Infrastructure India plc

Report & Accounts
For the year ended 31 March 2020

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JOINT STATEMENT FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE

We are pleased to report Infrastructure India plc's ("IIP" or the "Company" and together with its subsidiaries the "Group") audited annual results for the year ended 31 March 2020.

Net asset value ("NAV") and net asset value per share decreased to £124.1 million and 18.2p respectively as at 31 March 2020 when compared to £149.1 million and 21.9p as at 30 September 2019 (£106.0 million and 15.6p as at 31 March 2019). The primary drivers of the movement in NAV were tax reforms, including cuts to corporate tax, and a lower risk-free rate. These positive impacts were offset by a weakening of the Indian Rupee against Sterling and revisions to business assumptions and completion schedules to reflect the impact of COVID-19 on both construction and operations at Distribution Logistics Infrastructure Limited ("DLI").

The fiscal year commenced with IIP announcing an agreed debt facility of US$105 million with IIP Bridge Facility (the "Financing"), an affiliate of GGIC, Ltd. The Financing is a secured four-year term loan provided to IIP's wholly owned Mauritian subsidiary, Infrastructure India Holdco, and matures on 1 April 2023. The fully drawn Financing was arranged to provide sufficient capital to enable DLI to commission, ramp up and complete all of its existing terminal facilities as well as to meet other DLI lender requirements and to provide additional working capital to the Group. The deployment of capital during the first half of the fiscal year allowed steady construction progress to be made at DLI.

DLI was performing well during the first quarter of the current calendar year, with increased revenue, lower quarter on quarter costs and timely project completion. Construction at Nagpur was completed, including a Private Freight Terminal and additional warehousing, and operations at the new facilities had begun to ramp up. Works also progressed at Bangalore and Palwal. In March 2020, when the COVID-19 coronavirus outbreak was declared a global pandemic, the reduced movements of goods and raw materials between China and India had already begun to impact some of DLI's customers' inventories and therefore production and shipping. In addition to lower volumes, the changes in the balance of movements of goods resulted in bottlenecks as empty containers needed repositioning to meet domestic and export shipments. The lack of available empty containers had an impact on Indian hinterland exporters.

On 24 March 2020, the Government of India ordered a complete national lockdown of non-essential activity in an effort to slow the spread of COVID-19. This action had immediate and significant consequences for all businesses in India. For DLI, all construction activities at its terminals ceased and while freight movement was essential, movement of cargo was limited due to closures across the supply chain. On 8 June 2020, following more than two months of national lockdown, the Government of India commenced a phased reopening of economic activities and adopted a cluster containment strategy.

Although activity recommenced, operations have remained at low capacity across most industrial sectors. This is due to both lower demand and critical shortages of labour and raw materials. Freight volumes – export, import and bulk cargo – remain depressed and are unlikely to pick up in the near term. Consequently, there has been aggressive discounting amongst operators in the logistics sector.

In May 2020, Prime Minister Modi announced a stimulus package aimed at improving liquidity, particularly for small and medium enterprises, increasing demand as well as long-term reforms related to land and labour. Although welcome, the package is largely viewed as beneficial in the long term. The Reserve Bank of India reduced the benchmark interest rate by 75 basis points and extended a moratorium on debt obligations by 6 months.

In an effort to provide fiscal stimulus to support investment and boost growth, the Government of India announced sweeping tax reforms with cuts to corporate tax with effect from fiscal year 2019-2020. For DLI in particular, the adoption of the new tax methodology is expected to materially improve long-term cash flows. The tax changes are also expected to benefit all of IIP's portfolio companies.

IIP's hydro assets are performing as expected with some disruption to administrative functions and localised delays, but overall the impact of COVID-19 has been limited with all sites accessible and fully staffed. The impact at Indian Energy Limited ("IEL") was greater, with one wind farm project, Theni, which sells power under a Group Captive Scheme to manufacturing and retail customers, experiencing lower consumption of power particularly during lockdown. In response, IEL has begun diversifying its customer base.

In June 2020, border tension increased with China in the northern Himalayan Galwan Valley, with a clash between military personnel. Although India and China expressed their intention to resolve the conflict diplomatically, both countries have maintained a military presence in the area. In response to the border conflict, both Indian and Chinese customs officials have been holding up consignments from the respective countries and these actions created a backlog at the ports and airports and therefore more bottlenecks for logistics operators.

Financial performance

The gross value of the Group's investments was £262.0 million as at 31 March 2020 (£259.2 million as at 30 September 2019; £179.4 million as at 31 March 2019). Currency exchange rates weakened at the end of the Company's financial year with GBP: INR exchange rate of 92.48 as at 31 March 2020 against 86.92 as at 30 September 2019 and 90.28 as at 31 March 2019. The risk-free rate of return, based on the benchmark Indian government 10-year bonds, decreased to 6.17% as at 31 March 2020 from 6.68% as at 30 September 2019 and 7.35% as at 31 March 2019.

Total investment during the year ended 31 March 2020 was £32.5 million, all of which was advanced by the Group to DLI to fund construction work, working capital and debt servicing obligations during the period.

Transport

DLI is a supply chain transportation and container infrastructure company and one of the largest private operators in its sector in India with a nationwide network of terminals and a quality road and rail transportation fleet. During the first half of the fiscal year, DLI was performing well, with construction progress and a steady and sustained trend of improvement in overall revenues and margins. The interruption to the business from COVID-19 in March 2020 and the subsequent lockdown had a profound impact on DLI and the wider logistics sector.

Following more than two months of national lockdown, the Government of India adopted a cluster containment strategy. Each state was divided in three zones – red, orange and green – with red being a 'hot spot' of the disease with restricted entry and movement. Each of DLI's terminals sat within designated red zones as a result of their location proximity to large cities and/or industrial centres. As essential services, Nagpur maintained a limited volume of freight movement, however this was hampered by closures across the supply chain and container bottlenecks.

The closure of administrative offices in cities during lockdown meant delays to regulatory approvals and many of these remain in backlog. Work at the terminal in Bangalore is materially complete, however the outstanding work and approvals continue at a slow pace. Work in the NCR and at Chennai are on hold due to local restrictions. At Nagpur, all Phase II work is complete and DLI awaits a regulatory clearance. The Nagpur terminal has been operating throughout lockdown.

Following the lockdown and worker migration to their home towns, there has been a critical shortage of labour. Imports, which were almost at a standstill during lockdown, have led to congestions at ports as well as inland terminals and shortages of raw materials. Although manufacturing activities have resumed, capacity is low reflecting demand and lack of labour. DLI management expect volumes to remain slack in some segments but gradually improve in the coming months.

Revised completion schedules are still being considered primarily due to labour shortages. Palwal, for example, is expected to commence initial operations several weeks after workers are on site and construction is again underway. The company is therefore taking a conservative view of timing.

A projected global economic slowdown is likely to affect DLI volumes, with the impact being dependent on the extent and duration of the slowdown. As a result, DLI initiated overhead expense reductions and has identified alternative revenue opportunities. A grace period on loan repayments has been welcome and DLI is reviewing and discussing existing facilities with lenders.

Energy

India Hydropower Development Company's ("IHDC") overall production was lower than the same period last year largely as a result of inconsistent monsoon inflows and lower production at the Bhandadara projects due to a regional drought in Maharashtra. During the pandemic, IHDC has been operating as expected with limited disturbance to operations despite the lockdowns and continued restrictions. There was some administrative disruption due to office closures and localised delays, such as the pace of replacement of defective runners at Raura and slowing of residual construction at the Raura site. Overall however, there was little impact on operations and plants were operating and fully staffed. The irrigation dams upstream of the Darna project are now complete and IHDC expects improved production at the plant in 2021.

Indian Energy Limited ("IEL") has two operating wind farms, Theni, in Tamil Nadu, and Gadag, in Karnataka, and overall energy production was marginally lower than the previous year. During the first half of the fiscal year, both of IEL's projects were impacted by issues with O&M contractors and timely maintenance and replacement of parts. IEL signed a new O&M vendor for Gadag which should result in both timely maintenance and cost savings. With the onset of the pandemic, the Theni project, which sells power under a Group Captive Scheme to manufacturing and retail customers, experienced lower consumption of power particularly during lockdown. In response, IEL has begun diversifying its customer base.

At Shree Maheshwar Hydel Power Corporation Limited ("SMH"), in July 2019, the SMH board approved entry into a memorandum of understanding between SMH, the project's lead lender and the project promoter. The project promoter was given management control of SMH, deemed to be required to provide funding to meet the most immediate needs of SMH. The lenders provided the project promoter with 6 months to propose, and a further 6 months to implement, an agreeable settlement with the lenders and to secure appropriate financing to complete the project.

The promoter has not secured the required funding and SMH received a termination order with regard to the historically entered Power Purchase Agreement ("PPA") and Resettlement & Rehabilitation Agreement ("R&R Agreement") from M.P. Power Management Company Limited, a company owned by the Government of Madya Pradesh. The PPA was signed in 1994 and amended in 1996 and the R&R Agreement was signed in 1997. Without a valid PPA and visibility into availability of completion financing, it is impossible to prepare reasonable forecasts. Although IIP retains legal options to extract value for its investment, until further clarity emerges, it is assumed that SMH has no contribution to IIP's valuation.

Company liquidity and financing

As at 31 March 2020, the Group had gross cash resources of £38.3 million.

IIP announced on 2 April 2019 that it had entered an agreement with IIP Bridge Facility LLC, for a US$105 million secured four-year term loan provided to IIP's wholly owned Mauritian subsidiary, Infrastructure India Holdco, and maturing on 1 April 2023. The fully drawn Financing was arranged to provide sufficient capital to enable DLI to commission, ramp up and complete all of its existing terminal facilities as well as to meet other DLI lender requirements and to provide additional working capital to the Group. The deployment of capital during the first half of the fiscal year allowed steady construction progress to be made at DLI.

Alongside the Financing, and during the period, the Company extended the maturity of the working capital loan facility provided to the Company by GGIC Ltd. ("GGIC") (the "Working Capital Loan") and extended and enlarged the unsecured bridging loan facility provided to the Company by Cedar Valley Financial, an affiliate of GGIC (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 Bridging Loan was originally 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 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. IIP utilised US$7.5 million of the funds from the Financing to repay the Cedar Valley Financial bridging loan (together with accrued interest) in accordance with its terms such that the remaining principal under the bridging loan (following this partial repayment) including capitalised interest of US$ 6.5 million amounts to US$ 63,1 million.

In March 2020, the economic landscape changed dramatically. It remains difficult to predict when the wider market will return to normal levels, but the IIP Board believes the individual portfolio company management teams have responded well to the crisis and that the Company is well positioned to effectively navigate current market conditions.

Given the continued impact of the pandemic, the Group has carried out sensitivity analysis to assess the implications of different scenarios on future cash flows. The moderation in volumes and margins at DLI to reflect the potential impact of COVID 19 has resulted in an associated DLI ‘COVID’ valuation negative impact of approximately £15 million, which has been more than offset by the positive impacts of other factors described below.

We will continue to update shareholders as the COVID-19 situation unfolds further and on progress at DLI as well as developments across IIP’s portfolio of assets in the period ahead.

Tom Tribone & Sonny Lulla
22 October 2020

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	**3 Mar 2011**	**15 Oct 2011**	**Jan 12- Sep 2019**
Investment amount	£34.8m (implied)	£58.4m (implied)	£168.2 million
Aggregate percentage interest	37.4%	99.9%	99.9%
Investment during the period	£9.7 million		
Valuation as at 31 March 2020	**£231.4 million**		
Project debt outstanding as at 31 March 2020	£74.8 million		

Key developments

- Following more than two months of national lockdown due to COVID-19 has posed additional challenges for the already slowing economic conditions before the lockdown began in March 2020.
- In India, various research agencies have issued their initial estimate of 10%-15% drop in volumes across the logistic sector during fiscal year 2021.
- The lockdown meant all construction at terminals ceased. Since restrictions were listed in June, DLI has managed to make some progress, particularly at Bangalore, but it is slow and regulatory approvals are backlogged. DLI has had to revise completion dates at all the facilities.
- DLI management has undertaken overhead cost reductions and sought additional revenue streams.
- Discussions have been initiated with DLI's existing lenders to restructure its debt and has proposed a 2-year moratorium and lower interest rate.

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

On 24 March, the Government of India ordered a complete national lockdown of non-essential activity in an effort to slow the spread of COVID-19. The states of Maharashtra, Tamil Nadu, and Delhi are the most affected states accounting for more than 50% of the total cases in India. DLI's terminals are located in each of these states and the restrictions in place have hindered construction progress as well as regulatory approvals with office closures. DLI's Bangalore terminal is located on the border of Karnataka and Tamil Nadu which saw a surge in cases and additional restrictions. The economic impact of lockdown and continued local restrictions is still difficult to measure but market consensus

for India's economy indicates a contraction to the end of the fiscal year, followed by low single digit growth next fiscal year. This takes account of the softening seen prior to COVID-19.

On 8 June, the Government of India commenced a phased reopening of economic activities and adopted a cluster container strategy. There was resumption of domestic air travel, restaurants, shopping malls, religious places, construction and industrial activities. However, each sector has various restrictions imposed, such as reduced capacity and social distancing measures. Although economic activity has been gradually picking up, it has been hampered by labour shortages, lower consumer footfall and demand, availability of raw materials and disruptions to supply chains. For the logistics sector in India, various research agencies have estimated a drop of at least 10% in volumes to the end of the fiscal year. These estimates may change however as the pace of recovery becomes more apparent in the coming months.

Prior to the global pandemic, DLI was performing well during the first quarter of the current calendar year, with increased revenue and lower quarter on quarter costs and timely project completion. Construction at Nagpur was completed, including a Private Freight Terminal and additional warehousing and operations at the new facilities had begun to ramp up. Works also progressed at Bangalore and Palwal.

The closure of administrative offices in cities during lockdown meant delays to regulatory approvals and many of these remain in backlog. Work at the terminal in Bangalore is materially complete, however the outstanding work and approvals continue at a slow pace. Work in the NCR and at Chennai are on hold due to local restrictions. At Nagpur, all Phase II work is complete and DLI awaits a regulatory clearance. The Nagpur terminal has been operating throughout lockdown. Revised completion schedules are still being considered primarily due to labour shortages. Palwal, for example, is expected to commence initial operations several weeks after workers are on site and construction is again underway. A conservative view of timing is therefore being taken.

In an effort to provide fiscal stimulus to support investment and boost growth, the Government of India announced sweeping tax reforms with cuts to corporate tax with effect from fiscal year 2019-2020. For DLI in particular, the adoption of the new tax methodology is expected to materially improve long-term cash flows. DLI management have undertaken cost reductions in overhead expenses, resource optimisation and explored additional revenue streams. DLI is also reviewing and renegotiating vendor agreements to streamline all operations. In addition, the team are exploring restructuring and refinancing to extend the moratorium on debt obligations to two years and lower interest rates. Discussions are ongoing and DLI expects lenders to be broadly supportive of such proposals in the current circumstances.

Valuation

The valuation reflects revised business and construction assumptions, based on a detailed review of the budget prepared by DLI's management team following the onset of COVID-19. New tax calculations reflecting the changes to the Indian tax regime have also been applied. The adoption of the new tax methodology will improve the cash flows significantly for DLI, leading to an increase of approximately £31 million in the DLI valuation.

As at 31 March 2020, the net present value ("NPV") of future IIP cash flows for DLI using the above assumptions is £231.4 million at a discount rate of 13.17%. The discount rate is based on a stated methodology of a risk free rate based on the Indian 10-year bond with a risk premium of 6% for construction. For this period, a risk free rate of 6.17% with a risk premium of 7% was applied, which is considered by the Board to be an appropriate discount rate for the period, with the impact of COVID-19 having been applied directly to business assumptions. The positive impact of revised tax assumptions and a lower risk-free rate were partially offset by a depreciation of the Indian Rupee against Sterling and a moderation of volumes and margins resulting from the global 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 18 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 31 March 2020	**£23.5 million**		
Project debt outstanding as at 31 March 2020	£14.8 million		
Key developments	• Overall generation from IHDC's projects was lower than the corresponding period last year, largely as a result of inconsistent monsoon inflows, lower production at the Bhandardara projects in Maharashtra and, during the first half of the year, an upstream landslide at Panwi causing silt. • The plant at Raura was commissioned in September 2019 and IHDC are currently selling the power into the wholesale market whilst in discussions with various private off-takers for a PPA. • IHDC had limited disruption from COVID-19, other than some administrative functions and localised delays at Raura.		

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 18 MW of capacity under development and construction with planned capacity at two sites having been revised upwards.

Project update

Overall generation from IHDC's projects was 124 GWh during the fiscal year against 164 GWh the previous year. Lower production was largely a result of inconsistent monsoon inflows, lower production at the Bhandadara projects from regional drought in Maharashtra and silting at Panwi following an upstream landslide.

The Raura plant was commissioned on 9 September 2019 and IHDC is currently selling Raura's power into the wholesale market while exploring options for a longer term PPA with private offtakers. There were some localised delays at Raura due to COVID-19 lockdowns, such as the pace of replacement of the defective runners and slowing of residual construction at the site. Overall however, there was little impact from the pandemic on IHDC operations and plants were operating and fully staffed.

The irrigation dams upstream of the Darna project are now complete and IHDC expects improved production at the plant in 2021. The team are making progress in addressing the silting issue at Panwi and are confident that this will be resolved in the current fiscal year.

Valuation

The IHDC portfolio was valued in accordance with the Company's stated valuation methodology by using a composite risk premium of 2% over the risk free rate of 6.17%. The composite risk premium is computed using a MW-based weighted average of risk premia of individual assets related to their stage of operation. Adjustments were made to tariff estimates to account for current market data and revised business assumptions to accommodate delays at Raura. The reduced taxation and lower risk-free rate had a favourable impact on the valuation. The value for the IHDC investment as at 31 March 2020 is £23.5 million.

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 31 March 2020	**£7.1 million**	
Project debt outstanding as at 31 March 2020	£6.8 million	
Key developments	• Overall generation from IEL's two projects was marginally lower than the previous period. • During the year, both projects have been impacted by issues with O&M contractors and timely maintenance and replacement of parts. • The offtake at Theni – which has a Group Captive Scheme with commercial customers – has been affected by lower customer demand particularly during the period of national lockdown.	

Investment details

IEL is an independent power producer that owns and operates wind farms, with 41.3 MW of installed capacity across two wind farms - Gadag and Theni - in the states of Karnataka and Tamil Nadu respectively.

Project update

Overall generation from IEL's two projects was 66 GWh during the full fiscal year against 68 GWh in the previous year. This marginal reduction was a result of lower wind resource over the season and some delays in generator maintenance caused by O&M service providers. The company has since signed a new O&M contract with a vendor at Gadag which should result in more timely maintenance as well as cost savings.

With the onset of COVID-19 and the subsequent national lockdown, the Theni project, which sells power under a Group Captive Scheme to manufacturing and retail customers, experienced lower consumption of power. In responses, IEL has begun diversifying its customer base. The team are also in discussions with lenders to restructure long-term debt to reduce debt service and improve cash flows.

Valuation

Adjustments were made to operating expenses, tax treatment and a reduction in debt. The NPV of future cash flows for IIP, after accounting for these adjustments, was £7.08 million as at 31 March 2020. The savings in operating expenses, reduced taxation, lower debt and lower risk-free rate were the principal drivers of IEL's valuation for the fiscal year.

Directors' Report

The Directors have pleasure in presenting their report and financial statements of the Group for the year ended 31 March 2020.

Principal activity and incorporation

The Company is a closed-ended investment company, incorporated on 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 operated 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.

Results and dividends

The Group's results for the year ended 31 March 2020 are set out in the Consolidated Statement of Comprehensive Income.

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

The Directors do not recommend the payment of a dividend (2019: nil).

Directors

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

Tom Tribone	Chairman
Rahul Sonny Lulla	Chief Executive
Timothy Walker (resigned 31/03/2020)	Non-Executive Director and Audit Committee Chairman
Robert Venerus	Non-Executive Director
Madras Seshamani Ramachandran	Non-Executive Director
Graham Smith (appointed on 21/04/2020)	Non-Executive Director

Directors' interests in the shares of the Company are detailed in note 17.

Company Secretary

The secretary of the Company during the year and to the date of this report was Grainne Devlin.

On behalf of the Board

Sonny Lulla
Director
22 October 2020

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 and have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union ("EU").

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting 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 Company and Group will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time its financial position. 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; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

Each of the Directors confirm that, to the best of their knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the director's report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that they face.

By Order of the Board

Sonny Lulla
Director
22 October 2020

Corporate Governance Statement

Introduction from the Chairman

The Board of Infrastructure India plc fully endorses the importance of good corporate governance and applies the QCA Corporate Governance Code, published in April 2018 by the Quoted Companies Alliance (the "QCA Code"), which the Board believes to be the most appropriate recognised governance code for a company of the Company's size with shares admitted to trading on the AIM market of the London Stock Exchange. This is a practical, outcome-oriented approach to corporate governance that is tailored for small and mid-size quoted companies in the UK and which provides the Company with the framework to help ensure that a strong level of governance is maintained.

As Chairman, I am responsible for leading an effective board, fostering a good corporate governance culture, maintaining open communications with the major shareholders and ensuring appropriate strategic focus and direction for the Company.

Notwithstanding the Board's commitment to applying the QCA Code, we will not seek to comply with the QCA Code where strict compliance in the future would be contrary to the primary objective of delivering long-term value for IIP's shareholders and stakeholders. However, we do consider that following the QCA Code, and a framework of sound corporate governance and an ethical culture, is conducive to long-term value creation for IIP shareholders.

All members of the Board believe strongly in the importance of good corporate governance to assist in achieving objectives and in accountability to IIP's stakeholders. In the statements that follow, the Company explains its approach to governance in more detail.

QCA Code - Governance Principles

The QCA code is constructed around 10 broad principles of corporate governance. These principles are as follows:

Deliver Growth

1. Establish a strategy and business model which promote long term value for shareholders.
2. Seek to understand and meet shareholder needs and expectations
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

Maintain a dynamic management framework

5. Maintain the board as a well-functioning, balanced team led by the chair
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
8. Promote a corporate culture that is based on ethical values and behaviours
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Build Trust

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Principle 1 Establish a strategy and business model which promote long-term value for shareholders

IIP is an AIM quoted closed end investment company investing in core economic infrastructure. It is the only AIM-traded investment company with exposure to both transport and energy assets in India.

The Company's Investment Strategy is as follows:

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.

In common with other investing companies in the sector, access to projects and valuable assets is competitive and challenging but the Board is confident of its ability and that of its investment manager, to continue to source attractive investment opportunities given close relationships with a number of companies and their management teams, and recognition of the Board's experience and strong network.

Status of the Company's Portfolio

Details of the Company's portfolio are contained on the Company's website at https://www.iiplc.com/portfolio/current-portfolio/ and a full update of the investments including investment details, a description of investments, key developments and valuations are included in investment report section above.

Principle 2 Seek to understand and meet shareholder needs and expectations

The Company is committed to engaging and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. All Board members have responsibility for shareholder liaison but queries are primarily delegated to the Company's Advisors in the first instance or the Company's CEO. Contact details for the Company's advisors are contained on the Company's website https://www.iiplc.com/contact/.

Copies of the annual and interim reports are sent to all shareholders and copies can be downloaded from the Company website https://www.iiplc.com/investor-relations/financial-reports/ alternatively, they are available on request by writing to the Company Secretary at 55 Athol Street, Douglas, Isle of Man IM 1 1LA. Other Company information for shareholders is also available on the website.

The Company also engages with shareholders at its AGM in each year, which gives investors the opportunity to enter into dialogue with the Board and for the Board to receive feedback and take action if and when necessary. The results of the AGM are subsequently announced via RNS and published on the Company's website. Feedback from, and engagement with, substantial shareholders has historically been successful in ensuring, for example, material transactions are suitably structured with shareholder considerations in mind.

The current strategy of financing and the restructuring of existing loans was communicated to investors via a circular in April 2019 , this was also announced via RNS and subsequently uploaded to the Company's website https://www.iiplc.com/news/regulatory-news/.

The company secretary is also available for shareholders to contact on matters of governance and investor relations.

Principle 3 Take into account wider stakeholder and social responsibilities and their implications for long-term success.

The Board is aware that engaging with IIP's stakeholders strengthens relationships, assists the Board in making better business decisions and ultimately promotes the long-term success of IIP. The group's stakeholders include shareholders, members of staff of investee companies and of Advisors and other service providers, suppliers, auditors, lenders, regulators, industry Bodies and the surrounding communities of where its investments are located.

The Board as a whole are responsible for reviewing and monitoring the parties contracted to the Company, including their service terms and conditions. The audit committee supports Board decisions by considering and monitoring the risks to the Company.

The Company's portfolio consists of Distribution Logistics Infrastructure Private Limited (DLI), Shree Maheshwar Hydel Power Corporation Limited, India Energy Limited and India Hydropower Development Company LLC (together the Portfolio).

The Board is regularly updated on wider stakeholder views and issues concerning the Portfolio both formally at Board meetings and informally through ad hoc updates. Representatives involved with the investment portfolio are invited to join Board meetings and provide a report to the Board. Engagement in this manner enables the Board to receive feedback and equips them to make decisions affecting the business.

The Board recognises the importance of its social responsibilities concerning its investment decisions. The Company has made investments in infrastructure projects that seek to make a contribution to the development of communities in which they are located.

As detailed in the Company's Admission document, a full analysis of the Company's social responsibility and ways to address issues was undertaken. The Admission Document (dated 11 February 2011) is available on the Company's website: https://www.iiplc.com/investor-relations/downloads/

The Board adheres to the Company's Corporate Social Responsibility policy, an extract of which is summarised as follows:

The Enlarged Group will ordinarily make investments in infrastructure projects that seek to make a contribution to the development of communities in which they are located. In planning its activities, the Board will give consideration to evaluating the social impact of proposed developments with a view to promoting where possible local employment and the delivery of other local benefits, and mitigating negative impacts to the extent possible. The Company intends to establish a community projects trust (the "Trust") and will contribute to the Trust up to 2 per cent. of the net realised gains derived from the re-financing of operational projects and of the net profit derived from any disposal of equity interests in operational projects. It is intended that the Trust will support community based education, training and employment initiatives designed to foster social inclusion in communities where the Group is active.

The Company is committed to continuing engagement with all stakeholders.

Principle 4 Embed effective risk management, considering both opportunities and threats, throughout the organisation.

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 interest rate risk.

Risk is monitored and assessed by the Audit Committee who aim to meet at least twice annually and are responsible for ensuring that the financial performance of the Company is properly monitored and reported. This process includes reviews of annual and interim accounts, results announcements, internal control systems, procedures and accounting policies.

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 and the key risk factors for the Company are contained in note 4 to the Financial Statements for the year ended 31 March 2020.

Principle 5 Maintain the board as a well-functioning, balanced team led by the chair.

The Board has five members, three of which are non-executive. Tim Walker resigned from the Board with effect from 31 March 2020 and was replaced by Graham Smith on 20 April 2020.
Tom Tribone is the Company's Chairman, Sonny Lulla is the Company's Chief Executive and Rob Venerus, Graham Smith and M.S. Ramachandran are the Company's three Non-Executive Directors. M.S. Ramachandran is considered an independent director. Graham Smith is also considered to be an independent director, notwithstanding the fact that FIM Capital Limited, of which he is Chief Executive Officer, provides administration and accounting services to the Company.

The Board is supported by an audit committee which is made up of two non-executive directors. Following the resignation of Tim Walker, one of the seats on the committee is vacant, the other member being M.S. Ramachandran. Whilst Graham Smith can support the Audit Committee, he is not eligible to fulfil the role of a committee member because of his position in FIM Capital Limited. The Company intends to appoint an additional Independent Non-Executive Director to the Board in due course, who will also serve on the Audit Committee. Until such time as the appointment is made, the Board as a whole will deal with matters normally reserved for the Audit Committee.

The Board receives detailed reports from FIM Capital Limited, the administrator and Company Secretary to the Company covering updates to relevant legalisation and rules to ensure they remain fully informed and able to make informed decisions.

All the Directors biographies are published on the Company's website and outlined below: https://www.iiplc.com/team/board-of-directors/

The Directors devote sufficient time to ensure the Company's affairs are managed as efficiently as possible. The Board aims to hold at least 4 meetings each year with further ad hoc meetings held as required. The Audit Committee meets at least 2 times annually.

The Directors devote sufficient time to ensure the Company's affairs are managed as efficiently as possible. During the last financial year the Board met twice formally, and held four *Ad hoc* Board meetings requiring the attendance of the Independent Directors only. The *Ad hoc* meetings held were to consider and approve the periodic loan increases, which being related party transactions were restricted in attendance to the independent directors. The Audit Committee met twice.

Board Meetings Attendance

Board Meetings	Date	R Venerus	T Tribone	S Lulla	MS Ramachandran	T Walker[1]
1	01.04.2019 (Ad-hoc meeting)	-	-	Alternate appointed	x	x
2	11.04.2019 (Ad-hoc meeting)	-	-	Alternate appointed	x	x
3	24.04.2019 (written resolution)	x	x	x	x	x
4	20.06.2019 (Ad-hoc meeting)	-	-	-	x	x
5	09.08.2019 (Ad-hoc meeting)	-	-	Alternate appointed	x	x
6	25.09.2019	-	x	x	x	x
7	24.03.2020	x	x	x	x	x

Audit Committee Meetings Attendance

Board Meetings	Date	MS Ramachandran	T Walker
1	25.09.19	X	x
2	11.12.19	X	X

[1] Resigned on 31 March 2020

Principle 6 Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.

The Directors have extensive experience in infrastructure fund management and a strong track record of value creation.

The Board believes it has the correct balance of skills, reflecting a broad range of commercial and professional skills across geographies and industries that is necessary to ensure the Company is equipped to deliver its investment objective. Additionally, each Director has experience in public markets.

The Directors and their roles and key personnel are displayed on the Company's website https://www.iiplc.com/team/board-of-directors/ and a statement of the Directors responsibilities is also included in the Statement of Directors' Responsibilities.

The Directors receive an ad hoc guidance on certain matters concerning, for example, the AIM Rules for Companies from the Company's Nominated Adviser and Broker as well as receiving updates on the regulatory environment from FIM, who provide specialist fund administration services to a variety of closed ended funds and collective investment schemes.

The role and responsibilities of the Directors are set out in Statement of Directors' Responsibilities and the Terms of Reference of the Audit Committee are summarised at the foot of this document.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Principle 7 Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.

Board evaluations will take place periodically, whereby Board members will be asked to complete and return an effectiveness questionnaire across a variety of criteria, then return these to the Company Secretary, who, where necessary, would seek clarification on any responses given. Responses will then be recorded anonymously to enable the Board to have open follow-up discussions on the aggregated evaluation data.

The criteria against which the Board complete periodic self-evaluations of performance will be based on externally determined guidelines appropriate to the composition of the Board and the Company's operation, including Board sub-committees. The scope of the self-evaluation exercise will be re-assessed in each instance to ensure appropriate depth and coverage of the Board's activities consistent with corporate best practice.

The Board effectiveness questionnaire underlying the board evaluation process assesses the composition, processes, behaviours and activities of the board through a range of criteria, including board size and independence, mix of skills (for example corporate governance, financial, industry and regulatory) and experience, and general corporate governance considerations in line with the QCA code.

All Board appointments have been made after consultation with advisers and with major shareholders in some cases. Detailed due diligence is carried out on all new potential board candidates. The Board will consider using external advisers to review and evaluate the effectiveness of the Board and Directors in future to supplement internal evaluation processes. Additionally, the Board will consider the need to undertake formal and periodic succession planning.

The Independent Directors have remained independent throughout their office, and due to the close-knit working environment and size of the Board, performance evaluations will be on an ongoing and ad-hoc basis to ensure that they are committed to the progress and success of the Company and that their contribution is effective.

When the Board wishes to complete a periodic evaluation process, the relevant materials and guidance in respect of this process, following current best practice at the time of the evaluation, is available from and provided by FIM.

Given the stage of the Company's maturity and its contracted external management, the responsibilities of a nomination committee are delegated to the Board, and there are no formal succession planning processes in place. The Board intends to keep this under review in the future.

Principle 8 Promote a corporate culture that is based on ethical values and behaviours.

The Corporate Governance Statement is detailed above. The Board is mindful that the tone and culture set by the Board will impact many aspects of the Company and the way that stakeholders behave and form views.

The Board welcomes the views of all stakeholders who can contact the Directors and / or the Company Secretary by email / telephone and ensures that the Company has the means to determine that ethical values and behaviours are met through the adoption of appropriate company-wide policies.

As stated earlier the Company has extensively considered its wider social responsibilities and the steps taken to actively address these. Details are contained in the Company's Admission Document, https://www.iiplc.com/investor-relations/downloads/ In particular, the Company will ordinarily make investments in infrastructure projects that seek to make a contribution to the development of communities in which they are located. In planning its activities the Board will give consideration to evaluating the social impact of proposed developments with a view to promoting where possible local employment and the delivery of other local benefits, and mitigating negative impacts to the extent possible.

The Company promotes and supports the rights and opportunities of all people to seek, obtain and hold employment without discrimination. It is our policy to make every effort to provide a working environment free from bullying, harassment, intimidation and discrimination on the basis of disability, nationality, race, sex, sexual orientation, religion or belief.

The Company is also committed to being honest and fair in all its dealings with partners, contractors and suppliers. Procedures are in place to ensure that any form of bribery or improper behaviour is prevented from being conducted on the Company's behalf by investee companies, contractors and suppliers. The Company also closely guards its information entrusted to it by investee companies, contractors and suppliers, and seeks to ensure that it is never used improperly.

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund has adopted anti-money laundering and anti-bribery procedures.

Principle 9 Maintain governance structures and processes that are fit for purpose and support good decision-making by the board.

A description of each board member and their experience, the role of the Audit Committee and that neither a Nomination or Remuneration Committee exists are displayed on the website at https://www.iiplc.com/team/board-of-directors/ .

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. In order to fulfil these obligations, the Board has delegated operations through arrangements with the Investment Adviser and Administrator.

The Company has not established nomination and remuneration committees 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.

The Chairman, is responsible for leading an effective board, fostering a good corporate governance culture, maintaining open communications with the major shareholders and ensuring appropriate strategic focus and direction.

The Chief Executive Officer has overall responsibility for managing the day to day operations of the Company and the Board as a whole is responsible for implementing the Company's strategy.

In addition to these, the Directors review and approve the following matters:

- Strategy and management
- Policies and procedures
- Financial reporting and controls
- Capital structure
- Contracts
- Shareholder documents / Press announcements
- Adherence to Corporate Governance and best practice procedures

Principle 10 Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company communicates with shareholders through the Annual Report and Financial statements, full-year and half-year announcements, the Annual General Meeting and investors can email the Directors and Company Secretary with any queries they may have.

The website includes information in relation to the outcome of shareholder voting under the regulatory news section pursuant to the AIM rules.

If a significant proportion of independent votes were to be cast against a resolution at any general meeting, the Board's policy would be to engage with the shareholders concerned in order to understand the reasons behind the voting results. Following this process, the Board would make an appropriate public statement via this website regarding any different action it has taken, or will take, as a result of the vote.

Historical information is available on the website:

The Company's financial reports for the last five years can be found here https://www.iiplc.com/investor-relations/financial-reports/

Notices of General Meetings of the Company for the last five years can be found here https://www.iiplc.com/investor-relations/downloads/

Committees

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, FIM 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.

As stated in Principle 5 above, the Company intends to appoint an additional Independent Non-Executive Director to the Board in due course, who will also serve on the Audit Committee. Until such time as the appointment is made, the Board as a whole will deal with matters normally reserved for the Audit Committee.

Remuneration Committee and Nomination Committee

As stated in principle 9, there is no Remuneration Committee or Nomination Company in existence.

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.

Details of the directors' remuneration can be found on note 17 to the Financial Statements for the year ended 31 March 2020 and the production of a remuneration committee report will be considered in the future.

Independent Auditor's Report to the Members of Infrastructure India Plc

Opinion

We have audited the financial statements of Infrastructure India Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated and parent company Statement of Comprehensive Income, the consolidated and parent company Statement of Financial Position, the consolidated and parent company Statement of Changes in Equity, the consolidated and parent company Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 2020, and of the group's and parent company's results for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

Valuation of investments at fair value

As described in accounting policy note 3.8, management have elected to value investments in subsidiaries at fair value through profit and loss. The fair value has been determined based on a valuation model as discussed in notes 5 and 13. The fair value model estimates the present fair value of the investments using a discounted cashflow analysis, based on assumptions about the future performance of the investments.

Fair value models that are based on discounted future cashflow analyses are inherently subjective and feature high estimation uncertainty. They are based on estimates and include, especially in light of the ongoing COVID-19 pandemic, risks and uncertainties relating to events occurring in the future. Consequently, the actual figures may differ from estimates and may have a significant impact on the valuations.

It is not always possible to test every assumption or substantiate the veracity or integrity of those assumptions in relation to forward-looking financial information.

Valuation of investments was determined to be a key audit matter as it represents 87.2% of total assets (211.1% of net assets), attracts a higher assessed risk of material misstatement and involves significant management judgement, including accounting estimates that have high estimation uncertainty.

Audit approach

Our approach to the audit of investments has been to appoint an independent auditor's expert, located in India where the group's operation activities are based, to undertake an independent review of the valuation of the portfolio companies of the group.

Audit procedures undertaken included:

- understanding of the various valuation methods used by management and analysing the reasonableness of the principal assumptions made for estimating the fair values and various other data used while arriving at the fair value measurement;
- assessing the valuation methodology and evaluating and challenging the reasonableness of the assumptions used, in particular those relating to forecast revenue growth and royalty rates;
- performing sensitivity analysis on the assumptions noted above and considering the adequacy of disclosures in respect of the investments;
- reviewing the appropriateness of management's basis to identify relevant business;
- evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with sector averages for the relevant markets in which the investment companies operate;
- evaluating the appropriateness of the assumptions applied to key inputs such as sales, operating costs, inflation and long-term growth rates;
- performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cashflows to evaluate the impact on the currently estimated headroom; and
- evaluating the adequacy of the consolidated financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

Key audit matter conclusion

In conjunction with the auditor's expert we have determined that the valuation models for DLI, IEL and IHDC (valued at £231.4m, £7.1m and £23.5m respectively) are, in all material respects, fairly presented and suitable for inclusion in these financial statements.

They are, however, subject to high estimation uncertainty and we draw your attention to the disclosures made in notes 5 and 13 and to the sensitivity analyses presented in note 13.

In respect of the high estimation uncertainty we note that the auditor's independent expert reported that, owing to the forward-looking nature of the projections and the lack of past performance history and financial information, they were unable to corroborate certain key unobservable inputs in the projections, such as expected start date of commercial operations, market size, market share, price points, forecast annual growth rates and EBITDA margins and operational efficiency estimates. These projections are based on management estimates and actual results could therefore differ materially from the amounts presented in the financial statements.

The auditor's independent expert also noted that management have determined the discount rate applicable to the projections on a 'build-up' basis by taking the market risk-free rate and applying a risk premium to reflect the execution risk associated with the timely implementation of the business plan.

The auditor's expert has considered an alternative method of calculating the discount rate using the cost of equity method (calculated using the capital asset pricing model). This model is considered to be more widely used and is determined by reference to factors associated with the business and industry in which the business operates. The auditor's expert has then recommended an additional temporary additional risk premium of 1% to allow for the impact of COVID-19 and a specific risk premium of 2% for specific factors such as the non-operational nature of certain assets, the risk attaching to the projections and reliance on unobservable inputs.

DLI represents the largest component of the group at £231.4m (or 88.3% of the investments). Management's build-up discount rate for DLI is included at 13.17% which compares to the auditor's expert's cost of equity rate of 16.32%. Using the higher rate would result in a reduction in the value of the investment in DLI from £231.4m to £162.5m.

For IHDC management have used a discount rate of 9.19% compared to an auditor's expert cost of equity rate of 11.50%. Using the cost of equity rate would result in a reduction in the value of the investment in IHDC from £23.5m to £18.4m.

For IEL management have used a discount rate of 8.17% compared to an auditor's expert cost of equity rate of between 11.20% and 13.10% depending on the underlying component. Using the cost of equity rate would result in a reduction in the value of the investment in IEL from £7.1m to £4.8m.

Selection of an appropriate discount rate is a subjective judgement estimate and we draw attention to the sensitivity analyses presented in note 13.

The realisation of the values assigned to the investments is dependent on future conditions and as such the actual value may differ materially from the amounts presented in the financial statements. Our opinion is not qualified in this respect.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's or the parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the company's members, as a body, in accordance with the terms of our engagement letter. 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.

Baker Tilly Isle of Man LLC

Baker Tilly Isle of Man LLC
Chartered Accountants
P O Box 95
2a Lord Street
Douglas
Isle of Man
IM99 1HP

Date: 22 October 2020

Consolidated Statement of Comprehensive Income for the year ended 31 March 2020

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Movement in fair value on investments in subsidiaries	11	-	-	(25,655)	(35,416)
Impairment loss on loans to Group companies	12	-	-	56,965	(44,755)
Movement in fair value on investments at fair value through profit or loss	13	50,794	(65,061)	-	-
Foreign exchange (loss)/gains		(5,756)	(2,939)	(3,356)	(2,935)
Asset management and valuation services	7	(5,552)	(5,531)	-	-
Other administration fees and expenses	6	(3,293)	(3,960)	(1,108)	(1,369)
Operating loss		36,193	(77,491)	26,846	(84,475)
Dividend income		-	-	207	-
Finance income	12	-	-	1,228	6,984
Finance costs	8	(18,159)	(5,249)	(10,247)	(5,249)
Profit/(loss) before taxation		18,034	(82,740)	18,034	(82,740)
Taxation	9	-	-	-	-
Profit/(loss) for the year		**18,034**	**(82,740)**	**18,034**	**(82,740)**
Other comprehensive income		-	-	-	-
Total comprehensive profit/(loss)		**18,034**	**(82,740)**	**18,034**	**(82,740)**
Basic and diluted earnings/(loss) per share (pence)	10	2.64p	(12.16) p		

The Directors consider that all results derive from continuing activities.

The notes referred to above form an integral part of the financial statements.

Consolidated and Company Statement of Financial Position at 31 March 2020

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Non-current assets					
Investments in subsidiaries	11	-	-	191,646	-
Loans to Group companies	12	-	-	12,861	177,984
Investments at fair value through profit or loss	13	262,001	179,376	-	-
Total non-current assets		262,001	179,376	204,507	177,984
Current assets					
Debtors and prepayments		96	98	15	17
Cash and cash equivalents		38,257	1,652	956	1,551
Total current assets		38,353	1,750	971	1,568
Total assets		300,354	181,126	205,478	179,552
Current liabilities					
Trade and other payables	14	(1,831)	(1,751)	(214)	(177)
Current loans and borrowings	15	-	-	-	-
Total current liabilities		(1,831)	(1,751)	(214)	(177)
Long-term liabilities					
Long term loans & borrowings	15	(174,422)	(73,347)	(81,163)	(73,347)
Total current liabilities		(174,422)	(73,347)	(81,163)	(73,347)
Total liabilities		(176,253)	(75,098)	(81,377)	(73,524)
Net assets		**124,101**	**106,028**	**124,101**	**106,028**
Equity					
Ordinary share capital	16	6,821	6,803	6,821	6,803
Share premium	16	282,808	282,787	282,808	282,787
Retained earnings		(165,528)	(183,562)	(165,528)	(183,562)
Total equity		**124,101**	**106,028**	**124,101**	**106,028**

The notes referred to above form an integral part of the financial statements.

These financial statements were approved by the Board on 22 October 2020 and signed on their behalf by

Sonny Lulla
Chief Executive

Graham Smith
Director

Consolidated and Company Statement of Changes in Equity for the year ended 31 March 2020

Group

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2018	6,803	282,787	(100,822)	188,768
Total comprehensive loss for the year				
Loss for the year	-	-	(82,740)	(82,740)
Total comprehensive loss for the year	-	-	(82,740)	(82,740)
Balance at 31 March 2019	**6,803**	**282,787**	**(183,562)**	**106,028**
Balance at 1 April 2019	6,803	282,787	(183,562)	106,028
Share issue	18	21	-	39
Total comprehensive income for the year				
Profit for the year	-	-	18,034	18,034
Total comprehensive income for the year	18	21	18,034	18,073
Balance at 31 March 2020	**6,821**	**282,808**	**(165,528)**	**124,101**

Company

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2018	6,803	282,787	(100,822)	188,768
Total comprehensive loss for the year				
Loss for the year	-	-	(82,740)	(82,740)
Total comprehensive loss for the year	-	-	(82,740)	(82,740)
Balance at 31 March 2019	6,803	282,787	(183,562)	106,028
Balance at 1 April 2019	6,803	282,787	(183,562)	106,028
Share issue	18	21	-	39
Total comprehensive income for the year				
Profit for the year	-	-	18,034	18,034
Total comprehensive income for the year	18	21	18,034	18,073
Balance at 31 March 2020	**6,821**	**282,808**	**(165,528)**	**124,101**

The notes referred to above form an integral part of the financial statements.

Consolidated and Company Statement of Cash Flows for the year ended 31 March 2020

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Cash flows from operating activities					
Profit/(loss) for the year		18,034	(82,740)	18,034	(82,740)
Adjustments:					
Finance costs		18,159	5,249	10,247	5,249
Movement in fair value on investments at fair value through profit or loss	11/13	(50,794)	65,061		-
Movement in fair value on investments in subsidiaries		-	-	25,655	35,416
(Reversal of)/Impairment loss on loans to Group companies			-	(56,965)	44,755
Finance income		-	-	(1,228)	(6,984)
Share based payment		39	-	39	-
Foreign exchange loss		5,756	2,939	3,356	2,935
		(8,806)	(9,491)	(862)	(1,369)
Increase in trade and other payables		80	166	37	21
Decrease/(increase) in debtors and prepayments		2	(83)	2	(5)
Net cash utilised by operating activities		(8,724)	(9,408)	(823)	(1,353)
Cash flows from investing activities					
Share redemption in subsidiary		-	-	1,138	-
Loan received		82,848	-	4,898	(24,707)
Equity addition in subsidiaries		(31,831)	-	-	(4,547)
Loans received		-	28,959	-	28,959
Purchase of investments	13	-	(21,403)	-	-
Cash utilised by investing activities		51,017	7,556	6,036	(295)
Cash flows from financing activities					
Loans repaid		(5,781)	-	(5,781)	-
Interest paid		-	-	-	-
Net cash raised from financing activities		(5,781)	-	(5,781)	-
Increase/(decrease) in cash and cash equivalents		**36,512**	**(1,852)**	**(578)**	**(1,648)**
Cash and cash equivalents at the beginning of the year		1,652	3,431	1,551	3,121
Effect of exchange rate fluctuations on cash held		93	73	(27)	78
Cash and cash equivalents at the end of the year		**38,257**	**1,652**	**956**	**1,551**

The notes referred to above form an integral part of the financial statements.

Notes to the Financial Statements for the year ended 31 March 2020

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.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

The financial statements were authorised for issue by the Board of Directors on 22 October 2020.

(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 which are measured at fair value in the Statement of Financial Position.

(c) Functional and presentation currency

These 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, unless otherwise indicated.

d) Going concern

As at 31 March 2020, the Group had £38.3 million cash and cash equivalents and total liabilities of £176.3 million, which mature on 30 June 2023. The financing, most of which was arranged in April 2019 provides sufficient capital to enable DLI to commission, ramp up and complete all of its existing terminal facilities as well as to meet other DLI lender requirements and to provide additional working capital to the Group. The deployment of capital during the year allowed steady construction progress to be made at DLI.

The carrying value of the Group assets have been assessed in light of the COVID-19 pandemic and the long-term impacts that this will have on the investments of the Group. as a result of the impact of COVID-19, to business assumptions and completion schedules on both construction and operations at IIP's largest asset, Distribution Logistics Infrastructure Limited ("DLI"). The Group has carried out sensitivity analysis to assess the implications of different scenarios on future cash flows. The moderation in volumes and margins to reflect the potential impact of COVID 19 reduced the valuation by approximately £15 million.

Whilst it remains difficult to predict when the wider market will return to normal levels, the Board believes the individual portfolio company management teams have responded well to the crisis and that the Company is well positioned to effectively navigate current market conditions.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

(e) Use of estimates and judgements

The preparation of the 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 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.

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.

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.

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.

3.3 Income

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

Interest income is recognised on an accrual's basis using the effective interest method.

3.4 Expenses

All expenses are recognised 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.

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.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.8 Investments

Investments of the Group are categorised as at fair value through profit or loss and are measured at fair value. Unrealised gains and losses arising from revaluation are taken to the profit or loss.

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.

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 Group after deducting all of its liabilities.

Financial liabilities are initially recognised at fair value less any directly attributable transactions costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Equity instruments are recorded at proceeds received net issue costs.

3.11 Provisions

A provision is recognised when the Group 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 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 profit or loss using the effective interest rate method.

3.16 Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

3.17 Changes in accounting policies

The following standards, interpretations and amendments were adopted by the Group during the year:

- IFRS 16 - Leases (effective 1 January 2019)
- Amendments to IFRS 2 – classification and measurement of share based payments transactions (effective 1 January 2019)
- Interpretation to IFRIC 23 - Uncertainty over Income Tax Treatments (effective 1 January 2019)
- Annual improvements to IFRS Standards 2015-2017 Cycle (effective 1 January 2019)

The transition to these standards had no material impact on the Group. There were no long term operating leases in the Group as at the transition date for IFRS 16; as such no adjustments were made under this standard. Payments associated with short-term leases (12 months or less) and all leases of low value assets are recognised on a straight line basis as an expense in profit or loss.

Standards, amendments and interpretations to published standards not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, were in issue but not yet effective, and have not been early adopted by the Group:

- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020)
- IFRS 3 (amendments) Definition of a Business (effective 1 January 2020)
- IAS 1 and IAS 8 (amendments) Definition of material (effective 1 January 2020)
- IAS 1 (amendments) Classification of liabilities as current or non-current (effective 1 January 2022)

The Directors have reviewed the IFRS standards in issue which are effective for annual accounting years ending on or after the stated effective date. In their view, none of these standards would have a material impact on the financial statements of the Group.

4. Capital and financial risk management

Capital management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and other long term loans as shown in the consolidated statement of financial position, less cash and cash equivalents.

The following table summarises the capital of the Group:

	2020 £'000	**2019 £'000**
Long and short term loans and borrowings	174,422	73,347
Less: cash and cash equivalents	(38,257)	(1,652)
Net debt	136,165	71,695
Total equity	124,101	106,028
Total capital	**260,266**	**177,723**
Gearing ratio	**52.32%**	**40.30%**

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 £262.0 million (2019: £179.4 million), representing the Group's investments in Indian Companies. At 31 March 2020, 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 £26.2 million (2019: £17.9 million). This exposure is unhedged.

Total liabilities denominated in US$ at the year-end amounted to £176.3 million (2019: £75.1 million), principally comprising loans and borrowings less cash and cash equivalents. At 31 March 2020, had the exchange rate between the US$ and Sterling increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in total liabilities would amount to approximately £17.6 million (2019: £7.5 million). This exposure is unhedged.

(ii) Market price risk

The Group is exposed to market risk arising from its investment in unlisted Indian infrastructure companies due to factors that affect the overall performance of the financial markets. These investments present a risk of capital loss. The Board is responsible for the selection of investments and monitoring exposure to market price risk. All investments are in Indian infrastructure projects.

If the value of the Group's investment portfolio had increased by 10%, the Group's net assets would have increased by £26.2 million (2019: £17.9 million). A decrease of 10% 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. Loans and borrowings attract fixed interest rates as detailed in note 15.

The table below summarises the Group's exposure to interest rate risks. It includes the Groups' financial assets and liabilities at the earlier of contractual re-pricing or maturity date, measured by the carrying values of assets and liabilities.

31 March 2020	**Less than 1 month £'000**	**1 to 3 months £'000**	**3 months to 1 year £'000**	**1 to 5 years £'000**	**Over 5 years £'000**	**Non-interest bearing £'000**	**Total £'000**
Financial assets							
Investments at fair value through profit or loss	-	-	-	-	-	262,001	262,001
Trade and prepayments	-	-	-	-	-	96	96
Cash and cash equivalents	38,257	-	-	-	-	-	38,257
Total financial assets	**38,257**	**-**	**-**	**-**	**-**	**262,097**	**300,354**
Financial liabilities							
Trade and other payables	-	-	-	-	-	(1,831)	(1,831)
Loans and borrowings	-	-	-	(174,422)	-	-	(174,422)
Total financial liabilities	**-**	**-**	**-**	**(174,422)**	**-**	**(1,831)**	**(176,253)**

31 March 2019	**Less than 1 month £'000**	**1 to 3 months £'000**	**3 months to 1 year £'000**	**1 to 5 years £'000**	**Over 5 years £'000**	**Non-interest bearing £'000**	**Total £'000**
Financial assets							
Investments at fair value through profit or loss	-	-	-	-	-	179,376	179,376
Trade and prepayments	-	-	-	-	-	98	98
Cash and cash equivalents	1,652	-	-	-	-	-	1,652
Total financial assets	**1,652**	**-**	**-**	**-**	**-**	**179,474**	**181,126**
Financial liabilities							
Trade and other payables	-	-	-	-	-	(1,751)	(1,751)
Loans and borrowings	-	-	-	(73,347)	-	-	(73,347)
Total financial liabilities	**-**	**-**	**-**	**(73,347)**	**-**	**(1,751)**	**(75,098)**

(b) Credit risk

Credit risk may arise from a borrower failing to make required payments on investments, cash balances and debtor balances. The amount of credit risk is equal to the amounts stated in the statement of financial position for each of these assets. All the cash balances are held with various Barclays bank accounts. The Standard & Poor's credit rating of Barclays Bank plc is A- (Negative).

(c) Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet short term financial demands. 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.

Residual undiscounted contractual maturities of financial liabilities:

31 March 2020	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**No stated maturity**
	£'000	£'000	£'000	£'000	£'000	£'000
Financial liabilities						
Trade and other payables	-	-	1,831	-	-	-
Loans and borrowings	-	-		174,422	-	-
Total	-	-	1,831	174,422	-	-

31 March 2019	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**No stated maturity**
	£'000	£'000	£'000	£'000	£'000	£'000
Financial liabilities						
Trade and other payables	-	-	1,751	-	-	-
Loans and borrowings	-	-	-	73,347	-	-
Total	**-**	**-**	**1,751**	**73,347**	**-**	**-**

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 affecting the specific instrument. See also "Valuation of financial instruments" below.

Critical judgements in applying the Group's accounting policies

Valuation of financial instruments

The Group's accounting policy on fair value measurements is discussed in accounting policy 3.8. The Group 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 an 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 Group determines fair values using valuation techniques.

The Group holds investments in several unquoted Indian infrastructure companies. The Directors' valuations of these investments, as shown in note 13, 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.

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 13)			
India Hydropower Development Company, LLC	-	-	23,522
Distribution Logistics Infrastructure Private Ltd	-	-	231,400
Indian Energy Limited	-	-	7,079
Fair value at year end	**-**	**-**	**262,001**

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	179,376
Additional capital injected	31,831
Movement in fair value	50,794
Fair value at year end	**262,001**

If the determined discount rates were increased by 1% per annum, the value of unlisted equity securities would fall by £31 million (2019: £30 million).

6. Other administration fees and expenses

	Group		**Company**	
	2020 £'000	**2019 £'000**	**2020 £'000**	**2019 £'000**
Audit fees	87	69	53	34
Legal fees	108	180	106	180
Corporate advisory fees	369	201	163	201
Other professional costs	1,828	2,534	32	7
Administration fees	180	164	120	120
Directors' fees (note 17)	208	180	208	170
Insurance costs	10	9	10	9
Loan arrangement related fees	209	463	209	463
Travel and entertaining	179	109	142	109
Other costs	115	51	65	76
	3,293	**3,960**	**1,108**	**1,369**

7. Investment management, advisory and valuation fees

On 14 September 2016, the Company entered into a revised and restated management and 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. The other terms of the New Management Agreement were 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 will be issued with 605,716 new ordinary shares in the Company annually (the "Fee Shares"). The Fee Shares will be issued free of charge, on 1 July of each calendar year for the duration of the New Management Agreement.

Fees for the year ended 31 March 2020 were £5,552,000 (31 March 2019: £5,531,000). The amount of management fees outstanding as at 31 March 2020 amounted to £1,398,000 (2019: £1,398,000).

8. Finance costs

	Group		Company	
	2020	**2019**	**2020**	**2019**
	£'000	**£'000**	**£'000**	**£'000**
Loan interest expense (note 15)	18,159	5,249	10,247	5,249
	18,159	**5,249**	**10,247**	**5,249**

9. 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.

10. Basic and diluted earnings/(loss) per share

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

	2020	**2019**
Profit/(Loss) attributable to shareholders (£ thousands)	18,034	(82,740)
Weighted average number of ordinary shares in issue (thousands)	681,882	680,267
Basic earnings/(loss) per share	**2.64 p**	**(12.16) p**

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

11. Investments in subsidiaries

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 (see note 3.1):

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%
Non-consolidated subsidiaries held at fair value through profit or loss		
Distribution & Logistics Infrastructure sub group:		
Distribution Logistics Infrastructure Private Limited	India	99.9%
Freightstar Private Limited	India	99.9%
Deshpal Realtors Private Limited	India	99.8%
Bhim Singh Yadav Property Private	India	99.9%
Indian Energy Limited sub group (IEL):		
Indian Energy Limited	Guernsey	100%
Indian Energy Mauritius Limited	Mauritius	100%
Belgaum Wind Farms Pvt Limited	India	100%
iEnergy Wind Farms (Theni) Pvt Limited	India	74%
iEnergy Renewables Pvt Limited	India	100%
India Hydropower Development Company sub group (IHDC):		
India Hydropower Development Company LLC	Delaware	50%
Franklin Park India LLC	Delaware	100%

The following table shows a reconciliation from the beginning balances to the ending balances for investments in subsidiaries:

	2020 £'000	**2019 £'000**
Balance as at 1 April 2019	-	30,869
Loan to equity conversion	218,439	-
Share redemption in Infrastructure India HoldCo	(1,138)	
Addition during the year	-	4,547
Movement in fair value on investments in subsidiaries	(25,655)	(35,416)
Balance as at 31 March 2020	**191,646**	**-**

12. Loans to Group companies

	Capital £'000	**Interest £'000**	**Total £'000**
Balance as at 1 April 2019	161,277	16,707	177,984
Addition	1,380	-	1,380
Reversal of impairment provision on the loans	50,926	6,039	56,965
Loan repaid	(6,283)	-	(6,283)
Interest charge for the period	-	1,228	1,228
Capitalised loan capital and interest	(201,125)	(17,314)	(218,439)
FX movement	26	-	26
Balance as at 31 March 2020	**6,201**	**6,660**	**12,861**

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

At 31 March 2020, the Group held four investments in unlisted equity securities. Three of the investments are held by the Company's wholly owned subsidiaries in Mauritius and one is held directly by the Company.

The investments are recorded at fair value as follows:

	SMH	IHDC	DLI	IEL	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2019	5,115	20,959	147,870	5,432	179,376
Additional capital injection	-	-	31,831	-	31,831
Fair value adjustment	(5,115)	2,563	51,699	1,647	50,794
Balance as at 31 March 2020	**-**	**23,522**	**231,400**	**7,079**	**262,001**

(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 Joint Statement from the Chairman and the Chief Executive, the promoter of SMH has not secured the required funding and SMH received a termination order with regard to the historically entered Power Purchase Agreement ("PPA") and Resettlement & Rehabilitation Agreement ("R&R Agreement") from M.P. Power Management Company Limited, a company owned by the Government of Madya Pradesh. The PPA was signed in 1994 and amended in 1996 and the R&R Agreement was signed in 1997. Without a valid PPA and visibility into availability of completion financing, it is impossible to prepare reasonable forecasts. Although IIP retains legal options to extract value for its investment, until further clarity emerges, 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 31 March 2020 using discounted cash flow techniques, as described in note 5. The discount rate adopted for the investments is the risk free rate (based on the Indian government 9-10-year bond yields) plus a risk premium of 3.02% for IHDC, 2.00% for IEL and 7% for DLI. (2019: risk premium was 8% for SMH, 3.36% 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. SMH and DLI are still in the construction or 'ramp-up' phase.

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 31 March 2020, 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				
		8.19%	**8.69%**	**9.19%**	**9.69%**	**10.19%**
INR/£ Exchange Rate	**96.5**	25.2	23.8	22.5	21.4	20.3
	94.5	25.7	24.3	23.0	21.8	20.7
	92.5	26.3	24.8	**23.5**	22.3	21.2
	90.5	26.9	25.4	24.0	22.8	21.6
	88.5	27.5	26.0	24.6	23.3	22.1

DLI		Discount Rate				
		12.2%	**13.2%**	**14.2%**	**15.2%**	**16.3%**
INR/£ Exchange Rate	**96.5**	260.3	221.8	189.5	164.3	141.8
	94.5	265.8	226.5	193.5	167.8	144.8
	92.5	271.6	**231.4**	197.7	171.4	147.9
	90.5	277.6	236.5	202.1	175.2	151.2
	88.5	283.9	241.9	206.6	179.2	154.6

IEL		Discount Rate				
		6.17%	**7.17%**	**8.17%**	**9.17%**	**10.17%**
INR/£ Exchange Rate	**96.5**	8.2	7.4	6.8	6.2	5.7
	94.5	8.4	7.6	6.9	6.3	5.8
	92.5	8.5	7.8	**7.1**	6.5	5.9
	88.4	8.9	8.1	7.4	6.8	6.2
	86.4	9.1	8.3	7.6	6.9	6.3

14. Trade and other payables

	Group		Company	
	2020	**2019**	**2020**	**2019**
	£'000	**£'000**	**£'000**	**£'000**
Trade payables	271	204	210	131
Accruals and other payables	1,560	1,547	4	46
	1,831	**1,751**	**214**	**177**

15. Loans and borrowings

Group	**Capital**	**Interest**	**Total**
	£'000	**£'000**	**£'000**
Balance as at 1 April 2019	65,668	7,679	73,347
Loans drawn-down	82,849	-	82,849
Interest charge for the year	-	18,159	18,159
Capitalised loan interest	5,002	(5,002)	-
Loans repaid	(5,781)	-	(5,781)
Loan interest paid	-	(36)	(36)
Foreign currency loss	5,146	738	5,884
Balance as at 31 March 2020	**152,884**	**21,538**	**174,422**

Company	Capital	Interest	Total
	£'000	£'000	£'000
Balance as at 1 April 2019	65,668	7,679	73,347
Interest charge for the year	-	10,246	10,246
Capitalised loan interest	5,002	(5,002)	-
Loans repaid	(5,781)	-	(5,781)
Loan interest paid	-	(36)	(36)
Foreign currency loss	3,290	97	3,387
Balance as at 31 March 2020	**68,179**	**12,984**	**81,163**

On 8 April 2013, the Company entered into a working capital loan facility agreement with GGIC Ltd ("GGIC") for up to US$17.0 million. The loans increased to US$21.5 million in September 2017. The working capital loan has an interest rate of 7.5% per annum, payable semi-annually during the facility period. The Company's ultimate controlling party during the year was GGIC and affiliated parties.

In addition, and on 30 June 2017, the Company entered into an US$8.0 million unsecured bridging loan facility with Cedar Valley Financial ("Cedar Valley"), an affiliate of GGIC and the loan was subsequently increased in multiple tranches to US$64.1 million. The bridging loan has an interest rate of 12% per annum, payable semi-annually during the facility period. Cedar Valley's ultimate controlling party during the year was GGIC and affiliated parties.

The Company arranged further debt facility of up to US$105 million (approximately £80.2 million) with IIP Bridge Facility LLC (the "Lender"), an affiliate of GGIC on 2 April 2019. The Loan is a secured four-year term loan provided to the Company's wholly owned Mauritian subsidiary, Infrastructure India Holdco, and matures on 1 April 2023. The loan carries an interest rate of 15% (increasing to 18% per annum in the event of default) and payable at maturity, and is secured on all assets of Infrastructure India Holdco, including 100% of the issued share capital of Distribution Logistics Infrastructure India ("DLII"), DLI's Mauritian parent company.

At 31 March 2020, the US$105 million loan facility had been fully drawn down. US$7.5 million of the drawn down proceeds was applied towards the repayment the Cedar Valley loan.

In accordance with the requirements of the loan above maturity of both the GGIC loan and have been extended to 30 June 2023 and will carry an interest rate of 15% per annum from 2 April 2019.

16. Share capital

	No. of shares Ordinary shares of £0.01 each	Share capital £'000	Share premium £'000
Balance at 31 March 2020	**682,084,189**	**6,821**	**282,808**

As detailed in note 7, the Asset Manager is entitled 605,716 new ordinary shares in the Company annually (the "Fee Shares"). The Fee Shares will be issued free of charge, on 1 July of each calendar year for the duration of the New Management Agreement.

During the year, the Company issued a total of 1,817,148 ordinary shares to the Asset Manager including shares that had accrued up to 1 July 2019.

As at 31 March 2020, the accrued shares were 454,702 and the accrued share based payment expense for the 454,702 is £5,456 at 31 March 2020 share price.

17. Directors' fees and Directors' interests

The Directors had the following interests in the shares of the Company at 31 March 2020:

Timothy Walker (resigned 31/03/2020)	981,667	Ordinary Shares
Sonny Lulla	1,500,000	Ordinary Shares

Details of the Directors' remuneration in the year are as follows:

	2020 £'000	2019 £'000
Timothy Walker (resigned 31/03/2020)	90	90
Madras Seshamani Ramachandran	90	90
	180	**180**

18. 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 7.

As detailed in note 7, fees payable to FPM in respect of management services for the year ending 31 March 2020 amounted to £5,552,000 (31 March 2019: £5,531,000). The amount of management fees outstanding as at 31 March 2020 amounted to £1,380,000 (2020: £1,398,000).

Loans and borrowings

See note 15 regarding loans from GGIC and Cedar Valley Financial, including interest charged in the year and accrued at the year-end.

Administrator

FIM Capital Limited provides administration services including financial accounting services to the Company. The fees paid to the Administrator for the year amounted to £120,000 (2019: £120,000). The amount outstanding as at year end is £30,000 (2019: £30,000).

19. Net Asset Valuation (NAV) per share

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.

	2020	2019
Net assets (£'000)	124,101	106,028
Number of shares in issue (note 16)	682,084,189	680,267,041
NAV per share	**18.2p**	**15.6p**

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

20. Subsequent events

Board appointment

On 21 April 2020, the Board appointed announced the appointment of Graham Smith as a Non-Executive Director of the Company.

Covid-19

The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus is likely to negatively affect the Group's results in the future reporting periods.

As outlined in note 2.d, the Group is continuing to report on a going concern basis, and while on site activity has been suspended, staff and consultants are working on desktop studies and planning stage exploration activity to include the ongoing feasibility study. The Group's response to the outbreak is described in the Chairman's Statement. The unknown length of the outbreak is a source of uncertainty and the Board will continue to monitor events and to provide updates as the situation develops.

The carrying value of the Group assets have been assessed in light of the COVID-19 pandemic and the long-term impacts that this will have on the investments of the Group. as a result of the impact of COVID-19, to business assumptions and completion schedules on both construction and operations at IIP's largest asset, Distribution Logistics Infrastructure Limited ("DLI"). Cash planning and management is in place for all businesses, which have been stress tested based on a number of scenarios.

The COVID-19 pandemic continues to evolve and further actions that alter our business operations may be required in the coming months. The Group continues to monitor the situation very closely, with a primary focus on the health, wellbeing and safety of all its employees and local communities. If this changes the Group will of course provide an update accordingly.

21. Ultimate controlling party

The ultimate controlling party during the year was GGIC and affiliated parties.

22. 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.

Company Information

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Incorporated in the Isle of Man. Company No. 002457V

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Graham Smith
Robert Venerus
Madras Seshamani Ramachandran

Company Secretary
Grainne Devlin

Administrator and Registrar
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