INFRASTRUCTURE INDIA PLC

REPORT & ACCOUNTS | 2010

For the year ended 31 March 2010

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CHAIRMAN'S STATEMENT

Rupert Cottrell

I am pleased to report Infrastructure India's results for the year ended 31 March 2010.

Since Infrastructure India plc was admitted to the Official List in June 2008 (the 'IPO'), it has made two investments totalling £25.4 million.

IIP's projects have developed well throughout the year and the Company remains confident that Indian infrastructure offers stable and long term growth.

OPERATIONAL REVIEW

Both of Infrastructure India's investments are continuing to make pleasing progress.

The Company has a 6.23% investment (post all dilution effects) in Shree Maheshwar Hydel Power Corporation Limited ("SMHPCL"). SMHPCL was specifically established to own and develop a 400MW run-of-the-river hydroelectric project situated on the Narmada River in Madhya Pradesh, Central India. The first of ten 40MW turbines has now been delivered to site and testing and installation is in progress. The project is expected to commence operations during the fourth quarter of 2010.

The Company's second investment, a 26% shareholding in a toll road in Madhya Pradesh - Western MP Infrastructure & Toll Roads Private Limited ("WMPITRL") - has made particularly good progress over the period. The project comprises the development of a 125 km stretch of four lane highway to reduce high levels of congestion experienced on the route previously and to provide further scope for traffic growth. The project is now effectively finished except for continuing work on two bridges crossing a busy railway. While tolling operations were originally anticipated to commence around April 2010, partial tolling on the first half of the road actually began several months ahead of schedule. Further, as soon as the remaining work on the bridges is completed, the second half of the road will also begin tolling - this is currently scheduled for towards the end of September 2010, although exact timing will depend on the relevant Indian railway authority granting sufficient access to the site contractors. Upon completion of the 25 year concession period, WMPITRL will hand over the project highway to the Concession Authority of India.

There have been a number of variations to the project specification, details of which are given in the Asset Adviser Review below.

FINANCIAL RESULTS

We have valued the two investments at a total of £39.6 million compared with £32.0 million at the previous year end. This represents a revaluation gain of £14.2 million over the acquisition cost, and this uplift is the primary contributor to the Company's reported profit in both years since the IPO.

The Company has however incurred significant costs related to the attempts to create a new strategic corporate alliance and potential investment announced on 29 October 2009, the proposed acquisition of Bloomsbury Asset Management Advisors ("BAMA") and other corporate activity, including the EGM in April 2010 and referred to below. The Directors have made cost reduction and cash conservation a primary focus, and the level of professional costs experienced in the past year is not indicative of the long term cost base.

We are reporting a profit of £4,683,000 for the year (period ended 31 March 2009: profit of £3,183,000). This equates to a profit per share of 12.76p (2009: 8.67p).

As recently announced, the net asset value ("NAV") per ordinary share at 31 March 2010 was £1.09 (at 31 March 2009: £0.97).

INVESTMENT PIPELINE

Following the resignation of certain individuals from BAMA, the Company appointed Akur Partners LLP as Asset Adviser to assist IIP with the management of its assets.

An Extraordinary General Meeting was held on 6 April 2010 ('the EGM'), following a requisition received from Nortrust Nominees Limited, acting on behalf of Advance UK Trust plc. A resolution was proposed to remove three of the four directors of the Company, namely Rupert Cottrell, Prodaman Sarwal and Timothy Walker, to be replaced by the appointment of John Bourbon and Geoffrey Miller (the "Resolutions"). Shareholders representing 85.7% of the total votes cast and 69.4% of the issued share capital of the Company supported the Board and voted against the Resolutions. The Board is appreciative of the support it has received from the Company's shareholders and the endorsement of its strategy. The Board remains committed to delivering value and seeking high returns for its shareholders and will continue to consult with them regularly as it takes the Company forward.

In particular, the Board intends to keep its focus on its two existing investments and on the achievement of practical completion of both projects.

SHARE LISTING

When the Company commenced operations in 2008, it was admitted to the Official List of the London Stock Exchange, in the anticipation of raising a greater amount of share capital than was actually the case. In view of the relatively small size of the asset base, the Company will shortly initiate a move to AIM, until it can achieve an increase in size, when it will seek to return to the Official List.

PLACING

The Company announced on 27 July 2010 a placing of 3,089,158 new ordinary shares at a price of 44p per share to raise approximately £1.36 million, before expenses. The placing will be subject to shareholder approval at an extraordinary general meeting of the Company to be held on 12 August 2010. The requirement to make additional contributions to the toll road in addition to the initial investment itself, together with the general working capital needs of the Company, has led the Board at this time to consider the need to seek this limited amount of additional capital by way of the placing. Having listened to the opinions of many shareholders at the time of the EGM earlier this year, it was clear that the strong sense of shareholders representing a majority of the overall shareholding in the Company was for the Company to maintain the level of its holdings in the two existing investments and to reduce operating costs. The Directors believe that maintaining such holdings to at least completion of the projects should allow shareholders to benefit from the anticipated potential uplift in valuation typically associated with operational assets rather than those in the construction phase.

OUTLOOK

Market conditions have remained difficult over the past twelve months. Nonetheless, India's economy has continued to fare better than most and there remains, in our opinion, a strong investment case for Indian infrastructure. In addition, both of the assets have continued to perform well and we believe that Infrastructure India remains in a solid position.

Finally, I would like to convey my thanks to the board and the Company's advisors for their continued work during the past year and in particular to the Company's shareholders for their continued support.

Rupert Cottrell
Chairman
29 July 2010

ASSET ADVISER REVIEW

Akur Partners LLP ("Akur"), a UK based asset advisory business, is the Asset Adviser to Infrastructure India plc ("IIP"). Akur's role as Asset Adviser is to execute investments on behalf of the board, manage the holdings on behalf of IIP, and in due course execute realisations in IIP's investments. Akur manages the two current investments: one in the renewable power sector and the other in the transport sector.

ECONOMIC BACKGROUND AND MARKET CONTEXT

During the period to 31 March 2010, economic data released from India have been consistent with sustained strong domestic demand. Although impacted by the continuing global financial difficulties, the Indian economy has shown itself to be sheltered to a certain extent from the events in the rest of the world, India is not the "workshop of the world" in the sense that China has become and hence is not driven to such a degree by exports to debt-laden western economies. Although growth slowed in 2008/09, India came nowhere near a recession - recent GDP growth figures are showing strong recovery, GDP for the quarter to March 2010 showed an 8.6% year on year growth, the fastest since 2007, and marks a return to India's average growth rate of 8.8% in the five years between 2003/4-2007/8. However, inflation is persistently high, with the Wholesale Price Index at 10.2% year on year in May 2010. Inflation is largely being driven by agricultural production and international commodity pricing. As such, the Reserve Bank of India has relatively little control in curbing this, although allowing the Indian rupee to appreciate has helped ease imported inflation. The key for the short term is the level of the monsoon rains, a "normal" monsoon season will aid agricultural production and contribute to further GDP gains and potentially ease inflation. The rains arrived on time this year but there is concern about the strength of the monsoon. However, it is still early in the season, and the actual strength and impact will not be known until towards the end of the year.

The Indian Government is now in the middle of its 11th Five Year Plan (covering 2007-2012), the plan aims to deliver c.US$500bn of infrastructure investment across a broad range of sectors, with the transport and energy sectors being the most prominent. Of the c.US$500bn total, approximately US$150bn was expected to be financed by the private sector. A government spokesman suggested earlier in the year that the Indian government expects, in aggregate, investment of c.US$300-350bn during the full period, and hence expects a shortfall. However, the total infrastructure investment is still likely to be far in advance of the previous five year plan (which achieved c.US$222bn of investment).

The absolute level of project planning and build in India is on an impressive scale – for example, just the current work plan of the National Highways Authority of India (NHAI) as at May 2010 alone shows 122 currently active major road projects developing over 11,000km of highways across the country, not including state or local level, or PPP projects. The NHAI further reports 49 active PPP projects currently requesting bids covering over 5,000 km of new highways across the country.

As regards the energy sector, India's projected supply deficit is still significant, forecasted to remain at over 10% of demand, even into 2012. Targets for the addition of power capacity remain a key part of the current five year plan. Of the few major public market transactions in the UK, one of the most significant was the IPO of Essar Energy plc in May of this year raising c.£1.3bn, primarily for developing energy assets, both power and oil and gas. Essar Energy plc entered the FTSE 100 and has shown modest share price growth since the IPO. It is aiming to bring onstream almost 5,000MW by 2012, and an additional c.6,000MW by 2014.

INVESTMENT ACTIVITY

WESTERN MP INFRASTRUCTURE & TOLL ROADS PRIVATE LIMITED

In September 2008, IIP invested £11.3 million (c.Rs. 960 million at the time of investment) in a toll road in Central India – Western MP Infrastructure & Toll Roads Private Limited ("WMPITRL"), representing a 26% shareholding in the toll road project. The transaction was undertaken through IIP's Mauritian subsidiary, Roads Infrastructure India. WMPITRL was awarded the project on a Design Build Finance Operate Transfer (DBFOT) basis in August 2007 for a term of 25 years. The toll road project comprises the development of a single 125 km stretch of highway to be widened and improved to reduce congestion experienced on the route and to provide further scope for traffic growth. The project is now effectively finished except for continuing work on two bridges crossing a busy railway. While tolling operations were originally anticipated to commence around April 2010, partial tolling on the first half of the road actually began several months ahead of schedule. Further, as soon as the remaining work on the bridges is completed, the second half of the road will also begin tolling - this is currently scheduled for towards the end of September 2010, although exact timing will depend on the relevant Indian railway authority granting sufficient access to the site contractors. Upon completion of the 25 year concession period, WMPITRL will have over the project highway to the Concession Authority.

There have been a number of variations to the project specification, in particular in relation to the railway bridges. The extra costs involved are technically for the account of the State Roads Authority. However, any reimbursement traditionally takes the form of an extension to the length of the concession rather than a direct payment, therefore the project company bears such additional costs. The Company, via Roads Infrastructure India, contributed £881,000 in October 2009 as part of its share of the marginal cost overrun. At that time, it was anticipated that a further contribution would be required of the order of approximately £719,000. However, following a re-analysis of certain documentation and a renegotiation of certain terms, the Company made a further contribution of a reduced amount of approximately £360,000 in June 2010, which allowed it to maintain its 26% shareholding in the asset.

Assuming that the equity is held to maturity and in accordance with the Company's stated valuation methodology (applying a single construction period discount rate), the value for this investment as at 31 March 2010 is £22.2 million compared to the £12.2 million as invested up to that date.

SHREE MAHESHWAR HYDEL POWER CORPORATION LIMITED

IIP, via its Mauritian subsidiary, Power Infrastructure India, invested a total of £13.2 million (Rs. 1.1 billion) in Shree Maheshwar Hydel Power Corporation Limited ("SMHPCL") in June 2008 in return for a 6.23% equity interest (post all dilution effects). SMHPCL was specifically established to own and develop a 400MW run-of-the-river hydroelectric power project situated on the Narmada River in Maheshwar, in the southwestern region of Madhya Pradesh, Central India. Once fully commissioned, the project is expected to be one of the largest privately owned hydroelectric power projects in India. The project is expected to commence operations during the fourth quarter of 2010 when the first of ten 40MW turbines will begin power generation. The first turbine has been delivered to the site and installation and testing is currently in progress. The asset is at an advanced stage of construction with over 95% of the civil works completed to date.

The Power Purchase Agreement ("PPA") signed between SMHPCL and the state government body, the Madhya Pradesh Electricity Board ("MPEB"), obliges the MPEB to take the full electricity production of the plant for a period of 35 years from the date of commissioning of the first turbine of the project, however the life time of the project is expected to be in excess of 50 years. The project has required some 22 villages to be relocated from land potentially subjected to flooding as a result of the project. The relocation process has been challenging for SMHPCL, particularly as it is the only private hydroelectric project on the Narmada River, while several other larger projects, which are government owned, are in full operation. The relocation process is a highly sensitive and critical process for SMHPCL and they are working closely with the relevant local state authorities to complete the process.

Assuming that the investment is held to maturity and in line with the Company's stated valuation methodology (applying a single construction period discount rate), the value derived for this holding as at 31 March 2010 is £17.4 million compared to the £13.2 million invested on 9 June 2008.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks
The implementation of the Company's investment policy is potentially affected by a number of risks and uncertainties. A detailed list of the risk factors that could potentially affect the Company is set out in the Prospectus issued 30 June 2008 to which investors should refer. The Prospectus is available on the Company's website http://www.iiplc.com/index.html

The principal risks affecting the Company include:

Current operational risks in existing projects
Operational risks relating to investments include: the Group's investee company management teams may be resistant to proactive shareholder involvement; infrastructure projects may be affected by cost overruns; infrastructure projects may be affected by the performance of the Engineering Procurement Construction (EPC) contractors causing project milestones to be delayed thus prolonging the ability of the project company to start generating revenues; and the Company will be dependent on the skills of the project management teams employed in the underlying SPVs.

GENERAL RISK FACTORS

Dependence on key personnel
The Company is highly dependent on the Directors, the senior strategic adviser (currently Andrew Friend) and also on the asset adviser, Akur Partners LLP ("Akur") to identify, structure and monitor investments and advise on exit strategies for the investments to be made by the Group.

No guarantee as to future performance of the Company
There can be no assurance that the Company will be able to achieve strong returns referred to in the Prospectus or that it will be fully invested at all times .

The Company's profitability is subject to Group companies' ability to secure project financing
The Company's growth depends on the successful development and implementation of the infrastructure projects it invests in, all of which require or may require equity capital and/or, in some cases, debt in order to achieve returns acceptable to investors. A long delay or inability to raise financing for the projects could have a material adverse effect on the business, financial condition, results of operation and prospects of the Company.

The Group is subject to competition risks and it may be difficult to identify and secure suitable investments
An increasing number of investors have become active in seeking investment opportunities with a focus on India, including in the infrastructure sector. The activity of identifying and securing attractive investments may therefore be highly competitive and involve a high degree of uncertainty from time to time.

The Group cannot guarantee project performance
There is no guarantee that the Group's investee projects will proceed or perform as planned, or in accordance with the expected timescale or cost estimate. Delay to the projects, or failure of the projects to be completed or to operate as planned could have a material adverse effect on the business, financial condition, results of operation and prospects of the Company.

RISKS RELATED TO THE GROUP'S INVESTMENTS

Project liability risk
The Asset Adviser will carry out due diligence on proposed investments. There can be no guarantee that the due diligence process will highlight or eliminate all risks and liabilities (including weaknesses and uncertainties in local legal and regulatory systems) associated with any project, and the project may incur, directly or indirectly, unexpected liabilities, such as environmental problems or operational defects requiring remediation which could have a material adverse effect on the business, financial condition, results of operation and prospects of the Company.

RISK FACTORS RELATED TO INDIA

Economic policy
The Company's performance and the market price and liquidity of the Ordinary Shares and Warrants may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Economy
The performance and the growth of the Company's business are necessarily dependent on the health of the overall Indian economy. The Indian economy has shown sustained growth over the last several years. However, the growth in industrial production in India has been variable. Any slowdown in the Indian economy, or future volatility of global commodity prices, could have a material adverse effect on the business, financial condition, results of operation and prospects of the Company.

Political risks
Future political and economic conditions in India may result in its government adopting different policies with respect to foreign investment. Any such changes in policy may affect ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, with potential adverse effects on the Group's investments.

FINANCIAL RISK MANAGEMENT

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

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

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and financial statements of the Group and Parent Company for the year ended 31 March 2010.

PRINCIPAL ACTIVITY AND INCORPORATION

Infrastructure India plc (the "Company") is a closed-end 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 London Stock Exchange on 30 June 2008.

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

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

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 March 2010 are set out in the Consolidated Statement of Comprehensive Income on page 12.

A review of the Group's activities is set out in the Chairman's report and the Asset Adviser's review on pages 2 and 4 respectively.

The Directors do not recommend the payment of a dividend (period ended 31 March 2009: £Nil).

DIRECTORS

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

Rupert Cottrell (Chairman)
Timothy Walker (Audit committee chairman)
Philip Scales
Prodaman Sarwal

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

COMPANY SECRETARY

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

AUDITORS

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

On behalf of the Board

Philip Scales
Director
29 July 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in Respect of the Annual Report and the Financial Statements

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

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

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

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

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

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

The Directors confirm that to the best of our knowledge:

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

On behalf of the Board

Philip Scales
Director
29 July 2010

CORPORATE GOVERNANCE STATEMENT

The Combined Code does not directly apply to companies incorporated within the Isle of Man but the Board of Infrastructure India plc has developed its internal procedures to be in line with the recommendations of the Combined Code where appropriate and these are monitored on a regular basis. The Directors will continue to comply with the relevant requirements of the Combined Code to the extent that they consider it appropriate having regard to the Company's size and the nature of its operations. The Board is not presently aware of any respects in which it will depart from its current approach and considers that the Company has complied with this approach to corporate governance throughout the accounting year.

RESPONSIBILITIES OF THE BOARD

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

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

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

AUDIT COMMITTEE

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

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

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

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

REPORT OF THE INDEPENDENT AUDITORS

KPMG Audit LLC, to the members of Infrastructure India plc

We have audited the Group and Parent Company financial statements (the "financial statements") of Infrastructure India plc for the year ended 31 March 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards are set out in the Statement of Directors' Responsibilities on page 9.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the Company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and any other information accompanying the financial statements and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the audited financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Group and Parent Company's affairs as at 31 March 2010 and of the Group's profit for the year then ended.

KPMG Audit LLC
Chartered Accountants
Heritage Court, 41 Athol Street, Douglas
Isle of Man IM99 1HN
29 July 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2010

Notes		2010 £'000	(Note 20) 2009 £'000
	Investment Income		
	Interest income on bank balances	18	278
11	Fair value gains on investments at fair value through profit or loss	6,719	7,467
11	Realised loss on expired option	-	(250)
	Net investment income	**6,737**	**7,495**
	Expenses		
7	Investment adviser fees	499	326
7	Performance fee provision	(1,559)	1,559
6	Other administration fees and expenses	3,104	2,367
	Foreign exchange loss	10	5
	Interest expense	-	55
	Total expenses	**2,054**	**4,312**
	Profit before taxation	**4,683**	**3,183**
8	Taxation	-	-
	Profit for the year/period	**4,683**	**3,183**
	Other comprehensive income	-	-
	Total comprehensive income	**4,683**	**3,183**
9	**Basic and diluted earnings per share (pence)**	**12.76p**	**8.67p**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2010

Notes		2010 £'000	2009 £'000
	Non-current assets		
11	Investments at fair value through profit or loss	39,600	32,000
	Total non-current assets	**39,600**	**32,000**
	Current assets		
15	Trade and other receivables	6	75
	Cash and cash equivalents	1,164	5,604
	Prepayments	32	5
	Total current assets	**1,202**	**5,684**
	Total assets	**40,802**	**37,684**
	Liabilities		
	Current liabilities		
16	Trade and other payables	(682)	(688)
	Total current liabilities	**(682)**	**(688)**
	Non-current liabilities		
7	Performance fee provision	-	(1,559)
	Total non-current liabilities	**-**	**(1,559)**
	Total liabilities	**(682)**	**(2,247)**
	Net assets	**40,120**	**35,437**
	Represented by:		
12	Ordinary shares	367	367
12	Share premium	31,887	31,887
	Retained reserves	7,866	3,183
	Total equity	**40,120**	**35,437**

These financial statements were approved by the Board on 29 July 2010 and signed on their behalf by:

Rupert Cottrell
Chairman

Philip Scales
Director

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

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2010

Notes		2010 £'000	2009 £'000
	Non-current assets		
10	Investment in subsidiary	-	-
	Total non-current assets	**-**	**-**
	Current assets		
15	Trade and other receivables	27,329	25,840
	Cash and cash equivalents	1,156	5,483
	Prepayments	5	4
	Total current assets	**28,490**	**31,327**
	Total assets	**28,490**	**31,327**
	Liabilities		
	Current liabilities		
16	Trade and other payables	(591)	(666)
	Total current liabilities	**(591)**	**(666)**
	Total liabilities	**(591)**	**(666)**
	Net assets	**27,899**	**30,661**
	Represented by:		
12	Ordinary shares	367	367
12	Share premium	31,887	31,887
	Retained reserves	(4,355)	(1,593)
	Total equity	**27,899**	**30,661**

The Company made a loss of £2,762,000 (period ended 31 March 2009: loss of £1,593,000).

These financial statements were approved by the Board on 29 July 2010 and signed on their behalf by:

Rupert Cottrell
Chairman

Philip Scales
Director

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2010

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total £'000
Total comprehensive income for the period to 31 March 2009:				
Profit for the period	-	-	3,183	3,183
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**3,183**	**3,183**
Transactions with owners recorded directly in equity:				
Contributions by and distributions to owners				
Issue of ordinary shares	367	36,333	-	36,700
Share issue costs	-	(4,446)	-	(4,446)
Total contributions by and distributions to owners	**367**	**31,887**	**-**	**32,254**
Balance at 31 March 2009	**367**	**31,887**	**3,183**	**35,437**
Balance at 1 April 2009	**367**	**31,887**	**3,183**	**35,437**
Total comprehensive income for the year to 31 March 2010:				
Profit for the period	-	-	4,683	4,683
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**4,683**	**4,683**
Balance at 31 March 2010	**367**	**31,887**	**7,866**	**40,120**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2010

	2010 £'000	(Note 20) 2009 £'000
Cash flows from operating activities		
Profit for the year/period	4,683	3,183
Adjustments:		
Interest income on bank balances	(18)	(278)
Fair value gains on investments at fair value through profit or loss	(6,719)	(7,467)
Foreign exchange loss	10	3
Finance expense	-	55
Realised loss of expired option	-	250
Performance fee provision	(1,559)	1,559
	(3,603)	(2,695)
(Decrease)/increase in creditors and accruals	(7)	688
Increase in debtors and prepayments	(34)	(5)
Total changes in working capital	(3,644)	(2,012)
Interest received	18	278
Net cash utilised by operating activities	**(3,626)**	**(1,734)**
Cash flows from investing activities		
Purchase of option	-	(250)
Purchase of investments	(881)	(24,533)
Proceeds from repayment of loan	75	-
Loan issued to investment adviser	-	(75)
Cash utilised by investing activities	**(806)**	**(24,858)**
Cash flows from financing activities		
Proceeds from issue of share capital	-	27,130
Payment of share issue costs	-	(4,446)
Proceeds from loan received	-	13,350
Repayment of loan received	-	(3,780)
Interest on loan paid	-	(55)
Net cash generated from financing activities	**-**	**32,199**
(Decrease)/increase in cash and cash equivalents	**(4,432)**	**5,607**
Cash and cash equivalents at the beginning of the year/period	5,604	-
Effect of exchange rate fluctuations on cash held	(8)	(3)
Cash and cash equivalents at the end of the year/period	**1,164**	**5,604**

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

1 GENERAL INFORMATION

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

The Company is listed on the London Stock Exchange.

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

The Group has no employees.

2 BASIS OF PREPARATION

(a) Statement of compliance

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

The consolidated financial statements were authorised for issue by the Board of Directors on 29 July 2010.

(b) Going concern

The Directors have considered the Company's cash flow forecast for the next eighteen months to conclude whether in their opinion it is appropriate to prepare the financial statements on a going concern basis. The cash flow forecast shows a positive cash position for the whole of this period, taking into account the net proceeds of the recently announced placing. The placing is contingent on shareholder approval at the forthcoming Extraordinary General Meeting on 12 August 2010 and final collection of placing monies, but the Directors are confident that shareholder approval will be obtained and the placing monies will be received and therefore it is appropriate to prepare the financial statements on a going concern basis. The consolidated financial statements do not include any adjustments that would result if the Group and Company were unable to continue as a going concern.

(c) Basis of measurement

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgements

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

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

(f) Changes in accounting policy

Presentation of financial statements

The Group applied revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(g) Other accounting developments

Disclosures pertaining to fair values and liquidity of financial instruments

The Company has applied Improving Disclosures about Financial Instruments (Amendments to IFRS 7), issued in March 2009, that require enhanced disclosures about fair value measurements and liquidity risk in respect of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

The amendments require that fair value measurement disclosures use a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values of financial instruments. Specific disclosures are required when fair value measurements are categorised as Level 3 (significant unobservable inputs) in the fair value hierarchy. The amendments require that any significant transfers between Level 1 and Level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore, changes in valuation techniques from one period to another, including the reasons therefore, are required to be disclosed for each class of financial instruments.

Disclosures in respect of fair values of financial instruments are included in notes 5 and 11.

Furthermore the definition of liquidity risk has been amended and it is now defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The amendments require disclosure of a maturity analysis for non-derivative and derivative financial liabilities, but contractual maturities are required to be disclosed for derivative financial liabilities only when contractual maturities are essential for an understanding of the timing of cash flows. For issued financial guarantee contracts, the amendments require maximum amount of the guarantee to be disclosed in the earliest period in which the guarantee could be called.

Disclosures in respect of liquidity risk are included in note 4.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

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

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

3.2 Segment reporting

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

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

3.3 Income

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

Interest income is recognised using the effective interest method.

3.4 Expenses

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

3.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(a) Current Income tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(b) Deferred income tax

Deferred tax is recognised using the balance sheet method, providing for 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 the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3.6 Foreign currency transactions

Transactions and balances

Transactions in other currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Sterling at foreign exchange rates ruling at the dates the fair value was determined.

3.7 Financial instruments

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

3.8 Investments

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

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

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

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

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

3.9 Trade and other receivables

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

3.10 Financial liabilities and equity

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

3.11 Provisions

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

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

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

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

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

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

New/Revised International Financial Reporting Standards (IAS/IFRS)	**Effective date** (accounting periods commencing after)
IAS 1 Presentation of Financial Statements (Revised April 2009)*	1 January 2010
IAS 7 Statement of Cash Flows (Revised April 2009)*	1 January 2010
IAS 17 Leases (Revised April 2009)*	1 January 2010
IAS 24 Related Party Disclosures - Revised definition of related parties	1 January 2011
IAS 28 Investments in Associates - Consequential amendments resulting from amendments to IFRS 3 (2008)	1 July 2009
IAS 31 Interests in Joint Ventures - Consequential amendments resulting from amendments to IFRS 3 (2008)	1 July 2009
IAS 32 Financial Instruments: Presentation - Amendments relating to classification of rights issues	1 February 2010
IAS 36 Impairment of Assets (Revised April 2009)*	1 January 2010
IAS 38 Intangible Assets (Revised April 2009)*	1 July 2009
IAS 39 Financial Instruments: Recognition and Measurement – Amendments for embedded derivatives when reclassifying financial instruments	30 June 2009
IAS 39 Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items	1 July 2009
IAS 39 Financial Instruments: Recognition and Measurement (Revised April 2009)*	1 January 2010
IFRS 2 Share-based Payment - Amendments relating to group cash-settled share-based payment transactions	1 January 2010
IFRS 3 Business Combinations – Comprehensive revision on applying the acquisition method	1 July 2009
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Revised April 2009)*	1 January 2010
IFRS 8 Operating Segments (Revised April 2009)*	1 January 2010
IFRS 9 Financial Instruments - Classification and Measurement	1 January 2013
IFRIC Interpretation	
IFRIC 17 Distributions of Non-Cash Assets to Owners	1 July 2009
IFRIC 18 Transfers of Assets from Customers	1 July 2009
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

*Amendments resulting from April 2009 Annual Improvements to IFRSs

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

4 FINANCIAL RISK MANAGEMENT

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

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

(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. 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 £39.6 million (2009: £32.0 million), representing the Group's investments in Indian Companies.

At 31 March 2010, 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 £4.0 million (2009: £3.2 million).

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

If the value of the Group's investment portfolio had increased by 5%, the Group's net assets would have increased by £2.0 million (2009: £1.6 million). A decrease of 5% would have resulted in an equal and opposite decrease in net assets.

(iii) Cash flow and fair value interest rate risk and sensitivity
The Group's cash and cash equivalents are invested at short-term market interest rates. The weighted average interest rate on cash balances as at 31 March 2010 is 0.25% (2009: 1%). There are no other financial assets and liabilities which are interest bearing. The Group is therefore not subject to significant cash flow or fair value interest rate risk and therefore a sensitivity analysis has not been provided.

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

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

Residual undiscounted contractual maturities of financial liabilities:

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

31 March 2009	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5years £'000	No stated maturity £'000
Financial liabilities						
Trade and other payables	-	-	688	1,559	-	-

5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Key sources of estimation uncertainty

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

Critical judgements in applying the Company's accounting policies

Critical judgements made in applying the Company's accounting policies include:

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

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

Fair values of financial assets and financial liabilities that are traded in active markets are based

on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques.

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

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

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

	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit or loss (note 11)			
Shree Maheshwar Hydel Power Corporation Ltd	-	-	17,400
Western MP Infrastructure & Toll Roads Private Limited	-	-	22,200
	-	**-**	**39,600**

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:

	31 March 2010 £'000
Fair value brought forward	32,000
Capital calls	881
Movement in fair value	6,719
Fair value at year end	**39,600**

If the determined discount rates were increased by 1% per annum, the value of unlisted equity securities would fall by £4.1 million (2009: £3.5 million).

Estimated performance fee (carried interest) on investments
As described in note 7 the Investment Adviser Agreement was terminated on the 29 April 2010 and no provision is now made for any performance fees that may be payable on the eventual realisation of the Company's investments.

6 OTHER ADMINISTRATION FEES AND EXPENSES

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Audit fees*	35	67
Legal fees	1,251	836
Corporate advisory fees**	573	225
Public relations fees	53	70
Consultancy fees	56	82
Other professional costs	769	738
Administration fees	134	117
Directors' fees (note 14)	120	132
Insurance costs	16	11
Other	97	89
	3,104	**2,367**

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

**Corporate advisory fees paid to Akur Partners LLP see note 19.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

7 INVESTMENT ADVISER FEES AND PERFORMANCE FEES

The Investment Adviser received a management fee of 2% per annum of the amount invested payable quarterly in advance, and was also entitled to a performance fee on realised investment gains and income. The Investment Adviser Agreement was terminated on the 29 April 2010 (See note 19) and no provision is now made for any performance fee that may be payable on the eventual realisation of the investments.

8 TAXATION

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

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

9 EARNINGS PER SHARE

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

	Year ended 31 March 2010	Period ended 31 March 2009
Profit attributable to shareholders (thousands)	£4,683	£3,183
Weighted average number of ordinary shares in issue (thousands)	36,700	36,700
Basic and diluted earnings per share (pence)	12.76p	8.67p

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

10 INVESTMENTS IN SUBSIDIARIES

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

Name	Country of Incorporation	Ownership interest
Infrastructure India HoldCo	Mauritius	100%
Power Infrastructure India	Mauritius	100%
Roads Infrastructure India	Mauritius	100%
Roads Infrastructure India (Two)	Mauritius	100%
Distribution and Logistics Infrastructure India	Mauritius	100%

11 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	Total £'000
Cost	13,220	11,313	24,533
Fair value adjustment	1,180	6,287	7,467
Balance as at 31 March 2009	**14,400**	**17,600**	**32,000**
Additional capital injection	-	881	881
Fair value adjustment	3,000	3,719	6,719
Balance as at 31 March 2010	**17,400**	**22,200**	**39,600**

* Shree Maheshwar Hydel Power Corporation Ltd
** Western MP Infrastructure & Toll Roads Private Limited

The investments have been fair valued by the Directors as at 31 March 2010 using discounted cash flow techniques, as described in note 5. The discount rate adopted for both investments is the single "construction period" discount rate, which consists of the risk free rate plus a risk premium of 6% for WMPITRL and 8% for SMHPCL. The fair values stated above do not take account of the costs which would be incurred upon the disposal of the investments.

On 9 June 2008, the Group acquired a 20.49% equity interest (which interest may be subject to dilution as a result of the conversion of certain debts and debentures, and the issuance, without pre-emption rights, of shares in the investee company) in Shree Maheshwar Hydel Power Corporation Ltd ("SMHPCL"), an Indian private company, for a total consideration of Rs 1.1 billion (£13,220,000). The cost of this investment comprises Rs 500m used to subscribe for shares in SMHPCL and Rs 600m paid to a co-investor in SMHPCL, by way of a guarantee fee. The Co-investor has agreed to guarantee a minimum IRR of 15% on the Group's total investment in connection with SMHPCL, secured on certain shares in SMHPCL held by a subsidiary of the Co-investor which will be transferred to the Group if the guaranteed return is not met. The Co-investor has agreed to use Rs 500m of the guarantee fee to subscribe for shares in SMHPCL.

The Group also acquired an option for a consideration of £250,000 to make further investments in SMHPCL. The option expired and was written off as an investment loss.

On 29 September 2008, the Group acquired a 26% equity interest in Western MP Infrastructure & Toll Road Private Limited ("WMPITRL"), an Indian private company, for a total consideration of Rs 960m (£11,313,000). A further capital injection of Rs 68.3 million (£881,000) was made on 15 October 2009.

12 SHARE CAPITAL

	No. of shares	Share capital £'000	Share premium £'000
Ordinary shares of £0.01 each	36,700,000	367	31,887
	36,700,000	367	31,887

The Company was incorporated on 18 March 2008 with 1 ordinary share of £1. The Company has no authorised share capital.

The Company achieved a placing agreement of 36,700,000 ordinary shares of 1p each in the capital of the Company when admitted to the London Stock Exchange on 30 June 2008.

Capital management

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

Group capital comprises share capital and reserves.

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

13 WARRANTS

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

14 DIRECTORS' FEES AND DIRECTORS INTERESTS

The Directors had the following interests in the shares of the Company at 31 March 2010 and 2009:

Rupert Cottrell	25,000	Ordinary Shares
Timothy Walker	25,000	Ordinary Shares
Prodaman Sarwal	25,000	Ordinary Shares

Details of the Directors annual remuneration are as follows:

	Year ended 31 March 2010 £'000	Period ended 31 March 2009 £'000
Rupert Cottrell	60	66
Timothy Walker	30	33
Prodaman Sarwal	30	33
Philip Scales	nil	nil
	120	132

All Directors were appointed for an initial term of three years with 15 months remaining as at 31 March 2010.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

15 TRADE AND OTHER RECEIVABLES

	2010 Group £'000	2009 Group £'000	2010 Company £'000	2009 Company £'000
Advance to Bloomsbury Asset Management Advisors*	-	75	-	-
Intercompany loans	-	-	27,323	25,840
Other receivables	6	-	6	-
	6	**75**	**27,329**	**25,840**

* The loan was interest free, unsecured and repaid during the year.

16 TRADE AND OTHER PAYABLES

	2010 Group £'000	2009 Group £'000	2010 Company £'000	2009 Company £'000
Trade payables	500	318	500	318
Accruals	182	370	91	348
	682	**688**	**591**	**666**

17 COMMITMENTS

As at 31 March 2010 the Group had no capital commitments in respect of capital expenditures contracted for at the statement of financial position date but not yet incurred.

18 RELATED PARTY TRANSACTIONS

Related parties and material related party transactions and balances and other transactions with affiliates, including fees, commissions, no charge transactions, purchases and sales and related amounts receivable or payable must be disclosed.

As defined in International Accounting Standard 24, Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions are transfers of resources or obligations between related parties, regardless of whether a price is charged.

Investment Adviser fees
Investment Adviser fees are disclosed in note 7.

Investment Adviser loan
A loan to the Investment adviser is disclosed in note 15.

Administrator fees
Philip Scales is a Director of the Company and of the Administrator. The Administrator received fees of £85,000 in the year (2009: £78,750).

19 EVENTS AFTER THE BALANCE SHEET DATE

Termination of Investment Adviser Agreement

On 15 April 2010, Infrastructure India HoldCo ("IIH"), a subsidiary of Infrastructure India, served notice on Bloomsbury Asset Management Advisors ("BAMA") to terminate the Investment Adviser Agreement dated 23 June 2008 ("the Agreement") made between IIH and BAMA. Further to the announcement on 29 April 2010, the contractual notice period expired and the Agreement terminated. Under the terms of the Agreement, BAMA provided investment advisory services to IIH and its subsidiaries.

The Company does not intend to replace BAMA as Investment Adviser but instead will rely on its own internal resources and the continued services of its Asset Adviser, Akur Partners LLP ("Akur"). Akur was appointed in November 2009 to ensure the Company has access to services equivalent to those contained in the Agreement with the exception of responsibilities for deal origination and realisations which will be undertaken by the board of Infrastructure India HoldCo.

Project overrun

On 25 June 2010, Roads Infrastructure India ("RII"), a subsidiary of Infrastructure India, paid Rs 24.6 million (£360,000) to Western MP Infrastructure & Toll Road Private Limited in respect of the marginal cost overrun previously reported.

Placing

The Company announced on 27 July 2010 a placing of 3,089,158 new ordinary shares of 1p each at a price of 44p per ordinary share. The placing is expected to raise approximately £1.36 million, before expenses, subject to approval at an extraordinary general meeting of the Company to be held on 12August 2010. The new ordinary shares, when issued and fully paid, will rank pari passu, in all respects with the existing ordinary shares, including the right to all future dividends or other distributions made, paid or otherwise declared on or after the date of admission.

20 COMPARATIVE FIGURES

The comparative figures are for the period from 18 March 2008 (date of incorporation) to 31 March 2009.

21 NET ASSET VALUATION (NAV)

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

	2010	**2009**
Net assets (£'000)	40,120	35,437
Number of shares in issue (note 12)	36,700,000	36,700,000
NAV per share	£1.09	£0.97

COMPANY INFORMATION

DIRECTORS
Rupert Cottrell (Chairman)
Timothy Walker (Audit Committee Chairman)
Philip Scales
Prodaman Sarwal

COMPANY SECRETARY
Philip Scales

REGISTERED OFFICE
IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

CORPORATE & ASSET ADVISER
Akur Partners LLP
1st Floor, Holborn Gate
330 High Holborn
London
WC1V 7QT

SPONSOR
Smith & Williamson Corporate Finance Limited
25 Moorgate
London
EC2R 6AY

FINANCIAL ADVISER & BROKER
Singer Capital Markets Limited
One Hanover Street
London
W1S 1AX

ADMINISTRATOR
IOMA Fund and Investment Management Limited
IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

REGISTRARS
Capita Registrars (Isle of Man) Limited
3rd Floor, Exchange House
54-62 Athol Street
Douglas
Isle of Man
IM1 1JD

AUDITORS
KPMG Audit LLC
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN