Infrastructure India plc

Interim results

for the six months ended 30 September 2015

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Highlights

Financial performance

- Value of the Company's investments decreased 10% to £331.6 million as at 30 September 2015 (£368.6 million 31 March 2015)
- NAV decreased 12% to £329.3 million (£373.6 million 31 March 2015; £294.9 million 30 September 2014)
- NAV per share was £0.48 as at 30 September 2015 (£0.55 at 31 March 2015; £0.43 at 30 September 2014)
- The decrease in NAV since 31 March 2015 is driven principally by the depreciation of the Indian Rupee against the Pound Sterling at the end of the reporting period and by softening of market conditions in the logistics industry

Significant developments

- The Indian Rupee (INR) depreciated against Sterling (GBP) as at 30 September 2015 to INR per GBP of 100.3 against INR:GBP of 92.8 as at 31 March 2015
- Distribution Logistics Infrastructure Limited ("DLI") commenced initial domestic and export-import ("Exim") operations at its Bangalore terminal facility in April 2015
- DLI commenced construction at Palwal in the National Capital Region and also at Chennai
- In April 2015, IIP entered into an Incentive Agreement with Vikram Viswanath, whereby if actual net income of DLI exceeds targeted net income as set out in the DLI business plan, an incentive payment shall be payable in cash to Vikram Viswanath and calculated as 30% of the amount by which actual net income exceeds targeted net income in any financial year up to and including the financial year ending 31 March 2025
- A weak monsoon in 2015 impacted production at IIP's operational wind and hydro projects although both performed largely in-line with expectations
- Lenders to Shree Maheshwar Hydel Power Corporation Limited ("SMH") are evaluating a proposal from a potential equity investor for completion equity financing and restructuring of existing debt

Post period end

- DLI commissioned a Liquid Tank Farm and Auto Logistics Park at its Nagpur terminal with freight movement commencing in October 2015
- Commercial operations are continuing to step up at DLI's Bangalore terminal for domestic and Exim containers
- DLI commenced domestic handling and transportation of refrigerated containers at Palwal and remaining terminal infrastructure remains on-track for completion this fiscal year
- DLI acquired some important new customers, including international shipping lines, national manufacturing firms and a state owned multinational
- Despite some delays in construction of the Chennai terminal caused by heavy rain and local flooding, DLI is on track to commission its container freight station ("CFS") and its Free Trade Warehousing Zone in the months ahead

Commenting on the results, Tom Tribone, Chairman of IIP, said:

"IIP continues to make steady progress and although currency translation adds some volatility to our reported net asset value, we are relatively pleased with the performance of our underlying portfolio companies."

Commenting on the year to date, Sonny Lulla, Chief Executive of IIP, said:

"Despite perceptible macroeconomic headwinds, there is still a critical need for logistics infrastructure in India and we are confident that our largest asset, DLI, is strategically well positioned in the sector, as is evidenced by its expanding portfolio of quality customers."

JOINT STATEMENT FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OF INFRASTRUCTURE INDIA PLC

We are pleased to report Infrastructure India plc's ("IIP", the "Company" and together with its subsidiaries the "Group") unaudited results for the six-month period ended 30 September 2015.

Net Asset Value decreased to £329.3 million (£0.48 per share) as at 30 September 2015 (£373.6 million – 31 March 2015), driven principally by depreciation of the Indian Rupee against Sterling at the end of the reporting period and a noticeable softening of market conditions in the logistics industry.

The critical need for infrastructure in India buoys confidence in the sector, but challenges remain as the Indian government struggles to tackle issues that are impacting the business environment. So far, the government has been unable to implement either of its landmark reforms – a land acquisition bill and uniform goods and services tax ("GST") – that would substantially reduce bureaucracy and improve the landscape for business and private investment. Despite setbacks in Parliament, Prime Minister Modi is optimistic of rolling out GST in 2016. If achieved, it will create a truly single market in India.

On a macro level, growth of worldwide trade has weakened, largely as a result of weakening conditions in emerging markets, led by China. After revising its global economic growth forecasts for 2015 downwards, the Organisation for Economic Co-operation and Development ("OECD") projects a gradual strengthening of global growth in 2016 and 2017. Weakening trade will have an impact on IIP's transport and logistics assets, although for Distribution Logistics Infrastructure Limited ("DLI") this may be somewhat tempered by the addition of new customers, freight routes connecting southern and western ports, and the forming of strategic industry alliances.

During the first six months of the fiscal year, DLI commenced operations at Bangalore and the terminal at Nagpur continued to ramp up its operations. Construction is underway at Chennai and subsequent to the period end, domestic handling and transportation of refrigerated containers commenced at Palwal in the National Capital Region. IIP is also pleased to report that DLI has acquired several important new customers, including international shipping lines and national and state owned enterprises.

IIP's road, wind and small hydro assets continue to perform largely in-line with expectations, although the weaker monsoon resulting from extended El Nino weather patterns impacted production at the operational wind and hydro assets during the period under review. Prospects remain uncertain for our investment in Shree Maheshwar Hydel Power Corporation Limited ("SMH"), as lenders evaluate a proposal from a potential equity investor for completion financing and an associated restructuring of existing debt. We do not have a definitive view on either the timing or the outcome of these discussions.

Financial performance and investment update

The value of the Group's investments in its subsidiaries decreased to £331.6 million for the period ended 30 September 2015 (£368.6 million – 31 March 2015; £221.4 million – 30 September 2014). Currency at the end of the reporting period had weakened to INR per GBP of 100.3 as at 30 September 2015 against 92.8 as at 31 March 2015, although it was almost flat against the same date last year (INR:GBP of 99.8 as at 30 September 2014). The risk-free rate, based on the Indian 10-year bond, decreased to 7.5% at the end of the period, from 7.7% at 31 March 2015.

Total investment during the period was £3.1 million, which was advanced to DLI to fund construction and working capital.

Transport

DLI is a supply chain transportation and container infrastructure company and one of the largest private operators in India with a nationwide network of terminals and a quality road and rail transportation fleet. The company made steady progress during the period and is now operating from three of its four large terminals. In April 2015, DLI commenced initial domestic and export-import ("Exim") operations at its terminal facility in Bangalore with completion of the remaining infrastructure underway. The Nagpur terminal began movement of cars and bulk cargo from its Auto Logistics Park and Private Freight Terminal and the Palwal terminal commenced handling and transportation of refrigerated containers.

In a setback, rail haulage charges levied by the Indian Railways were increased last year by more than 24% for different slabs of tonnage. In addition, a Port Congestion Surcharge of 10% was imposed in March 2015. Container train operators, including DLI, have by and large been passing on much of this increase to customers, but the rise in rail transportation costs resulted in a reduction in the movement of containers to the hinterland and some margin erosion. This was coupled with major weather-related disruptions in rail movement along key routes to western Indian ports. As a result, DLI has planned alternative Exim and domestic routes connecting southern and western ports as well as forming strategic industry alliances.

During and following the reporting period, DLI has acquired some important new customers. These include international shipping lines, national manufacturing firms and a state owned multinational. DLI is also in negotiations for contracts with other key national and international customers.

IIP announced in April 2015 that it had entered into an agreement under which Vikram Viswanath, an advisor to IIP and the management team of DLI, is eligible for an incentive payment in any financial year that the net income of DLI, as published in DLI's audited accounts from year to year, exceeds the targeted net income of DLI in any 12 month period, as set out in its 10 year business plan. The DLI Incentive Agreement starts from the financial period ending 31 March 2016 and runs to the financial period ending 31 March 2025. If the net income of DLI exceeds the targeted net income of DLI in any relevant 12 month financial period, the incentive payment is calculated as 30% of the amount by which actual net income exceeds target net income. The incentive payments are payable in cash and are not subject to a cap.

Toll collection at Western MP Infrastructure & Toll Roads Private Limited ("WMP") during the period was significantly higher, with total toll revenue growth of 22.5% over the previous period. However, with some macroeconomic headwinds we continue to maintain a conservative view of future traffic growth.

Energy

India Hydropower Development Company's ("IHDC") overall production was higher than the same period last year. This is primarily a result of the Darna plant being operational for the full period following repairs and re-commissioning of both turbines after extensive damage from heavy monsoon rainfall in August 2014. IHDC has recovered insurance payments for the majority of the claim and are confident that the remaining amounts will be settled by the end of the calendar year. IHDC expects overall annual production in the current fiscal year to be lower due to a weaker monsoon attributed to the extended El Nino weather phenomenon.

Indian Energy Limited's ("IEL") overall production from two operating wind farms was somewhat lower than the same period last year as a result of weaker monsoonal winds. At Theni, in Tamil Nadu, grid availability continues to be an issue despite some infrastructure upgrades. Grid curtailment has been a persistent frustration for IEL management. While the state government continues to make improvements to grid infrastructure, availability assumptions for Theni remain cautious and unchanged for the fiscal year. Following a reduction in base rates by the Reserve Bank of India, interest rates on senior debt for Gadag and Theni reduced by 25 and 40 basis points each respectively. IEL has also retained its investment grade credit ratings for both projects.

There was no definitive progress for completion of SMH during the period. However, the promoter provided a detailed proposal to the lenders from a potential equity investor, indicating their willingness to provide financing to complete the project as well as to ultimately refinance the principal value of the outstanding debt. Lenders are currently evaluating the proposal. Other options, including a Government takeover of the project, are being assessed by the lenders and there remains little clarity on outcome or timing of either route to completion. IIP continues to engage with SMH stakeholders on reaching a fair outcome. In October 2015, the National Green Tribunal ("NGT") reiterated its ruling that closure of the dam gates for production can only occur on completion of rehabilitation and resettlement.

Company liquidity and financing

At the end of the reporting period, the Group had cash available of £11.2 million. The Group is expected to have sufficient cash resources to fund the business until the middle of calendar year 2016.

We look forward to updating shareholders on the continued progress at DLI as well as developments at the Company's other businesses at the end of the fiscal year.

Tom Tribone & Sonny Lulla
December 2015

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 and four large container terminals across India		
Promoter	IIP		
Date of investment	**3 March 2011**	**15 October 2011**	**January 2012-March 2015**
Investment amount	£34.8m (implied)	£58.4m (implied)	£79.8 million
Aggregate percentage interest	37.4%	99.9%	99.9%
Investment during the period	£3.1 million		
Valuation as at 30 September 2015	**£261.9 million**		
Project Debt Outstanding as at 30 Sep 2015 (Unaudited)	£65.4 million		

Key developments

- DLI's Integrated Logistics Park ("ILP") at Nagpur is now complete and priority sections of ILPs at Bangalore and Palwal are also complete
- The company continues to make steady progress towards completion of remaining segments of its terminal facilities at Bangalore, Palwal and Chennai
- The company's operating performance was impacted by an overall softening of market conditions and some sector-specific issues, including rail disruptions and increased rail haulage charges, however, DLI has taken steps to minimise the impact where possible
- DLI has made significant progress in acquiring key customers and is in advanced talks with other major national and international customers across various sectors
- IIP infused additional equity of £3.1 million during the reporting period.

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. DLI has three of four large container terminals now operating, in Nagpur, Bangalore and Palwal (in the National Capital Region) and Chennai under construction. During the reporting period, the Company invested approximately £3.1 million.

Developments

DLI has continued to make steady progress towards project completion at each of its terminal facilities. However, the company's operating performance during the reporting period was impacted by an overall softening of market conditions and some sector-specific issues. These include, inter alia, a continuous drop in exports nationally for 11 consecutive months, major weather-related disruptions in rail movement along key routes to Western Indian ports affecting container movement by rail, an increase in rail transportation costs for containers, and price reductions due to resulting competitive pressures. Revised and more complex government procedures relating to Customs notifications have also affected the pace of ramp-up at DLI's ILPs. DLI has planned alternative export-import ("Exim") and domestic routes connecting Southern and Western Indian ports. In addition, strategic alliances have been formed with ports and road linked inland container depots ("ICD"). DLI has also acquired important and major new customers, and is currently in the final stages of negotiations for significant contracts with key national and international customers.

Although construction of DLI's ILP at Nagpur is complete, the company is incorporating improvements to the infrastructure at the nearby railway yard to improve the efficiency of rail operations to its ILP from northern

India. Interim measures have meanwhile been agreed to with the Indian Railways to commence movement of bulk cargo and automobiles from the National Capital Region ("NCR") to the Nagpur facility.

Key infrastructure relating to Exim operations at DLI's ILP at Palwal is complete and after some disruptions due to excessive rain in the region, construction activities at Palwal have picked up again and steady progress is being made towards completion of the remaining components of the terminal. Subsequent to the end of the reporting period, domestic handling and transportation of refrigerated containers commenced from Palwal.

At Bangalore, DLI has completed construction of key infrastructure and commenced commercial domestic and Exim operations. The company is also addressing regulatory approvals with the Indian Railways for the rail siding at its ILP. DLI has entered into strategic alliances with nearby road-linked ICD's to offset any potential delays associated with the completion of the rail siding.

At Chennai, construction activities were disrupted in November by torrential rains that resulted in flooding at the site. Construction is expected to re-commence after the flooding recedes, with a priority on completion of the CFS followed by the FTWZ.

Valuation

As at 30 September 2015, the NPV of future IIP cash flows for DLI is £261.9 million, representing an approximate 12 per cent decrease since 31 March, 2015. The decrease is largely attributable to the depreciation of the Indian Rupee and the impacts of the changes in business assumptions as a result of softer market conditions in the logistics industry. The risk premium of 7% has been maintained for the current reporting period to account for remnant regulatory, project completion and operational risks.

Western MP Infrastructure & Toll Roads Private Limited ("WMPITRL")

Description	125km four lane toll road in western Madhya Pradesh, with a 25 year concession		
Promoter	Essel Group		
Date of investment	**30 September 2008**	**14 October 2009**	**24 June 2010**
Investment amount	£11.3 million	£0.9 million	£0.3 million
Aggregate percentage interest	26.0%	26.0%	26.0%
Investment during the period	Nil		
Valuation as at 30 September 2015	**£25.0 million**		
Project Debt Outstanding as at 30 Sep 2015 (Unaudited)	£53.2 million		

Key developments

- In the first six months of the fiscal year, toll revenue increased by 22.5% over the previous year to INR 691 million

Investment details

WMP operates a 125km toll road in the central Indian state of Madhya Pradesh on a Build-Own-Transfer ("BOT") basis for a term of 25 years, which commenced in April 2008. There was no additional investment into the project during the reporting period.

Project update

A review of the quarterly financials indicates a significant increase in toll revenues during the first 6-months of the fiscal year, with revenue reported of INR 691 million, representing a 22.5% increase on the corresponding period last year. This represents an overall annual traffic growth rate of 14.5%, and a rolling 4-quarter toll growth rate of 13%. IIP continues to take a conservative view of future traffic growth given macroeconomic headwinds.

Valuation

As of June 2013, the asset has been fully operational (both Toll Plaza 1 and Toll Plaza 2) for more than two years. In accordance with IIP's stated methodology, a 2% risk premium is applied over the risk free rate of 7.54%. Revised information relating to operations and maintenance expenses and major maintenance expenses provided by WMP, and updated revenues based on actual reported data have been incorporated into the financial model for valuation purposes. In projecting future traffic volume growth, IIP has continued to use conservative estimates. As at 30 September 2015, the asset is valued at £25.0 million. Positive impacts of a lower risk free rate, and higher traffic growth for FY16, are largely offset by the depreciation of the Indian Rupee during the reporting period.

India Hydropower Development Company LLC (“IHDC”)

Description	IHDC is a company that develops, owns and operates small hydropower projects with six fully operational plants (62 MW of installed capacity), and a further 21 MW of capacity under development or construction		
Promoter	Dodson-Lindblom International Inc.		
Date of investment	**3 March 2011**	**January 2012**	**May 2012**
Investment amount	£25.7m (implied)	£0.3 million	£1.05 million
Aggregate percentage interest	50.0%	50.0%	50.0%
Investment during the period	Nil		
Valuation as at 30 September 2015	**£24.7 million**		
Project Debt Outstanding as at 30 Sep 2015 (Unaudited)	£11.2 million		

Key developments

- Overall production from IHDC’s projects during the first half of 2015 was higher than the corresponding period last year as a result of the Darna plant being re-commissioned following repairs
- IHDC has recovered insurance payments for the majority of the Darna claim and management is confident of receiving the remaining amount
- Construction progress at Raura continues on schedule

Investment details

The IHDC portfolio has an installed capacity of approximately 62 MW across six projects – Bhandardara Power House I (“BH-I”), Bhandardara Power House II (“BH-II”) and Darna in Maharashtra; Birsinghpur in Madhya Pradesh; and Sechi and Panwi in Himachal Pradesh. IHDC has an additional 21 MW of capacity under development and construction with planned capacity at two sites having been revised upwards.

Project update

The overall generation during the first half of the fiscal year from all of IHDC’s operational projects was 88.5 GWh versus 78.9 GWh for the same period the previous year. The higher generation was mainly as a result of the Darna plant being fully operational during the period. However, IHDC expects lower production from its Maharashtra projects during the current fiscal year due to a weak monsoon in that region from the extended El Nino weather pattern.

Maharashtra

Both BH-I and BH-II plants operated normally with high machine availability during the first half of the fiscal year. The Darna project is fully operational and has been exporting energy to the grid since March 2015. IHDC has received insurance claim payments for the majority of the anticipated total claim amount and IHDC management is confident that the insurance claim will cover the repair of damaged equipment, civil construction costs and revenue losses.

Madhya Pradesh

Generation at the Birsinghpur project, which is located on the cooling water return canal in the Sanjay Gandhi Thermal Power Station in Madhya Pradesh, was lower during the period due to frequent shut downs of the thermal plant. However, production at Birsinghpur has recovered and is expected to return back to normal levels during the remainder of the fiscal year.

Himachal Pradesh

The Sechi project is operating smoothly and producing power approximating its design energy.

The Panwi project continues to experience severe silting issues due to ongoing construction at an upstream dam. IHDC is in discussion with the hydro project developer to take steps to eliminate the silt in the stream. In the short term, IHDC has installed equipment at the trench weir site to partially alleviate the silting problem.

At Raura, construction progress continues as expected. At Melan, construction progress may be affected by delays in the construction of an approach road by the Government of Himachal Pradesh. For valuation purposes, the commercial operations date has been deferred to account for potential delays.

Valuation

The IHDC portfolio was valued in accordance with the Company's stated valuation methodology, by using a composite risk premium of 3.23% over the risk-free rate of 7.54%. The composite risk premium is computed using a MW-based weighted average of risk premia of individual assets related to their stage of operation. The value for the IHDC investment as at 30 September 2015 is £24.7 million (£23.1 million 31 March 2015; £21.7 million 30 September 2014). Increased production from Darna, and improved visibility on future production from the power plants in HP have largely offset the negative effects of the devaluation of the Indian Rupee against the Pound Sterling.

Indian Energy Limited ("IEL")

Description	IEL is an independent power producer focused on renewable energy, with 41.3 MW installed capacity over two operating wind farms	
Promoter	IIP	
Date of investment	**21 September 2011**	**October 2011 – December 2012**
Investment amount	£10.6m (implied)	£0.9 million
Aggregate percentage interest	100.0 per cent	100.0 per cent
Investment during the period	Nil	
Valuation as at 30 September 2015	**£11.3 million**	
Project Debt Outstanding as at 30 Sep 2015 (Unaudited)	£9.6 million	

Key developments

- Overall production was lower due to El Nino weather patterns (resulting in lower southwest winds) and grid related issues at the Theni project
- Despite improvement of grid infrastructure in Tamil Nadu with installations of new transmission lines and two new substations, production at Theni was low due to curtailment
- Following a reduction in base rates by the Reserve Bank of India, interest rates on senior debt for Gadag and Theni reduced by 25 basis points to 11.65% and by 40 basis points to 11.55% respectively

Investment details

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

Project update

Total production from IEL's two projects in the first six months of the fiscal year was 46.5 million kWh against 57.5 million kWh in the same period last year. This was largely due to the impact of the extended El Nino weather patterns, which resulted in lower southwest winds, and to continued grid related issues at the Theni project.

Production at Theni suffered primarily on account of grid curtailment caused by frequency excursions and load balancing issues. However, the grid infrastructure has improved in Tamil Nadu recently with installations of a new 400 KV transmission line and two new 400 KV substations. Although grid curtailment eased during the latter part of the reporting period, there was no material increase in electricity exported to the grid as a result of the weaker wind regime.

Pursuant to a reduction in base rates by the Reserve Bank of India, interest rates on senior debt for Gadag and Theni reduced by 25 and 40 basis points respectively. IEL has retained its FITCH India Credit Ratings for Gadag (BBB) and Theni (BBB-) at Investment Grade.

Valuation

As at 30 September 2015, the IEL assets were valued in accordance with the Company's stated valuation methodology by applying a 2% risk premium above the risk-free rate of 7.54%, yielding a valuation of £11.3 million (£12.6 million 31 March 2015; £10.7 million 30 September 2014). The reduction in value is largely attributable to the devaluation of the Indian Rupee against the Sterling.

Shree Maheshwar Hydel Power Corporation Limited ("SMH")

Description	400MW hydropower project on the Narmada River near Maheshwar in Madhya Pradesh	
Promoter	Entegra Limited	
Date of investment	**June 2008**	**September 2011**
Investment amount	£13.2 million	£16.5 million
Direct percentage interest	20.5 per cent	17.7 per cent
Investment during the period	Nil	
Valuation as at 30 September 2015	**£8.6 million**	
Project Debt Outstanding as at 30 Sep 2015 (Unaudited)	£288.1 million	

Key developments

- The project's lenders have received a detailed proposal from an equity investor to fund the completion of the Maheshwar project, which included an offer to refinance the principal value of the outstanding debt
- The proposal is being evaluated by the lenders
- The National Green Tribunal ordered that inundation of the areas upstream of the dam for commencement of power production will be permitted only after the Rehabilitation and Resettlement of the affected villagers is completed

Investment details

SMH is constructing a 400MW hydropower project (ten turbines of 40MW each) situated on the Narmada River near Maheshwar, in the south-western region of Madhya Pradesh. The project is intended to produce peaking power and to supply drinking water to the city of Indore. Civil works are largely complete with 27 gates and three of the ten turbines installed. IIP is directly and indirectly interested in up to 35.4% of the project's equity – with 17.7% owned directly by IIP. There was no additional investment during the reporting period.

Current status of the project and financing update

During the reporting period, the promoter delivered a detailed proposal from an equity investor to the project's lenders, indicating the investor's willingness to provide completion financing for the Maheshwar project, subject to certain conditions, including restructuring of the existing debt. The proposal also offered to refinance the principal value of the outstanding debt within 18 months. Currently, the lenders are reviewing the proposal and there has been no firm indication of lender support for it. In the meantime, the lenders are exploring other options including a Government takeover of the project. However, at this time there does not appear to be any clarity on the specifics of how this option would be implemented.

On 28 October 2015, the National Green Tribunal ordered that the gates at the dam could only be lowered for power production after the Rehabilitation and Resettlement was completed.

Valuation

Several forecast assumptions were adjusted to account for the continuing uncertainty on the terms and timing of project completion. Given the uncertainty around the forecast, the higher risk premium of 8 per cent was retained. The resulting value for IIP's investment in SMH as at 30 September 2015, was £8.6 million (£10.5 million 31 March 2015; £12.8 million 30 September 2014), largely reflecting the impact of the devaluation of the Indian Rupee against Sterling. The parameters which are finally agreed to by the project's stakeholders for its revival and the timelines associated with their implementation will dictate whether the value of IIP's investment in SMH may improve or further erode.

Consolidated Statement of Comprehensive Income
for the period ended 30 September 2015

	Note	(Unaudited) 6 months ended 30 September 2015 £'000	(Unaudited) 6 months ended 30 September 2014 £'000	(Audited) Year ended 31 March 2015 £'000
Interest income on bank balances		1	1	18
Movement in fair value on investments at fair value through profit or loss	10	(40,191)	25,729	106,650
Foreign exchange (loss)/gain		(205)	1,068	2,316
Asset management and valuation services	8	(2,935)	(2,274)	(4,833)
Other administration fees and expenses	7	(479)	(671)	(1,201)
Operating (loss)/profit		(43,809)	23,853	102,950
Finance costs	14	(419)	(720)	(1,168)
(Loss)/profit before taxation		(44,228)	23,133	101,782
Taxation		-	-	-
(Loss)/profit for the period		(44,228)	23,133	101,782
Other comprehensive income		-	-	-
Total comprehensive (loss)/income		(44,228)	23,133	101,782
Basic and diluted (loss)/ earnings per share (pence)	9	(6.5)	5.4	18.6

The Directors consider that all results derive from continuing activities.

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

Consolidated Statement of Financial Position
as at 30 September 2015

	Note	(Unaudited) 6 months ended 30 September 2015	(Unaudited) 6 months ended 30 September 2014	(Audited) Year ended 31 March 2015
		£'000	£'000	£'000
Non-current assets				
Investments at fair value through profit or loss	10	331,577	271,499	368,638
Total non-current assets		331,577	271,499	368,638
Current assets				
Debtors and prepayments		37	125	41
Cash and cash equivalents		11,223	35,617	18,213
Total current assets		11,260	35,742	18,254
Total assets		342,837	307,241	386,892
Current liabilities				
Trade and other payables		(1,853)	(1,456)	(1,417)
Current loans and borrowings		(398)	(245)	(426)
Total current liabilities		(2,251)	(1,701)	(1,843)
Non-current liabilities				
Loans and borrowings	14	(11,237)	(10,612)	(11,472)
Total non-current liabilities		(11,237)	(10,612)	(11,472)
Total liabilities		(13,488)	(12,313)	(13,315)
Net assets		329,349	294,928	373,577
Equity				
Ordinary shares	11	6,803	6,803	6,803
Share premium	11	282,787	282,787	282,787
Retained earnings		39,759	5,338	83,987
Total equity		329,349	294,928	373,577

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

These financial statements were approved by the Board on 10 December 2015 and signed on their behalf by

Sonny Lulla Chief Executive	Tim Walker Director

Consolidated Statement of Changes in Equity
for the period ended 30 September 2015

	Share capital £'000	Share premium £'000	Retained profit £'000	Total £'000
Balance at 1 April 2014	3,427	226,711	(17,795)	212,343
Contributions by and distributions to owners				
Issued of ordinary shares	3,376	57,393	-	60,769
Share issue costs	-	(1,317)	-	(1,317)
Total contributions by and distributions to owners of the Company	**3,376**	**56,076**	**-**	**59,452**
Total comprehensive income for the period				
Profit for the period	-	-	23,133	23,133
Total comprehensive income for the period	**-**	**-**	**23,133**	**23,133**
Balance at 30 September 2014	**6,803**	**282,787**	**5,338**	**294,928**
Balance at 1 April 2014	3,427	226,711	(17,795)	212,343
Contributions by and distributions to owners				
Issued of ordinary shares	3,376	57,393	-	60,769
Share issue costs	-	(1,317)	-	(1,317)
Total contributions by and distributions to owners of the Company	**3,376**	**56,076**	**-**	**59,452**
Total comprehensive income for the period				
Profit for the period	-	-	101,782	101,782
Total comprehensive income for the period	**-**	**-**	**101,782**	**101,782**
Balance at 31 March 2015	**6,803**	**282,787**	**83,987**	**373,577**
Balance at 1 April 2015	**6,803**	**282,787**	**83,987**	**373,577**
Total comprehensive income for the period				
Profit for the period	-	-	(44,228)	(44,228)
Total comprehensive income for the period				
Balance at 30 September 2015	**6,803**	**282,787**	**39,759**	**329,349**

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

Consolidated Statement of Cash Flows
for the period ended 30 September 2015

	Note	(Unaudited) 6 months ended 30 Sep 2015 £'000	(Unaudited) 6 months ended 30 Sep 2014 £'000	(Audited) Year ended 31 Mar 2015 £'000
Cash flows from operating activities				
Profit/(loss) for the period		(44,228)	23,133	101,782
Adjustments:				
Interest income on bank balances		-	(1)	(18)
Finance costs		419	720	1,168
Movement in fair value on investments at fair value through profit or loss	10	40,191	(25,729)	(106,650)
Foreign exchange gain		205	(1,067)	(2,316)
		(3,413)	(2,944)	(6,034)
(Decrease)/increase in creditors and accruals		3	(111)	(27)
Decrease/(increase) in debtors and prepayments		437	113	75
Net cash utilised by operating activities		**(2,973)**	**(2,942)**	**(5,986)**
Cash flows from investing activities				
Purchase of investments	10	(3,130)	(24,414)	(40,632)
Interest received		-	1	18
Cash utilised by investing activities		**(3,130)**	**(24,413)**	**(40,614)**
Cash flows from financing activities				
Proceeds from issue of shares (less share issue costs)		-	59,452	59,452
Loans received		9,591	9,591	9,591
Loans repaid		(9,591)	(9,591)	(9,591)
Loan interest repaid		(988)	(653)	(988)
Net cash generated from financing activities		**(988)**	**58,799**	**58,464**
Increase/(decrease) in cash and cash equivalents		**(7,091)**	**31,444**	**11,864**
Cash and cash equivalents at the beginning of the period		18,213	2,762	2,762
Effect of exchange rate fluctuations on cash held		101	1,411	3,587
Cash and cash equivalents at the end of the period		**11,223**	**35,617**	**18,213**

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

Selected notes to the interim consolidated financial statements
for the six months ended 30 September 2015

1. General information

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

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

The Company has no employees.

2. Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2015.

These interim consolidated financial statements were approved by the Board of Directors on 10 December 2015.

3. 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 period 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 the Company is not permitted to consolidate its controlled portfolio entities. The consolidated financial statements incorporate the financial statements of the Company and the financial statements of the intermediate investment holding companies. Control is achieved where the Company has the power to govern the financial and operating policies of an entity company so as to obtain benefits from its activities.

The Directors consider the Company to be an investment entity as defined by IFRS 10 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.

4. Significant accounting policies

The accounting policies applied by the Group in these interim consolidated financial statements, including the change in accounting policy as described in note 3, are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2015.

5. Critical accounting estimates and assumptions

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

Actual results may differ from these estimates. In preparing these interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2015.

During the six months ended 30 September 2015 management reassessed its estimates in respect of:

(a) Estimate of fair value of unquoted investments

The Group holds partial ownership interests in unquoted Indian infrastructure companies or groups of companies. The Directors' valuations of these investments, as shown in note 10, are based on a discounted cash flow methodology, prepared by the Company's Valuation and Portfolio Services Adviser.

(b) Estimate of fair value of subsidiaries

As described in note 4, the Company's investments in subsidiaries have been fair valued in the Company Statement of Financial Position. Their valuation is arrived at by applying the unquoted investment valuation referred to above to their respective net assets.

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

6. Financial risk management policies

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 March 2015.

7. Other administration fees and expenses

	6 months ended 30 September 2015 £'000	6 months ended 30 September 2014 £'000	Year ended 31 March 2015 £'000
Audit fees	48	48	69
Legal fees	27	36	39
Loan arrangement fee	-	96	96
Corporate advisory fees	69	139	197
Consultancy fees	32	46	130
Other professional costs	68	26	49
Administration fees	71	73	158
Directors' fees	110	115	230
Insurance costs	3	6	12
Other costs	51	86	221
	479	671	1,201

8. Investment management, advisory and valuation fees and performance fees

Franklin Park Management, LLC (the "Asset Manager" or "FPM") is the exclusive provider of asset management and related services and is paid an annual management fee of 2% of the value of the Group's assets from time to time. Other service providers may be sub-contracted to the Asset Manager as needed.

Fees for the period ended 30 September 2015 were £2,935,014 (30 September 2014: £2,273,561). There were no performance fees paid during the period (30 September 2014: nil).

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

The basic and diluted loss per share is calculated by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares outstanding during the period.

There are no dilutive potential ordinary shares and therefore diluted loss per share is the same as basic loss per share.

	Group 30 September 2015	Group 30 September 2014	Group 31 March 2015
(Loss)/earnings (£ thousands)	(44,228)	23,133	101,782
Weighted average number of shares (thousands)	680,267	427,523	547,074
Basic and diluted (loss)/earnings per share (pence)	(6.5)	5.4	18.6

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

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

	SMHPCL £'000	WMPITRL £'000	IHDC £'000	DLI £'000	IEL £'000	Total £'000
Balance at 1 April 2014	13,091	21,267	20,161	155,562	11,275	221,356
Additional capital injection	-	-	-	40,632	-	40,632
Fair value adjustment	(3,611)	4,138	2,938	101,903	1,282	106,650
Balance as at 31 March 2015	9,480	25,405	23,099	298,097	12,557	368,638
Additional capital injection	-	-	-	3,130	-	3,130
Fair value adjustment	(861)	(384)	1,645	(39,341)	(1,250)	(40,191)
Balance as at 30 September 2015	8,619	25,021	24,744	261,886	11,307	331,577

(i) Shree Maheshwar Hydel Power Corporation Ltd ("SMHPCL")
(ii) Western MP Infrastructure and Toll Road Pvt Ltd ("WMPITRL")
(iii) Distribution & Logistics Infrastructure (DLI)
(iv) India Hydropower Development Company LLC ("IHDC")
(v) Indian Energy Limited ("IEL")

All investments have been fair valued by the Directors as at 30 September 2015 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 2% for WMPITRL, 8% for SMHPCL, 3.2% for IHDC, 7% for DLI and 2% for IEL.

As at 30 September 2015, 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.

11. Share capital and share premium

	No. of shares Ordinary shares of £0.01 each	Share capital £'000	Share premium £'000
Balance at 1 April 2015	680,267,041	6,803	282,787
Issued during the period	-	-	-
Balance at 30 September 2015	680,267,041	6,803	282,787

Company has authorised share capital of 680,267,041 ordinary shares of £0.01 each.

12. Net asset value per share

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

	Group 30 September 2015	Group 30 September 2014	Group 31 March 2015
Net assets (£'000)	329,348	294,928	373,577
Number of shares in issue	680,267,041	680,267,041	680,267,041
NAV per share	£0.48	£0.43	£0.55

13. Group entities

Since incorporation, for efficient portfolio management purposes, the Company has established or acquired the following subsidiary companies split by companies that are consolidated and companies that are held at fair value through profit or loss in line with the revised accounting standard IFRS 10 (see note 3):

Consolidated subsidiaries	**Country of incorporation**	**Ownership interest**
Infrastructure India HoldCo	Mauritius	100%
Power Infrastructure India	Mauritius	100%
Roads Infrastructure India	Mauritius	100%
Power Infrastructure India (Two)	Mauritius	100%
Distribution and Logistics Infrastructure India	Mauritius	100%
Non-consolidated subsidiaries held at fair value through profit or loss		
Distribution & Logistics Infrastructure sub group		
Distribution & Logistics Infrastructure limited	India	99.9%
Freightstar Private Limited	India	99.9%
Indian Energy Limited sub group (IEL):		
Indian Energy Limited	Guernsey	100%
Indian Energy Mauritius	Mauritius	100%
Belgaum Wind Farms Pvt	India	100%
iEnergy Wind Farms (Theni) Pvt	India	73.9%
iEnergy Renewables Pvt	India	100%

14. Loans and borrowings

On 8 April 2014, the Company entered into a working capital loan facility agreement with GGIC Ltd (formerly Guggenheim Global Infrastructure Company Limited) ("GGIC") for up to US$17 million.

Under the Facility the Company may request one or more loans in a number of advances of no less than US$4 million each. The proceeds of the Loans may be utilised to fund the costs and expenses associated with the management of IIP and its non-Indian subsidiaries, and to pay the interest and other expenses associated with the Facility. The Loans are available to the Company until 10 April 2016.

The Loans are repayable on 10 April 2017 and attract an interest rate of 7.5% per annum, payable semi-annually during the Facility period.

As at 30 September 2015 the Company had fully drawn down the loan facility and had accrued interest payable of US$ 602,000.

15. Related party transactions

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 8.

16. Subsequent events

As announced on 12 October 2015, Vikram Viswanath resigned from his position as a non-executive director of the Company. However Mr. Viswanath remains an advisor to the Board of Directors of IIP and to the Company's investee company, DLI.

There were no other significant subsequent events.