$8.0 million and was subsequently increased in multiple tranches to US$64.1 million in March 2019. The Bridging Loan originally carried an interest rate of 12% per annum on its principal. From 1 April 2019, the loan carries an interest rate of 15% per annum and matures on 30 June 2023.

The IIP Bridge Facility LLC was originally provided to IIP's wholly owned Mauritian subsidiary, Infrastructure India Holdco in April 2019 in multiple tranches totalling US$105 million, of which $7.5 million was used to repay the Bridging Loan in accordance with its terms. The IIP Bridge Facility is a secured four-year term loan. The loan accrues interest daily in a manner that yields a 15% IRR to the Lender and matures on 1 April 2023.

17. Related party transactions

Management services and Directors' fees

Franklin Park Management LLC ("FPM") is beneficially owned by certain Directors of the Company, namely Messrs Tribone, Lulla and Venerus, and receives fees in its capacity as Asset Manager as described in note 9.

Loans and borrowings

See note 16 regarding loans from GGIC and Cedar Valley Financial, including interest charged in the year and accrued at the year-end.

18. Subsequent events

There were no significant subsequent events.

19. Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.