Infrastructure India plc

Interim results

for the six months ended 30 September 2017

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JOINT STATEMENT FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE

We are pleased to report Infrastructure India plc's ("IIP, the "Company" and together with its subsidiaries the "IIP Group") unaudited interim results for the six-month period ended 30 September 2017.

Net Asset Value decreased to £237.8 million (£0.35 per share) when compared to 31 March 2017 (£282.0 million, £0.41 per share) and 30 September 2016 (£325.6 million, £0.48 per share), principally as a result of funding constraints at Distribution Logistics Infrastructure Limited ("DLI") and therefore revisions to completion schedules. In addition, the Indian Rupee weakened against Sterling during the period.

During the first half of the year, DLI maintained good market share in Nagpur and is seeing increasing demand in the bulk cargo segment. Funding constraints have overshadowed progress this period and with the inability to bring additional terminals on line, DLI has focussed on streamlining and improving its existing operations. IIP's wind and small hydro performed well during the period. For the large hydro, Shree Maheshwar Hydel Power Corporation Limited ("SMH"), litigation between the promoter and lenders will need to play out before the next steps are determined.

In November 2017, the Indian Government granted infrastructure status to the logistics sector in a move to attract more investment and to enable the industry to access cheaper finance. The Finance Ministry has said the development of logistics would serve to boost both domestic and export markets and it expects the Indian logistics sector to grow to a US$360 billion market by 2032 from the current US$115 billion. The revised status includes multimodal logistics parks, cold chains and warehousing. The reclassification and government support are positive developments for the sector. On a broader macro front, the Indian market has largely recovered from the impact of demonetisation in November 2016 and the implementation of the Goods and Service Tax in July 2017 which, whilst causing transitional disruption, is expected to be beneficial to economic growth over the long term.

Financial performance

As at 30 September 2017, the value of the IIP Group's investments in its subsidiaries was £261.5 million (£296.0 million 31 March 2017; £330.7 million 30 September 2016). The Indian Rupee weakened at the end of the period with a GBP: INR rate of 87.44 as at 30 September 2017 against 80.82 in March 2017 and 86.66 in September 2016. The risk-free rate, based on the Indian 10-year bond, decreased marginally to 6.66% as at 30 September 2017 from 6.68% on 31 March 2017 and 6.82% on 30 September 2016.

Total investment during the first six months of the fiscal year was £5.6 million, which was advanced to DLI primarily to fund interest payments and operating expenditures.

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. During the first six months of the fiscal year, DLI focused on improving profitability in its existing rail operations, which had a positive impact on gross margins. The terminal at Nagpur has maintained good market share despite strong competition from other operators and DLI plans to increase its focus on its Private Freight Terminal for bulk cargo in response to increasing demand.

The primary challenge for DLI has been funding constraints. As a result, very little construction progress was achieved during the period. The terminals at Palwal (National Capital Region) and Anekal (Bangalore) remain close to completion but are unable to commence material operations without further investment.

Energy

India Hydropower Development Company's ("IHDC") overall production was significantly higher than the same period last year due to higher reservoir releases in Maharashtra and increased generation at Birsinghpur. Production at IHDC's projects in Himachal Pradesh was also higher than historical average. Construction at Raura is progressing and installation of the hydro mechanical equipment is expected early in 2018.

Overall production at Indian Energy Limited ("IEL") was higher than the same period last year due to better monsoon winds. Grid availability at Theni remained stable at 95% during the period and IEL has entered a favourable PPA with a new commercial customer at Theni.

For SMH, the lack of information and clarity is an on-going issue. In June, the National Company Law Tribunal questioned the validity of Power Finance Corporations invocation of a pledge of promoter shares. PFC challenged the verdict and litigation between the promoter and lenders continues to dominate the project. IIP is engaging with all interested parties.

Company liquidity and financing

As at 30 September 2017, the IIP Group had cash available of £1.9 million.

During the period, the Company extended the maturity and enlarged the size of the fully drawn US$17 million working capital loan facility from GGIC (the "Working Capital Loan"). As a result, a further US$4.5 million was made available to the Company on 19 September 2017. The fully drawn down Working Capital Loan, now totalling US$21.5 million, is repayable, together with the associated interest payment, on 15 July 2018.

In addition, on 30 June 2017, IIP entered into a US$8 million unsecured bridging loan facility (the "Bridging Loan") with Cedar Valley Financial, an affiliate of GGIC. On 27 November 2017, this facility was enlarged to US$18 million in aggregate, with an additional US$10 million drawn down by the Company in November 2017. The fully drawn down Bridging Loan is repayable on the earlier of (i) fifteen days after the completion of the potential financing currently under negotiations or (ii) 29 June 2018.

IIP is in advanced negotiations with a third party in relation to a potential financing. The new funding would enable the Company to repay the Working Capital Loan and the Bridging Loan as well as provide additional working capital and construction capital to DLI and provide for the Group's general working capital needs. Whilst negotiations have taken longer than had been anticipated, these discussions continue to progress.

We look forward to updating shareholders on the continued progress at DLI as well as developments at the Company's other businesses in the periods to come.

Tom Tribone & Sonny Lulla
13 December 2017

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- Mar 17**
Investment amount	£34.8m (implied)	£58.4m (implied)	£112.1 million
Aggregate percentage interest	37.4%	99.9%	99.9%
Investment during the period	£5.6 million		
Valuation as at 30 Sep 7	**£218.3 million**		
Project debt outstanding as at 31 March 2017	£80.8 million		
Key developments	• Delays in funding have impacted the completion schedule of the Bangalore, Palwal and Chennai terminals.		

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

Implementation of the Goods and Services Tax ("GST") in July 2017 has created some liquidity constraints for small and medium businesses as the market transitions to the new regulations. Lower economic activity during the period was reflected by largely flat volume growth for containerised cargo, which was evident in reports from quoted logistic companies.

Delays in funding have affected the completion of works at all terminals. In September 2017, DLI received a Letter of Intent from the Directorate of Urban Local Bodies, approving the Change of Land Use (CLU) for the remaining acreage at ILP Palwal. Also during the period, DLI took steps to improve profitability in the operations of its rail division and this has resulted in positive monthly gross margins.

Valuation

The NPV of future IIP cash flows for DLI as at 30 September 2017 is £218.3 million (£246.4 million 31 March 2017, £275.1 million 30 September 2016). The bulk of the impact relates to changes in business assumptions that account for completion delays, lower realizations, and changes in revenue mix. The positive impact of period roll-over has been offset by depreciation of the Indian Rupee against Sterling.

India Hydropower Development Company LLC ("IHDC")

Description	IHDC develops, owns and operates small hydropower projects with six fully operational plants (62 MW of installed capacity), and a further 30 MW of capacity under development or construction.		
Promoter	Dodson-Lindblom International Inc. ("DLZ")		
Date of investment	**Mar 2011**	**Jan 2012**	**May 2012**
Investment amount	£25.7 million	£0.3 million	£1.1 million
Aggregate % interest	50%	50%	50%
Investment during the period	Nil		
Valuation as at 30 Sep 2017	**£24.8 million**		
Project debt outstanding as at 30 September 2017	£10.9 million		

Key developments

- Overall generation from all of IHDC's projects was 101.6 GWh in the first half of the fiscal year versus 72 GWh during the same period last year.
- The significant increase in production is primarily attributed to higher water release at the Maharashtra Projects and increased generation at Birsinghpur.
- The plans to construct a new project adjacent to BH-I in Maharashtra have been shelved.
- Raura project construction is progressing and COD is expected by mid-2018.

Investment details

The IHDC portfolio has 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 25 MW of capacity under development and construction with planned capacity at three sites having been revised upwards.

Project update

Overall generation from all of IHDC's projects was 101.6 GWh in the first six months of the fiscal year versus 72 GWh during the same period last year. The significant increase in production is attributed to higher water release at the Maharashtra Projects and increased generation at Birsinghpur. IHDC's projects in Himachal Pradesh have also produced higher than historical average levels.

In March 2017, following discussions with Government authorities, IHDC initiated development activities for the Bhandardara-1A Project (4.9MW), to be located adjacent to IHDC's existing Bhandardara 1 Project. However, due to uncertainty around the project's water resource, further development activities for BH-I(A) have been shelved.

Excessive silt accumulation from the construction of an upstream project continues to affect production at Panwi. IHDC is negotiating with an upstream project developer for an equitable solution.

Construction work at Raura continues to progress. Construction of the tunnel, trench weir and forebay are complete. Work at the underground powerhouse is in the final stages of completion. Equipment installation is expected to commence in early 2018 and IHDC expects the project to be commissioned in mid-2018.

Valuation

The IHDC portfolio was valued in accordance with the Company's stated valuation methodology, by using a composite risk premium of 3.4% over the risk-free rate of 6.7%. 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. The value for the IHDC investment as at 30 September 2017 is £24.8 million (£29 million 31 March 2017; £28.6 million 30 September 2016).

Indian Energy Limited (“IEL”)

Description	An independent power producer focused on renewable energy, with 41.3 MW installed capacity over two operating wind farms.	
Promoter	IIP	
Date of investment	**Sep 2011**	**Oct 2011 – Dec 2012**
Investment amount	£10.6 million	£0.9 million
Aggregate % interest	100%	100%
Investment during the period	Nil	
Valuation as at 30 Sep 2017	**£9.9 million**	
Project debt outstanding as at 30 September 2017	£10.0 million	

Key developments

- Overall generation from IEL’s two projects was 58.1 GWh in the first half against 55.6 GWh during the same period last year.
- Better monsoon winds and stable grid availability at the Theni project contributed to the increased production.
- IEL continues to sign high-quality creditworthy off-takers at Theni.

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 in the states of Karnataka and Tamil Nadu.

Project update

The overall generation from IEL’s two projects was 58.1 GWh in the first six months of the fiscal year against 55.6 GWh during the same period last year.

The higher generation was a result of better monsoon winds and improved grid availability of 95% at Theni during the period (compared to 92% for the same period last year).

IEL continues to add high quality customers under its group captive structure at Theni.

Valuation

The IEL assets were valued in accordance with the Company’s stated valuation methodology by applying a 2.0% risk premium above the risk-free rate of 6.7%, yielding a valuation of £9.9 million as at 30 September 2017 (£10.6 million as at 31 March 2017; £15.6 million 30 September 2016).

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	**Jun 2008**	**Sep 2011**
Investment amount	£13.2 million	£16.5 million
Direct and indirect % interest	20.5%	31.2%
Investment during the period	Nil	
Valuation as at 30 Sep 2017	**£8.4 million**	
Project Debt Outstanding as at 30 September 2017	£320 million	

Key developments

- The lenders have not provided a sustainable plan for completion of the project nor financial projections.
- In June, the National Company Law Tribunal rejected certain claims by the lenders following which the lenders appealed to an appellate tribunal.
- Litigation between the promoter and the lenders continues with hearings being scheduled.

Investment details

SMH is constructing a 400MW hydropower project (ten turbines of 40MW each) situated on the Narmada River near Maheshwar, in the southwestern 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.

Current status of the project and financing update

Power Finance Corporation ("PFC"), the lead lender, had instituted proceedings at the National Company Law Tribunal ("NCLT") in relation to SMH. In June 2017, the NCLT dismissed PFC's claim and also questioned the validity of the invocation of a pledge of promoter shares. PFC has challenged the verdict at the National Company Law Appellate Tribunal ("NCLAT"), where hearings are in progress. Although IIP remains engaged with all parties, the litigation between the promoter and the lenders will need to play out in order to determine an appropriate course of action.

Valuation

Forecast assumptions were again adjusted to account for the continuing uncertainty on the terms and timing of project completion and the higher risk premium of 8.0% was retained. The value of IIP's investment in SMH as at 30 September 2017 was £8.4 million (£10.0 million 31 March 2017; £11.4 million 30 September 2016). The value of IIP's stake in the project remains largely dictated by the actions and timelines associated in reaching a viable plan to complete the project.

Consolidated Statement of Comprehensive Income
for the period ended 30 September 2017

	Note	(Unaudited) 6 months ended 30 September 2017 £'000	(Unaudited) 6 months ended 30 September 2016 £'000	(Audited) Year ended 31 March 2017 £'000
Interest income on bank balances		-	2	2
Movement in fair value on investments at fair value through profit or loss	10	(40,060)	2,974	(36,764)
Foreign exchange gain/(loss)		15	(1,119)	(1,589)
Gain on disposal of investments	10	-	1,845	2,154
Asset management and valuation services	8	(2,760)	(2,847)	(5,612)
Other administration fees and expenses	7	(764)	(595)	(1,019)
Operating loss		(43,569)	260	(42,831)
Finance costs	14	(602)	(477)	(1,028)
Loss before taxation		(44,171)	(217)	(43,859)
Taxation		-	-	-
Loss for the period		(44,171)	(217)	(43,859)
Other comprehensive income		-	-	
Total comprehensive loss		(44,171)	(217)	(43,859)
Basic and diluted loss per share (pence)	9	(6.49) p	(0.0) p	(6.4) p

The Directors consider that all results derive from continuing activities.

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

Consolidated Statement of Financial Position
as at 30 September 2017

	Note	(Unaudited) 6 months ended 30 September 2017	(Unaudited) 6 months ended 30 September 2016	(Audited) Year ended 31 March 2017
		£'000	£'000	£'000
Non-current assets				
Investments at fair value through profit or loss	10	261,501	330,744	295,991
Total non-current assets		261,501	330,744	295,991
Current assets				
Debtors and prepayments		64	103	28
Cash and cash equivalents		1,887	9,926	1,522
Total current assets		1,951	10,029	1,550
Total assets		263,452	340,773	297,541
Non-current liabilities				
Loans and borrowings	14	-	(13,098)	-
Total non-current liabilities		-	(13,098)	-
Current liabilities				
Trade and other payables		(1,539)	(1,590)	(1,529)
Current loans and borrowings		(24,105)	(464)	(14,033)
Total current liabilities		(25,644)	(2,054)	(15,562)
Total liabilities		(25,644)	(15,152)	(15,562)
Net assets		237,808	325,621	281,979
Equity				
Ordinary shares	11	6,803	6,803	6,803
Share premium	11	282,787	282,787	282,787
Retained earnings		(51,782)	36,031	(7,611)
Total equity		237,808	325,621	281,979

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

These financial statements were approved by the Board on 13 December 2017 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 2017

	Share capital £'000	Share premium £'000	Retained profit £'000	Total £'000
Balance at 1 April 2016	6,803	282,787	36,248	325,838
Total comprehensive income for the period				
Loss for the period	-	-	(217)	(217)
Total comprehensive income for the period	**-**	**-**	**(217)**	**(217)**
Balance at 30 September 2016	**6,803**	**282,787**	**36,031**	**325,621**
Balance at 1 April 2016	6,803	282,787	36,248	325,838
Total comprehensive income for the period				
Loss for the period	-	-	(43,859)	(43,859)
Total comprehensive income for the period	**-**	**-**		
Balance at 31 March 2017	**6,803**	**282,787**	**(7,611)**	**281,979**
Balance at 1 April 2017	6,803	282,787	(7,611)	281,979
Total comprehensive income for the period				
Loss for the period	-	-	(44,171)	(44,171)
Total comprehensive income for the period	**-**	**-**		
Balance at 30 September 2017	**6,803**	**282,787**	**(51,782)**	**237,808**

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

Consolidated Statement of Cash Flows
for the period ended 30 September 2017

	Note	(Unaudited) 6 months ended 30 Sep 2017	(Unaudited) 6 months ended 30 Sep 2016	(Audited) Year ended 31 Mar 2017
		£'000	£'000	£'000
Cash flows from operating activities				
Loss for the period		(44,171)	(218)	(43,859)
Adjustments:				
Interest income on bank balances		-	(2)	(2)
Finance costs		602	477	1,028
Movement in fair value on investments at fair value through profit or loss	10	40,060	(2,974)	36,764
Accrued share expense		-	-	18
Foreign exchange loss		-	1,119	1,589
Gain on disposal of investments		-	-	(2,151)
		(3,509)	(3,443)	(6,613)
Increase/(decrease) in creditors and accruals		8	(32)	(143)
(Increase)/decrease in debtors and prepayments		(36)	(64)	43
Net cash utilised by operating activities		**(3,537)**	**(3,539)**	**(6,713)**
Cash flows from investing activities				
Funding of investment companies	10	(5,570)	(13,627)	(18,612)
Net disposal proceeds on sale of investment	10	-	22,220	22,526
Interest received		-	2	2
Cash utilised by investing activities		**(5,570)**	**8,595**	**3,916**
Cash flows from financing activities				
Loans received		9,472	-	-
Loans repaid		-	-	-
Loan interest repaid		-	(449)	(964)
Net cash generated from financing activities		**9,472**	**(449)**	**(964)**
Increase/(decrease) in cash and cash equivalents		**365**	**4,607**	**(3,761)**
Cash and cash equivalents at the beginning of the period		1,522	5,162	5,162
Effect of exchange rate fluctuations on cash held		-	157	121
Cash and cash equivalents at the end of the period		**1,887**	**9,926**	**1,522**

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 2017

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 2017.

These interim consolidated financial statements were approved by the Board of Directors on 13 December 2017.

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 2017.

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 2017.

During the six months ended 30 September 2017 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 2017.

7. Other administration fees and expenses

	6 months ended 30 September 2017	**6 months ended 30 September 2016**	**Year ended 31 March 2017**
	£'000	**£'000**	**£'000**
Audit fees	35	51	77
Legal fees	242	191	87
Corporate advisory fees	115	82	136
Consultancy fees	74	15	200
Other professional costs	7	6	6
Administration fees	74	86	151
Directors' fees	90	90	180
Insurance costs	9	5	9
Other costs	118	69	173
	764	**595**	**1,175**

8. Investment management, advisory and valuation fees and performance 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 are unchanged from those of the prior agreement between the parties.

Under the New Management Agreement, the Asset Manager is entitled to a fixed annual management fee of £5,520,000 per annum (the "Annual Management Fee"), payable quarterly in arrears. In addition to the Annual Management Fee, the Asset Manager 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 (see note 11).

Under the prior agreement, the Asset Manager was entitled to an annual management fee of 2% of the value of the Group's assets less adjustment for increase in assets purchased from the proceeds of the placing completed by the Company in 2014. Fees for the year ended 31 March 2016 under the previous agreement were £5,910,000.

Fees for the period ended 30 September 2017 were £2,760,000 (30 September 2016: £2,847,382). There were no performance fees paid during the period (30 September 2016: nil).

9. Basic and diluted loss 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 2017	**Group 30 September 2016**	**Group 31 March 2017**
Loss for the period (£ thousands)	(44,171)	(217)	(43,859)
Weighted average number of shares (thousands)	680,267	680,267	680,267
Basic and diluted loss per share (pence)	(6.49) p	(0.0) p	(6.4) p

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 2016	9,394	20,375	26,009	266,221	12,519	334,518
Additional capital injection	-	-	-	18,612	-	18,612
Disposal	-	(20,375)	-	-	-	(20,375)
Fair value adjustment	595	-	2,990	(38,390)	(1,959)	(36,764)
Balance as at 31 March 2017	9,989	-	28,999	246,443	10,560	295,991
Additional capital injection	-	-	-	5,570	-	5,570
Fair value adjustment	(1,568)	-	(4,182)	(33,634)	(676)	(40,060)
Balance as at 30 September 2017	8,421	-	24,817	218,379	9,884	261,501

(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 2017 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 8% for SMHPCL, 3.4% for IHDC, 7% for DLI and 2% for IEL.

All investments particularly those in construction phase are inherently difficult to value due to the individual nature of each investment and as a result, valuations may be subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date.

As at 30 September 2017, the Company had pledged 47.8% 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 2017	680,267,041	6,803	282,787
Issued during the period	-	-	-
Balance at 30 September 2017	680,267,041	6,803	282,787

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

As detailed in note 8, 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. As at 30 September 2017, the accrued shares were 756,730 and of which 605,716 are pending issuance.

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 2017	Group 30 September 2016	Group 31 March 2017
Net assets (£'000)	237,808	325,621	281,997
Number of shares in issue	680,267,041	680,267,041	680,267,041
NAV per share	£0.35	£0.48	£0.41

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%
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 (formerly VLMS):

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%

14. Loans and borrowings

On 8 April 2013, 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. 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. The Company's ultimate controlling party during the year was GGIC and affiliated parties.

As at 30 September 2017 the Company had fully drawn down the loan facility. During the period, the Company has extended the maturity of, and enlarged the size of, the fully drawn US$17 million working capital loan facility from GGIC. As a result, a further US$4.5 million was made available to, and drawn down by, the Company on 19 September 2017 and the fully drawn down working capital loan, now totalling US$21.5 million, is repayable, together with the associated interest payment, on 31 December 2017.

In addition, and on 30 June 2017, IIP entered into an US$8 million unsecured bridging loan facility with Cedar Valley Financial ("Cedar Valley"), an affiliate of GGIC. Following a recent extension, the bridging loan matures on the earlier of: (i) on demand by Cedar Valley Financial; and (ii) 31 December 2017.

As announced by the Company on 19 September 2017, the Company is in advanced and exclusive negotiations with a third party provider of finance in relation to a potential financing. The new funding would enable the Company to repay the working capital loan and the Bridging Loan as well as provide additional working capital and construction capital to DLI and provide for the Group's general working capital needs.

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

Extensions of Bridging Loan

As announced on 27 November 2017, the Company has agreed a further extension of, and increase in, the US$8.0 million unsecured bridging loan facility (the "Bridging Loan") provided to the Company in June 2017 by Cedar Valley. The Bridging loan has been extended from on the earlier of: (i) on demand by Cedar Valley; and (ii) 31 December 2017 to the earlier of (i) fifteen days after the completion of the potential financing currently under negotiations; and (ii) 29 June 2018.

A further US$10.0 million has been made available to the Company under the Bridging Loan and the full US$10.0 million has been immediately drawn down by the Company and the Bridging Loan, now totalling US$18.0 million, is fully drawn down. The Company has paid Cedar Valley a fee of 1.0% of the Additional Funds in connection with the Bridging Loan Extension and the interest rate on the Bridging Loan has increased from 8.0% per annum to 12.0% per annum.

Extensions of Working Capital Loan

On 27 November 2017, the Company also announced that it had agreed an extension of the Working Capital Loan such that the maturity of the Working Capital Loan has been extended from 31 December 2017 to 15 July 2018 (the "Working Capital Loan Extension"). The Working Capital Loan, which carries an interest rate of 7.5% per annum (payable in cash on maturity), is fully drawn down and will now mature on 15 July 2018.

There are no arrangement or commitment fees payable by the Company in relation to the Working Capital Loan Extension.

There were no significant subsequent events.

17. 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.